



JOURNAL

OF THE

SENATE

SIXTY-THIRD DAY
(Continued)

REGULAR SESSION

OF THE

EIGHTY-THIRD LEGISLATURE

WEDNESDAY, MAY 22, 2013



SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-THIRD DAY

(Continued)

(Wednesday, May 22, 2013)

AFTER RECESS

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

Pastor Don Duncan, Tree of Life Church, New Braunfels, offered the invocation as follows:

Dear heavenly Father, I come to You today asking for Your hand and Your blessing on the men and women of the Senate of the great State of Texas. I thank You for their commitment and sacrifice in serving the people. I'm reminded of the example You set, Lord, in scriptures when You said, I did not come to be served but to serve. May that same heart be in them, the heart of a servant. As they give themselves to the great responsibility of leading this state, I pray that You are with them every step of the way. I pray that they feel Your presence and allow Your spirit to lead them and guide them through the many difficult decisions that need to be made. I pray that You give them the ability to see beyond personal wants and desires and see the path that is best for all, and I pray they all can work together to fulfill their calling. Heavenly Father, they have such a great responsibility in what they are called to do. So, I ask You to come alongside them and equip them and empower them to perform it. Help them realize that they are not alone but that You are just a prayer away. Let them know that when they seek You they will find You, and when they knock, You will answer. May they tap into the grace that You provide to perform their sacred duties and responsibilities, and may they always ask, What would You have us do Lord? Father, Your word says in Proverbs 24:3-4, By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled. I thank You that through wisdom these men and women are building this house, this great State of Texas, on all of our behalf. Your word says that when we lack wisdom, all we need is to ask for it and it is given liberally. So, I ask You for wisdom for these Senators to build this house. I pray for understanding that it may be established. May they have a greater understanding of the needs of the people of the State of Texas. I pray that they have a greater understanding of You and Your ways so they may lead us in line with Your

plans and Your purposes. I ask that You give them the courage and the boldness to carry out what they understand to be best for Texas. Through understanding, they will continue to establish this state in a position of strength and blessing. And, Father, give them knowledge. Give them the knowledge that is needed to make good decisions and right choices. Help them not to be led by personal wants and desires but by that which is of the greater good for all. Give them the knowledge they need to make difficult decisions. Your word says that through knowledge, its rooms are filled. I pray that the decisions they make with the knowledge they have will fill this house, this State of Texas with blessing, prosperity, safety, and protection. May it be filled with all that is needed to keep this state blessed. I pray that You bless each and every Senator. I pray You bless them in what they do here and the sacrifices they make. I pray You bless them with health, wisdom, peace, strength, joy, and prosperity. I pray that You bless their marriages, their families, and their relationships. I pray that You protect them and keep them safe. No harm shall befall them and no plague shall come near their dwelling. I pray You help them guard their heart, mind, and emotions and no weapon formed against them shall prosper. I pray this prayer in faith, with great expectation, and in the name of Jesus. Amen.

PHYSICIAN OF THE DAY

Senator Huffman was recognized and presented Dr. Elise Sadoun of Sugar Land as the Physician of the Day.

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

(Senator Seliger in Chair)

HOUSE BILL 1511 ON SECOND READING

Senator Eltife moved to suspend the regular order of business to take up for consideration **HB 1511** at this time on its second reading:

HB 1511, Relating to the rates of sales and use taxes imposed by municipalities; authorizing an increase or decrease in the rate of those taxes.

The motion prevailed.

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

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

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

Nays: Duncan, Patrick.

HOUSE BILL 1511 ON THIRD READING

Senator Eltife moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1511** be placed on its third reading and final passage.

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

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

Nays: Duncan, Patrick.

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 826 ON SECOND READING**

Senator Eltife moved to suspend the regular order of business to take up for consideration **CSHB 826** at this time on its second reading:

CSHB 826, Relating to the definitions of certain terms for purposes of the ad valorem taxation of certain dealer's heavy equipment inventory.

The motion prevailed.

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

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

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

Nays: Zaffirini.

**COMMITTEE SUBSTITUTE
HOUSE BILL 826 ON THIRD READING**

Senator Eltife moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 826** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

REPORT OF COMMITTEE ON NOMINATIONS

Senator Hegar submitted the following report from the Committee on Nominations:

We, your Committee on Nominations, to which were referred the following appointments, have had same under consideration and report them back to the Senate with a recommendation that they be confirmed:

Member, Commission on Human Rights: Sharon Breckenridge Thomas, Bexar County.

Members, Commission on Jail Standards: Donna Sue Klaeger, Burnet County; Jerry Wayne Lowry, Montgomery County; Larry S. May, Nolan County; Dennis Darwin Wilson, Limestone County.

Members, Governing Board, Texas Indigent Defense Commission: Jon H. Burrows, Bell County; Don Taylor Hase, Tarrant County; Anthony C. Odiorne, Williamson County; Olen U. Underwood, Montgomery County; B. Glen Whitley, Tarrant County.

Members, Board of Directors, Guadalupe-Blanco River Authority: William R. Carbonara, DeWitt County; Darrell Gene McLain, Gonzales County; Don B. Meador, Hays County; Kenneth Alan Motl, Calhoun County.

Members, Judicial Compensation Commission: William Buck Brod, Harris County; Conrith Warren Davis, Fort Bend County; Patrick W. Mizell, Harris County; Linda B. Russell, Galveston County.

Members, Board of Directors, Lavaca-Navidad River Authority: Glenn Terrell Martin, Jackson County; Scott Herin Sachtleben, Jackson County; Leonard A. Steffek, Jackson County; Charles David Taylor, Jackson County.

Member, Board of Directors, Lower Colorado River Authority: Raymond Alexander Gill, Llano County.

Members, Board of Directors, Nueces River Authority: Rebecca Bradford, Nueces County; Dane Charles Bruun, Nueces County; Lynn Elizabeth Haueter, Nueces County; Joe Curtis McMillian, Frio County; David E. Purser, Karnes County; Armandina Garcia Ramirez, Karnes County; Emily Gayle Kinney Stroup, Bexar County.

Members, Product Development and Small Business Incubator Board: Brett Lawrence Comwell, 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; Amiral Rupani, Dallas County; Ana Laura Saucedo, Dallas County; Dudley Knox Skyrme, Anderson County; Carl Dwayne Somerville, Freestone County.

Members, Board of Regents, The University of Texas System: Ernest Aliseda, Hidalgo County; Paul Lewis Foster, El Paso County; Jeffery Dee Hildebrand, Harris County.

NOTICE OF CONSIDERATION OF NOMINATIONS

Senator Hegar gave notice that tomorrow he would submit to the Senate for consideration nominations to agencies, boards, and commissions of the state.

(Senator Eltife in Chair)

HOUSE BILL 315 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 315** at this time on its second reading:

HB 315, Relating to the applicability of the law governing the ad valorem taxation of a dealer's motor vehicle inventory.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 315** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 23.121(a)(3)(D)(iii), Tax Code, between "chief appraiser" and "a" (page 2, line 3), insert "and the collector".

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

SECTION ____ . Section 23.121, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A dealer who has elected to file the declaration described by Subsection (a)(3)(D)(iii) and to render the dealer's motor vehicle inventory as provided by Subsection (a)(3)(D)(iv) must continue to file the declaration and render the dealer's motor vehicle inventory so long as the dealer meets the requirements of Subsection (a)(3)(D)(ii)(a) or (b).

The amendment to **HB 315** was read and was adopted by a viva voce vote.

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

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

HB 315 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 315 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 315** be placed on its third reading and final passage.

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

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

HOUSE BILL 1009 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **HB 1009** at this time on its second reading:

HB 1009, Relating to the creation of a new category of law enforcement officer who shall be designated a school marshal, the training and appointment of certain employees of a school district or open-enrollment charter school as school marshals, and the rights, restrictions, limitations, and responsibilities of school marshals; authorizing the imposition of a fee.

The motion prevailed.

Senators Ellis, Garcia, Rodríguez, and Uresti asked to be recorded as voting "Nay" on suspension of the regular order of business.

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

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

Nays: Ellis, Garcia, Rodríguez, Uresti.

HOUSE BILL 1009 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1009** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

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

Nays: Ellis, Garcia, Rodríguez, Uresti.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 213 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 213** at this time on its second reading:

CSHB 213, Relating to the \$1 million total revenue exemption for the franchise tax.

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

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

COMMITTEE SUBSTITUTE HOUSE BILL 213 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 213** be placed on its third reading and final passage.

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

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

GUESTS PRESENTED

Senator Hinojosa was recognized and introduced to the Senate members and representatives of the Ben Bolt-Palito Blanco Mariachi Band.

The Senate welcomed its guests.

**COMMITTEE SUBSTITUTE
HOUSE BILL 984 ON SECOND READING**

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 984** at this time on its second reading:

CSHB 984, Relating to certain information required to be provided to an applicant for a marriage license.

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

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 984 ON THIRD READING**

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 984** be placed on its third reading and final passage.

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

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 489 ON SECOND READING**

Senator Uresti moved to suspend the regular order of business to take up for consideration **CSHB 489** at this time on its second reading:

CSHB 489, Relating to rights and responsibilities of persons with disabilities, including with respect to the use of service animals that provide assistance to those persons; providing penalties.

The motion prevailed.

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

The bill was read second time.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 489** (senate committee printing) in SECTION 1 of the bill, in added Section 437.023, Health and Safety Code (page 1, line 45), between "disability" and ":", insert "and is clearly marked as a service animal".

The amendment to **CSHB 489** was read and was adopted by a viva voce vote.

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

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 489** (senate committee printing) as follows:

(1) In SECTION 2 of the bill, strike amended Section 121.002(1), Human Resources Code (page 2, lines 3-12), and substitute the following:

(1) "Assistance animal" and "service animal" mean a canine ~~[means an animal]~~ that is specially trained or equipped to help a person with a disability and that:

(A) is used by a person with a disability ~~[who has satisfactorily completed a specific course of training in the use of the animal]~~; and

(B) has been trained by an organization generally recognized by agencies involved in the rehabilitation of persons with disabilities as reputable and competent to provide animals with training of this type.

(2) In SECTION 3 of the bill, strike amended Section 121.003(i), Human Resources Code (page 2, line 65, through page 3, line 1), and substitute the following:

(i) A service ~~[An assistance]~~ animal in training shall not be denied admittance to any public facility when accompanied by an approved trainer who is an agent of an organization generally recognized by agencies involved in the rehabilitation of persons who are disabled as reputable and competent to provide training for assistance animals, or the animal's handler ~~[and/or their handlers]~~.

(3) In SECTION 5 of the bill, in amended Section 121.006(a), Human Resources Code (page 3, lines 48 and 49), strike "~~[of the type described in Section 121.002(1)(B) of this chapter]~~" and substitute "of the type described in Section 121.002(1)(B) ~~[of this chapter]~~".

The amendment to **CSHB 489** was read and was adopted by a viva voce vote.

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

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

CSHB 489 as amended was passed to third reading by a viva voce vote.

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

Nays: Hancock, Hegar.

**COMMITTEE SUBSTITUTE
HOUSE BILL 489 ON THIRD READING**

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 489** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hancock.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2.

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

Nays: Hancock, Hegar.

HOUSE BILL 1755 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **HB 1755** at this time on its second reading:

HB 1755, Relating to authorizing the appointment of a public probate administrator; authorizing fees.

The motion prevailed.

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

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

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

Nays: Campbell, Patrick, Paxton.

HOUSE BILL 1755 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1755** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

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

Nays: Campbell, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 1847 ON SECOND READING

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1847** at this time on its second reading:

CSHB 1847, Relating to continuing legal education in ethics or professional responsibility for prosecutors.

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

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 1847 ON THIRD READING**

Senator Huffinan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1847** be placed on its third reading and final passage.

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

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

HOUSE BILL 97 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 97** at this time on its second reading:

HB 97, Relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization and to the eligibility of the surviving spouse of a person who is disabled to receive a limitation on school district ad valorem taxes on the person's residence homestead.

The bill was read second time.

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

Floor Amendment No. 1

Amend **HB 97** (senate committee printing) as follows:

(1) Strike the heading to Article 1 of the bill (page 1, line 33) and renumber the SECTIONS of Article 1 of the bill accordingly.

(2) In SECTION 1.08 of the bill relating to the applicability of Article 1 (page 3, line 46) strike "article" and substitute "Act".

(3) In SECTION 1.08 of the bill relating to the applicability of Article 1 (page 3, line 48) strike "article" and substitute "Act".

(4) In SECTION 1.09 of the bill providing the effective date for Article 1 (page 3, line 49) strike "article" and substitute "Act".

(5) In SECTION 1.09 of the bill providing the effective date for Article 1 (page 3, line 57) strike "article" and substitute "Act".

(6) Strike Article 2 of the bill (page 3, line 58, through page 4, line 13).

The amendment to **HB 97** was read and was adopted by a viva voce vote.

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

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

HB 97 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 97 ON THIRD READING

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 97** be placed on its third reading and final passage.

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

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

SENATE BILL 357 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 357** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 357** (house committee report) on page 1, line 19, as follows:

- (1) Strike "previously issued".
- (2) Strike "with respect to" and substitute "involving".

Floor Amendment No. 1 on Third Reading

Amend **SB 357** (house committee report) as follows:

(1) In SECTION 3 of the bill, in the transition provision (page 2, line 10), strike "Article 7A.03" and substitute "Chapter 7A".

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

SECTION _____. The heading to Chapter 7A, Code of Criminal Procedure, is amended to read as follows:

CHAPTER 7A. PROTECTIVE ORDER FOR [~~CERTAIN~~] VICTIMS OF
[~~TRAFFICKING OR~~] SEXUAL ASSAULT OR ABUSE, STALKING, OR
TRAFFICKING

SECTION _____. Article 7A.05(a), Code of Criminal Procedure, is amended to read as follows:

- (a) In a protective order issued under this chapter, the court may:
 - (1) order the alleged offender to take action as specified by the court that the court determines is necessary or appropriate to prevent or reduce the likelihood of future harm to the applicant or a member of the applicant's family or household; or
 - (2) prohibit the alleged offender from:
 - (A) communicating:
 - (i) directly or indirectly with the applicant or any member of the applicant's family or household in a threatening or harassing manner; or
 - (ii) in any manner with the applicant or any member of the applicant's family or household except through the applicant's attorney or a person appointed by the court, if the court finds good cause for the prohibition;

(B) going to or near the residence, place of employment or business, or child-care facility or school of the applicant or any member of the applicant's family or household;

(C) engaging in conduct directed specifically toward the applicant or any member of the applicant's family or household, including following the person, that is reasonably likely to harass, annoy, alarm, abuse, torment, or embarrass the person; and

(D) possessing a firearm, unless the alleged offender is a peace officer, as defined by Section 1.07, Penal Code, actively engaged in employment as a sworn, full-time paid employee of a state agency or political subdivision.

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 357**.

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

SENATE BILL 1451 WITH HOUSE AMENDMENT

Senator Hinojosa called **SB 1451** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1451** (house committee printing) as follows:

(1) On page 11, strike line 1 and substitute the following:

'SECTION 5. Subdivisions (2) and (4), Section 34.01, Penal Code, are

(2) On page 11, between lines 2 and 3, insert the following:

(2) "Funds" includes:

(A) coin or paper money of the United States or any other country that is designated as legal tender and that circulates and is customarily used and accepted as a medium of exchange in the country of issue;

(B) United States silver certificates, United States Treasury notes, and Federal Reserve System notes;

(C) an official foreign bank note that is customarily used and accepted as a medium of exchange in a foreign country and a foreign bank draft; and

(D) currency or its equivalent, including an electronic fund, a personal check, a bank check, a traveler's check, a money order, a bearer negotiable instrument, a bearer investment security, a bearer security, a [or] certificate of stock in a form that allows title to pass on delivery, or a stored value card as defined by Section 604.001, Business & Commerce Code.

The amendment was read.

Senator Hinojosa moved to concur in the House amendment to **SB 1451**.

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

HOUSE BILL 2021 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 2021** at this time on its second reading:

HB 2021, Relating to the authority of a municipality or county to contract for the collection of certain amounts; authorizing a fee.

The motion prevailed.

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

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

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

Nays: Schwertner, Williams.

HOUSE BILL 2021 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2021** be placed on its third reading and final passage.

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

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

Nays: Schwertner, Williams.

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

HOUSE BILL 2233 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2233** at this time on its second reading:

HB 2233, Relating to signature verification on an early voting ballot voted by mail.

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

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

HOUSE BILL 2233 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2233** be placed on its third reading and final passage.

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

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 586 ON SECOND READING**

Senator Deuell moved to suspend the regular order of business to take up for consideration **CSHB 586** at this time on its second reading:

CSHB 586, Relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies.

The motion prevailed.

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

The bill was read second time.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 586** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 114.002, Civil Practice and Remedies Code (page 1, line 49), between "contract" and the period, insert ", in which the amount in controversy is not less than \$250,000, excluding penalties, costs, expenses, pre-judgment interest, and attorney fees".

(2) In SECTION 1 of the bill (page 2, lines 55-60), strike added Section 114.012, Civil Practice and Remedies Code, and substitute the following:

Sec. 114.012. EXCLUSIVE REMEDY. A claim to which this chapter applies may not be brought under Chapter 2260, Government Code, against the state or a unit of state government as defined by Section 2260.001, Government Code.

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

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

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 586** (senate committee printing) in SECTION 1 of the bill, in added Section 114.004(a)(2), Civil Practice and Remedies Code (page 2, lines 6-7), by striking "or additional work required to carry out the contract".

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

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

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 586** (senate committee printing) in SECTION 1 of the bill, in added Section 114.004(a)(3), Civil Practice and Remedies Code (page 2, line 10), by striking "for that recovery" and substituting "that recovery of attorney's fees is available to all parties to the contract".

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

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

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

CSHB 586 as amended was passed to third reading by a viva voce vote.

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

Nays: Campbell, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 586 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 586** be placed on its third reading and final passage.

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

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

Nays: Campbell, Schwertner.

The bill was read third time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1 on Third Reading

Amend **CSHB 586** on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2001.052, Government Code, is amended to read as follows:

Sec. 2001.052. CONTENTS OF NOTICE. (a) Notice of a hearing in a contested case must include:

- (1) a statement of the time, place, and nature of the hearing;
 - (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
 - (3) a reference to the particular sections of the statutes and rules involved;
- and
- (4) a short, plain statement of the factual matters asserted.

(b) If a state agency or other party is unable to state factual matters in detail at the time notice under this section is served, an initial notice may be limited to a statement of the issues involved. On timely written application, a more definite and detailed statement of the facts shall be furnished not less than seven [~~three~~] days before the date set for the hearing. In a proceeding in which the state agency has the

burden of proof, a state agency that intends to rely on a section of a statute or rule not previously referenced in the notice of hearing must amend the notice to refer to the section of the statute or rule not later than the seventh day before the date set for the hearing. This subsection does not prohibit the state agency from filing an amendment during the hearing of a contested case provided the opposing party is granted a continuance of at least seven days to prepare its case on request of the opposing party.

(c) In a suit for judicial review of a final decision or order of a state agency in a contested case, the state agency's failure to comply with Subsection (a)(3) or (b) shall constitute prejudice to the substantial rights of the appellant under Section 2001.174(2) unless the court finds that the failure did not unfairly surprise and prejudice the appellant.

SECTION _____. Section 2001.054, Government Code, is amended by adding Subsections (c-1) and (e) to read as follows:

(c-1) If a state agency that has been granted the power to summarily suspend a license under another statute determines that an imminent peril to the public health, safety, or welfare requires emergency action and incorporates a factual and legal basis establishing that imminent peril in an order, the agency may issue an order to summarily suspend the license holder's license pending proceedings for revocation or other action. Unless expressly provided otherwise by another statute, the agency shall initiate the proceedings for revocation or other action not later than the 30th day after the date the summary suspension order is signed. The proceedings must be promptly determined, and if the proceedings are not initiated before the 30th day after the date the order is signed, the license holder may appeal the summary suspension order to a Travis County district court. This subsection does not grant any state agency the power to suspend a license without notice or a hearing.

(e) In a suit for judicial review of a final decision or order of a state agency brought by a license holder, the agency's failure to comply with Subsection (c) shall constitute prejudice to the substantial rights of the license holder under Section 2001.174(2) unless the court determines that the failure did not unfairly surprise and prejudice the license holder.

SECTION _____. Subsections (a) and (e), Section 2001.141, Government Code, are amended to read as follows:

(a) A decision or order of a state agency that may become final under Section 2001.144 that is adverse to any [a] party in a contested case must be in writing and signed by a person authorized by the agency to sign the agency decision or order [stated in the record].

(e) If a party submits under a state agency rule proposed findings of fact or conclusions of law, the decision shall include a ruling on each proposed finding or conclusion.

SECTION _____. Section 2001.142, Government Code, is amended to read as follows:

Sec. 2001.142. NOTIFICATION OF DECISIONS AND ORDERS. (a) A state agency shall notify each party to [in] a contested case [~~shall be notified either personally or by first class mail~~] of any decision or order of the agency in the following manner:

(1) personally;

(2) if requested or agreed to by the party to be notified, by electronic means sent on the same day the decision or order is signed to the current e-mail address or telecopier number of the party's attorney of record or of the party if the party is not represented by counsel; or

(3) by first class, certified, or registered mail sent to the last known address of the party's attorney of record or of the party if the party is not represented by counsel.

(b) When a decision or order [On issuance] in a contested case [of a decision] that may become final under Section 2001.144 is signed or when an order ruling on a motion for rehearing is signed, a state agency shall deliver or send a copy of the decision or order to each party in accordance with Subsection (a). The state agency shall keep a record documenting the provision of the notice provided to each party in accordance with Subsection (a) [by first class mail to the attorneys of record and shall keep an appropriate record of the mailing. If a party is not represented by an attorney of record, the state agency shall send a copy of the decision or order by first class mail to the party and shall keep an appropriate record of the mailing].

(c) If an adversely affected party or the party's attorney of record does not receive the notice required by Subsections (a) and (b) or acquire actual knowledge of a signed decision or order before the 20th day after the date the decision or order is signed, a period specified by or agreed to under Section 2001.144(a), 2001.146, 2001.147, or 2001.176(a) relating to a decision or order or motion for rehearing begins, with respect to that party, on the date the party receives the notice or acquires actual knowledge of the signed decision or order, whichever occurs first. The period may not begin earlier than the 20th day or later than the 90th day after the date the decision or order was signed [A party or attorney of record notified by mail under Subsection (b) is presumed to have been notified on the third day after the date on which the notice is mailed].

(d) To establish a revised period under Subsection (c), the adversely affected party must prove, on sworn motion and notice, that the date the party received notice from the state agency or acquired actual knowledge of the signing of the decision or order was after the 19th day but not later than the 90th day after the date the decision or order was signed.

(e) The state agency must grant or deny the sworn motion not later than the agency's governing board's next meeting or, for a state agency without a governing board with decision-making authority in contested cases, not later than the 10th day after the date the agency receives the sworn motion.

(f) If the state agency fails to grant or deny the motion at the next meeting or before the 10th day after the date the agency receives the motion, as appropriate, the motion is considered granted.

(g) If the sworn motion filed under Subsection (d) is granted with respect to the party filing that motion, all the periods specified by or agreed to under Section 2001.144(a), 2001.146, 2001.147, or 2001.176(a) relating to a decision or order, or motion for rehearing, shall begin on the date specified in the sworn motion that the party first received the notice required by Subsections (a) and (b) or acquired actual knowledge of the signed decision or order. The date specified in the sworn motion shall be considered the date the decision or order was signed.

SECTION _____. The heading to Section 2001.143, Government Code, is amended to read as follows:

Sec. 2001.143. TIME OF ~~RENDERING~~ DECISION.

SECTION _____. Subsections (a) and (b), Section 2001.143, Government Code, are amended to read as follows:

(a) A decision or order that may become final under Section 2001.144 in a contested case must be signed ~~rendered~~ not later than the 60th day after the date on which the hearing is finally closed.

(b) In a contested case heard by other than a majority of the officials of a state agency, the agency or the person who conducts the contested case hearing may extend the period in which the decision or order may be signed ~~issued~~.

SECTION _____. Section 2001.144, Government Code, is amended to read as follows:

Sec. 2001.144. DECISIONS OR ORDERS; WHEN FINAL. (a) A decision or order in a contested case is final:

(1) if a motion for rehearing is not filed on time, on the expiration of the period for filing a motion for rehearing;

(2) if a motion for rehearing is filed on time, on the date:

(A) the order overruling the motion for rehearing is signed ~~rendered~~;

or

(B) the motion is overruled by operation of law;

(3) if a state agency finds that an imminent peril to the public health, safety, or welfare requires immediate effect of a decision or order, on the date the decision or order is signed and incorporates in the decision or order a factual and legal basis establishing an imminent peril to the public health, safety, or welfare ~~rendered~~; or

(4) on the date specified in the decision or order for a case in which all parties agree to the specified date in writing or on the record, provided that if the agreed specified date is [not] before the date the decision or order is signed, the date the decision or order is signed is the date the decision or order is final for purposes of this section [or later than the 20th day after the date the order was rendered].

(b) If a decision or order is final under Subsection (a)(3), a state agency must recite in the decision or order the finding made under Subsection (a)(3) and the fact that the decision or order is final and effective on the date signed ~~rendered~~.

SECTION _____. Subsection (b), Section 2001.145, Government Code, is amended to read as follows:

(b) A decision or order that is final under Section 2001.144(a)(2), (3), or (4) is appealable.

SECTION _____. Section 2001.146, Government Code, is amended by amending Subsections (a), (b), (c), (e), and (f) and adding Subsections (g), (h), and (i) to read as follows:

(a) A motion for rehearing in a contested case must be filed by a party not later than the 25th ~~20th~~ day after the date ~~on which~~ the decision or order that is the subject of the motion is signed, unless the time for filing the motion for rehearing has been extended by an agreement under Section 2001.147 or by a written state agency order issued under Subsection (e). On filing of the motion for rehearing, copies of the motion shall be sent to all other parties using the notification procedures specified by

Section 2001.142(a) [party or the party's attorney of record is notified as required by Section 2001.142 of a decision or order that may become final under Section 2001.144].

(b) A party must file with the state agency a reply, if any, to a motion for rehearing [must be filed with the state agency] not later than the 40th [30th] day after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed, or not later than the 15th day after the date a motion for rehearing is filed if the time for filing the motion for rehearing has been extended by an agreement under Section 2001.147 or by a written state agency order under Subsection (e). On filing of the reply, copies of the reply shall be sent to all other parties using the notification procedures specified by Section 2001.142(a) [or order that may become final under Section 2001.144].

(c) A state agency shall act on a motion for rehearing not later than the 55th [45th] day after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed [that may become final under Section 2001.144] or the motion for rehearing is overruled by operation of law.

(e) A state agency may, on its own initiative or on the motion of any party for cause shown, by written order extend the time for filing a motion or reply or taking agency action under this section if the agency extends the time or takes the action not later than the 10th day after the date the period for filing a motion or reply or taking agency action expires. An[, except that an] extension may not extend the period for agency action beyond the 100th [90th] day after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed [that may become final under Section 2001.144].

(f) In the event of an extension, a motion for rehearing is overruled by operation of law on the date fixed by the order or, in the absence of a fixed date, the 100th day [90 days] after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed [that may become final under Section 2001.144].

(g) A motion for rehearing must identify with particularity findings of fact or conclusions of law that are the subject of the complaint and any evidentiary or legal ruling claimed to be erroneous. The motion must also state the legal and factual basis for the claimed error.

(h) A subsequent motion for rehearing is not required after a state agency rules on a motion for rehearing unless the order disposing of the original motion for rehearing:

(1) modifies, corrects, or reforms in any respect the decision or order that is the subject of the complaint, other than a typographical, grammatical, or other clerical change identified as such by the agency in the order, including any modification, correction, or reformation that does not change the outcome of the contested case; or

(2) vacates the decision or order that is the subject of the motion and provides for a new decision or order.

(i) The time limits and other requirements for filing a subsequent motion for a rehearing, for a reply to the motion, and for ruling on the motion are governed by this section and Sections 2001.142, 2001.144, 2001.145, and 2001.147.

SECTION _____. Subsection (a), Section 2001.176, Government Code, is amended to read as follows:

(a) A person initiates judicial review in a contested case by filing a petition not later than the 30th day after the date ~~[on which]~~ the decision or order that is the subject of complaint is final and appealable. In a contested case in which a motion for rehearing is a prerequisite for seeking judicial review, a prematurely filed petition is effective to initiate judicial review and is considered to be filed:

- (1) on the date the last timely motion for rehearing is overruled; and
- (2) after the motion is overruled.

SECTION _____. The changes in law made by this Act to Chapter 2001, Government Code, apply only to an administrative hearing that is set by the State Office of Administrative Hearings, or another state agency conducting an administrative hearing, on or after the effective date of this Act. A hearing set before the effective date of this Act, or any decision issued or appeal from the hearing, is governed by the law in effect when the hearing was set, and the former law is continued in effect for that purpose.

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

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

Nays: Nelson.

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

CSHB 586 as again amended was finally passed by the following vote: Yeas 29, Nays 2.

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

Nays: Campbell, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 2036 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **CSHB 2036** at this time on its second reading:

CSHB 2036, Relating to the creation of a commission to identify future higher education and workforce needs of this state and make related recommendations to address those needs by the state's bicentennial.

The motion prevailed.

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

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

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

Nays: Paxton.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2036 ON THIRD READING**

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2036** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2012 ON SECOND READING**

Senator Patrick moved to suspend the regular order of business to take up for consideration **CSHB 2012** at this time on its second reading:

CSHB 2012, Relating to collection, distribution, and use of information relating to salaries of and job openings for certain professional employees of school districts and to teaching and learning conditions in public schools.

The motion prevailed.

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

The bill was read second time.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2012** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 7.038, Education Code (page 1, lines 28-45), strike the section heading and Subsections (a), (b), and (c) and substitute the following:

PROFESSIONAL EMPLOYEE SALARY INFORMATION. (a) The agency, in collaboration with the Teacher Retirement System of Texas, shall collect information from school districts regarding salaries paid to employees entitled to the minimum monthly salary under Section 21.402.

(2) In SECTION 1 of the bill, in added Section 7.038(d), Education Code (page 1, line 46), strike "(d)" and substitute "(b)".

(3) In SECTION 1 of the bill, in added Section 7.038(d), Education Code (page 1, line 47), strike "(c)" and substitute "(a)".

(4) In SECTION 1 of the bill, in added Section 7.038(d), Education Code (page 1, line 49), strike "(c)" and substitute "(a)".

(5) In SECTION 1 of the bill, in added Section 7.038(e), Education Code (page 1, line 52), strike "(e)" and substitute "(c)".

(6) In SECTION 1 of the bill, in added Section 7.038(e), Education Code (page 1, line 53), strike "(c)" and substitute "(a)".

(7) In SECTION 1 of the bill, in added Section 7.038(f), Education Code (page 2, line 7), strike "(f) The agency shall" and substitute "(d) The agency shall collect data and".

(8) In SECTION 1 of the bill, in added Section 7.038(g), Education Code (page 2, line 10), strike "(g) Subsections (e) and (f) and this subsection expire" and substitute "(e) This section expires".

The amendment to **CSHB 2012** was read and was adopted by a viva voce vote.

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

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2012** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 21.044, Education Code, as amended by Chapters 635 (S.B. 866) and 926 (S.B. 1620), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

Sec. 21.044. EDUCATOR PREPARATION. (a) The board shall propose rules establishing the training requirements a person must accomplish to obtain a certificate, enter an internship, or enter an induction-year program. The board shall specify the minimum academic qualifications required for a certificate.

(b) Any minimum academic qualifications for a certificate specified under Subsection (a) that require a person to possess a bachelor's degree must also require that the person receive, as part of the curriculum for that degree, instruction in detection and education of students with dyslexia. This subsection does not apply to a person who obtains a certificate through an educator certification program adopted under Section 21.049.

(c) The instruction under Subsection (b) must:

(1) be developed by a panel of experts in the diagnosis and treatment of dyslexia who are:

- (A) employed by institutions of higher education; and
- (B) approved by the board; and

(2) include information on:

- (A) characteristics of dyslexia;
- (B) identification of dyslexia; and
- (C) effective, multisensory strategies for teaching students with

dyslexia.

(d) [(b)] In proposing rules under this section, the board shall specify that to obtain a certificate to teach an "applied STEM course," as that term is defined by Section 28.027, at a secondary school, a person must:

(1) pass the certification test administered by the recognized national or international business and industry group that created the curriculum the applied STEM course is based on; and

(2) have at a minimum:

(A) an associate degree from an accredited institution of higher education; and

(B) three years of work experience in an occupation for which the applied STEM course is intended to prepare the student.

(e) Each educator preparation program must provide information regarding:

(1) the skills that educators are required to possess, the responsibilities that educators are required to accept, and the high expectations for students in this state;

(2) the effect of supply and demand forces on the educator workforce in this state;

(3) the performance over time of the educator preparation program;

(4) the importance of building strong classroom management skills; and

(5) the framework in this state for teacher and principal evaluation, including the procedures followed in accordance with Subchapter H.

SECTION _____. Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.0441 to read as follows:

Sec. 21.0441. ADMISSION REQUIREMENTS FOR EDUCATOR PREPARATION PROGRAMS. (a) Rules of the board proposed under this subchapter must provide that a person, other than a person seeking career and technology education certification, is not eligible for admission to an educator preparation program, including an educator preparation program, unless the person:

(1) except as provided by Subsection (b), satisfies minimum grade point average requirements prescribed by the board, provided that the board must require:

(A) an overall grade point average of at least 2.75 on a four-point scale or the equivalent on any course work previously attempted at a public or private institution of higher education; or

(B) a grade point average of at least 2.75 on a four-point scale or the equivalent for the last 60 semester credit hours attempted at a public or private institution of higher education; and

(2) if the person is seeking initial certification:

(A) has successfully completed at least:

(i) 15 semester credit hours in the subject-specific content area in which the person is seeking certification, if the person is seeking certification to teach mathematics or science at or above grade level seven; or

(ii) 12 semester credit hours in the subject-specific content area in which the person is seeking certification, if the person is not seeking certification to teach mathematics or science at or above grade level seven; or

(B) has achieved a satisfactory level of performance on a content certification examination, which may be a content certification examination administered by a vendor approved by the commissioner for purposes of administering such an examination for the year for which the person is applying for admission to the program.

(b) The board's rules must permit an educator preparation program to admit in extraordinary circumstances a person who fails to satisfy a grade point average requirement prescribed by Subsection (a)(1)(A) or (B), provided that:

(1) not more than 10 percent of the total number of persons admitted to the program in a year fail to satisfy the requirement under Subsection (a)(1)(A) or (B); and

(2) for each person admitted as described by this subsection, the director of the program determines and certifies, based on documentation provided by the person, that the person's work, business, or career experience demonstrates achievement comparable to the academic achievement represented by the grade point average requirement.

SECTION _____. Section 21.048, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The board shall propose rules prescribing comprehensive examinations for each class of certificate issued by the board. The board shall determine the satisfactory level of performance required for each certification examination. For the issuance of a generalist certificate, the board shall require a satisfactory level of examination performance in each core subject covered by the examination.

(a-1) The board may not require that more than 45 days elapse before a person may retake an examination.

SECTION _____. Section 21.352, Education Code, is amended by amending Subsection (c) and adding Subsections (c-1), (e), and (f) to read as follows:

(c) Except as otherwise provided by this subsection, appraisal must be done at least once during each school year. A teacher may be appraised less frequently if the teacher agrees in writing and the teacher's most recent evaluation rated the teacher as at least proficient, or the equivalent, and did not identify any area of deficiency. A teacher who is appraised less frequently than annually must be appraised at least once during each period of five school years. The district shall maintain a written copy of the evaluation of each teacher's performance in the teacher's personnel file. Each teacher is entitled to receive a written copy of the evaluation promptly on its completion. After receiving a written copy of the evaluation, a teacher is entitled to a second appraisal by a different appraiser or to submit a written rebuttal to the evaluation to be attached to the evaluation in the teacher's personnel file. The evaluation and any rebuttal may be given to another school district at which the teacher has applied for employment at the request of that district.

(c-1) In addition to conducting a complete appraisal as frequently as required by Subsection (c), a school district shall require that appropriate components of the appraisal process, such as classroom observations and walk-throughs, occur more frequently as necessary to ensure that a teacher receives adequate evaluation and

guidance. A school district shall give priority to conducting appropriate components more frequently for inexperienced teachers or experienced teachers with identified areas of deficiency.

(e) A district shall use a teacher's consecutive appraisals from more than one year, if available, in making the district's employment decisions and developing career recommendations for the teacher.

(f) The district shall notify a teacher of the results of any appraisal of the teacher in a timely manner so that the appraisal may be used as a developmental tool by the district and the teacher to improve the overall performance of the teacher.

SECTION _____. Subchapter J, Chapter 21, Education Code, is amended by adding Section 21.4513 to read as follows:

Sec. 21.4513. PROFESSIONAL DEVELOPMENT REQUIREMENTS AUDIT.

(a) Using only available funds and resources from public or private sources, the agency shall periodically conduct an audit of the professional development requirements applicable to educators in this state, including state and federal requirements and requirements imposed by school districts.

(b) Based on audit results, the agency shall seek to eliminate conflicting requirements and consolidate duplicative requirements through the following methods, as appropriate:

(1) taking administrative action;

(2) encouraging school districts to make appropriate changes to district policies; or

(3) recommending statutory changes to the legislature.

(b-1) The agency shall complete the initial audit required by Subsection (a) not later than August 1, 2014. This subsection expires September 1, 2014.

(c) The agency shall provide guidance to school districts regarding high-quality professional development and the outcomes expected to result from providing that caliber of professional development.

SECTION _____. Section 21.458, Education Code, is amended by amending Subsection (c) and adding Subsections (e) and (e-1) to read as follows:

(c) From the funds appropriated to the agency for purposes of this section, the commissioner shall adopt rules and provide funding to school districts that assign mentor teachers under this section. Funding provided to districts under this section may be used only for providing:

(1) mentor teacher stipends;

(2) scheduled release time for mentor teachers and the classroom teachers to whom they are assigned for meeting and engaging in [to provide] mentoring activities [to assigned classroom teachers]; and

(3) mentoring support through providers of mentor training.

(e) Each year the commissioner shall report to the legislature regarding the effectiveness of school district mentoring programs.

(e-1) Not later than November 1, 2013, the governor, lieutenant governor and speaker of the house of representatives shall form an advisory committee to evaluate the implementation of this section and make recommendations for improvement. The committee shall develop recommended guidelines that align teacher induction and mentoring activities with expectations for new teachers based on teaching practice

standards. The agency shall provide administrative support for the committee. The committee shall submit a report of its recommendations to the governor and legislature not later than January 1, 2015. This subsection expires January 31, 2015.

SECTION _____. Not later than September 1, 2014, the Texas Education Agency, the State Board for Educator Certification, and the Texas Higher Education Coordinating Board shall jointly review existing standards for preparation and admission that are applicable to educator preparation programs, including stakeholder input in the review and development of those standards, and develop and implement modifications necessary to reflect updated standards for the teaching profession.

SECTION _____. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

The amendment to **CSHB 2012** was read and was adopted by a viva voce vote.

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

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

CSHB 2012 as amended was passed to third reading by a viva voce vote.

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

Nays: Campbell, Deuell, Hancock, Hegar, Huffman, Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 2012 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2012** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

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

Nays: Campbell, Deuell, Hancock, Huffman, Paxton.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6.

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

Nays: Campbell, Deuell, Hancock, Hegar, Huffman, Paxton.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3509 ON SECOND READING**

Senator Seliger moved to suspend the regular order of business to take up for consideration **CSHB 3509** at this time on its second reading:

CSHB 3509, Relating to endangered species habitat conservation and to the creation of a board to oversee and guide the state's coordinated response to federal actions regarding endangered species.

The motion prevailed.

Senators Hancock, Hegar, Nichols, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3509** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 490F to read as follows:

CHAPTER 490F. HABITAT CONSERVATION BY A STATE AGENCY

Sec. 490F.001. DEFINITIONS. Notwithstanding the definitions contained in Subchapter B, Chapter 83, Parks and Wildlife Code, the following words and terms, when used in this subchapter, shall have the following meanings:

(1) "Habitat conservation plan" means a plan or program to protect a candidate species or endangered species by habitat preserves or other protection strategies developed in order to prevent listing a species or if necessary to obtain a federal permit."

(2) "State agency" means state officer, board, commission, or department with statewide jurisdiction, excluding an institution of higher education.

(3) "Federal permit" means a permit issued under Section 10(a) of the federal act.

Sec. 490F.002. STATE AGENCY AUTHORITY. (a) Under the provisions of 490E.004(c), Government Code, a state agency may apply for or hold a federal permit issued in connection with a habitat conservation plan, candidate conservation plan, or similar plan authorized or required by federal law in connection with a candidate, threatened, or endangered species. A state agency that takes an action under this section must notify other members of the task force described in section 490E.003 (a).

(b) An agency that takes an action described by Subsection (a) must:

(1) cooperate with all appropriate member agencies of the task force; and

(2) enter into an interagency contract that may provide for the payment of funds held by the comptroller inside the treasury, at the direction of the task force established in section 490E, Government Code, for the purposes of carrying out this chapter.

Sec. 490F.003. PUBLIC NOTICE AND INPUT. (a) Before engaging in an activity authorized by Section 490F.002 (a), a state agency shall:

- (1) provide public notice; and
- (2) solicit and consider comments from:
 - (A) the task force on economic growth and endangered species created under Section 490E.003, Government Code;
 - (B) affected landowners;
 - (C) conservation interests; and
 - (D) business interests affected by the activity; and
 - (E) mineral owners.

Sec. 490F.004. HABITAT PROTECTION AND RESEARCH FUND. (a) The habitat protection and research fund is held by the comptroller inside the treasury and consists of money appropriated to the fund, interest earned on the investment of money in the fund, and gifts and grants made to the fund. This fund does not apply to activities related to species proposed for listing under the Endangered Species Act prior to September 1, 2013.

- (b) Money in the habitat protection and research fund may be used only to:
- (1) provide grants to institutions for research into candidate, threatened, and endangered species;
 - (2) employ research personnel dedicated to research described by Subdivision (1); and
 - (3) fund capital expenditures necessary to conduct research described by Subdivision (1).

(c) Private money contributed to the habitat protection fund under Government Code Section 403.452 is held by the comptroller outside the treasury.

(d) Private funds collected pursuant to a mitigation plan shall be held only by the comptroller outside the treasury for the use prescribed by the plan.

(e) The comptroller may identify funds to reimburse state institutions of higher education from the habitat protection and research fund for science and biology research and work related to threatened or endangered species.

Sec. 490F.005. CONFIDENTIAL INFORMATION. Information collected under this subchapter by an agency, or an entity acting on the agency's behalf, from a private landowner or other participant or potential participant in a habitat conservation plan, proposed habitat conservation plan, candidate conservation plan, or proposed candidate conservation plan is confidential and exempt from disclosure under Chapter 552, if the information relates to the specific location, property owner identification, species identification, or quantity of any animal or plant life at a specific location for which a plan is under consideration or development or has been established under this subchapter. Information may be disclosed to a state agency or state officer upon signature of a confidentiality agreement, but may not be disclosed to a federal agency.

SECTION 2. Section 490E.000, Government Code, is added as follows:

490E.000. DUTIES. The task force on economic growth and endangered species:

(a) shall select the holder of a federal permit issued in connection with a habitat conservation plan, candidate conservation plan, or similar plan, authorized or required by federal law in connection with a candidate species or endangered species that is to be held by a state agency; and

(b) may coordinate the comments, positions and response to listings and potential listings of endangered species for state agencies.

SECTION 3. Sections 490E.003 (a) and (b), Government Code, are amended to read as follows:

(a) The task force on economic growth and endangered species is created and composed of the following or their designee:

- (1) the comptroller;
- (2) the commissioner of agriculture;
- (3) the commissioner of the General Land Office;
- (4) the chair of the Railroad Commission;
- (5) the executive director of the State Soil and Water Conservation Board;
- (6) the executive director of the Parks and Wildlife Department;
- (7) the executive director of the Texas Department of Transportation;
- (8) the director of the Texas A&M AgriLife Extension Service; and
- (9) the executive director of the Texas Commission on Environmental

Quality.

(b) ~~The comptroller is the presiding officer of the task force.~~ The position of presiding officer rotates among the statewide elected members specified in Subsection (a) regardless of who occupies the named office at the time of the rotation. The position of chair rotates every two years in the order listed in Subsection (a), beginning with the comptroller.

SECTION 4. Section 490E.004, Government Code, is amended by amending subsection (b) and adding subsections (c) and (d) as follows:

(b) If requested by a landowner, other person in this state, or a local government or state official, the task force may review state and local governmental efforts to address endangered species issues and provide recommendations to make those efforts more cost effective.

(c) If determined by the task force, a state agency that is represented on the task force may hold a permit issued under the federal Endangered Species Act.

(d) The permit holder shall inform members of the task force of any mitigation plan, including costs, at least 10 days prior to the plan being submitted to the U.S. Fish and Wildlife Service for approval.

SECTION 5. Section 490E.005, Government Code, is amended by amending subsections (a) and (c) and adding subsections (f) and (g) to read as follows:

(a) With the advice of the task force, the presiding officer shall ~~comptroller may~~ create at least one advisory committees for each species to assist the task force with its work. Of the members of an advisory committee:

- (1) one-fourth ~~one third~~ must be representatives of affected landowners;
 - (2) one-fourth ~~one third~~ must be representatives of conservation interests;
- and
- (3) one-fourth ~~one third~~ must be representatives of municipalities or other affected jurisdictions; and
 - (4) one-fourth must be representatives of affected business interests.

(c) The presiding officer ~~comptroller~~ shall designate one member of an advisory committee as interim presiding officer for the purpose of calling and conducting the initial meeting of the committee.

(f) The task force may create a Science and Biology Advisory Committee for a specific species composed of the following members:

(1) the State Geologist of Texas, director of the Bureau of Economic Geology at the University of Texas at Austin;

(2) a designee of the director of the Texas A&M AgriLife Extension Service with species expertise;

(3) a designee from the Parks & Wildlife Department with science and biology expertise; and

(4) any other persons the task force deems appropriate who have science and biology expertise.

SECTION 6. Section 490E.008, Government Code, is amended to read as follows:

ADMINISTRATIVE SUPPORT. The presiding officer's ~~comptroller's~~ office shall provide administrative support and maintain a public website for to the task force.

SECTION 7. Section 490E.009, Government Code, is added as follows:

490E.009. ATTORNEY GENERAL. Notwithstanding Section 402.045, Government Code, the attorney general, at the request of the task force, shall provide legal advice to the task force.

SECTION 8. Section 403.452, Chapter 403, Government Code, is amended by adding Subsection (e) to read:

(e) Except as provided under Section 490E.004 (c), the authority of the comptroller to enter into an agreement for any species other than the dunes sagebrush lizard, under this section, with the United States Fish and Wildlife Service for the implementation of a candidate conservation plan or a habitat conservation plan, expires September 1, 2013.

SECTION 9. Section 490E.006, Government Code, is repealed.

SECTION 10. The Task Force on Economic Growth and Endangered Species, in collaboration with three members of the House State Affairs Committee appointed by the Speaker and three members of the Senate Natural Resources Committee appointed by the Lieutenant Governor, and one stakeholder representing landowner interests appointed by the Governor, shall conduct a study to determine state policies to defend against the overreaching inclusion of species on the Endangered Species List by the United States Fish and Wildlife Service. The study shall be submitted to the Governor, Lieutenant Governor, Speaker, and members of the legislature not later than December 1, 2014.

SECTION 11. Nothing in this Act precludes a person or group of persons from working together and with the United States Fish and Wildlife Service to address threatened or endangered species issues.

SECTION 12. An approved conservation plan, federal permit issued, an application for a federal permit submitted, or a conservation agreement entered into prior to the effective date of this bill is governed by the law in effect at the time the permit was acquired or the plan was approved and the former law continues in effect for the purpose of full implementation of the conservation plan, including the authority to apply for a federal permit in the event of a listing decision for the species covered by the conservation plan.

SECTION 13. This Act takes effect September 1, 2013.

The amendment to **CSHB 3509** was read and was adopted by a viva voce vote.

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

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

CSHB 3509 as amended was passed to third reading by a viva voce vote.

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

Nays: Hancock, Hegar, Nichols, Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 3509 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3509** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

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

Nays: Hancock, Hegar, Nichols, Paxton.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 3761 ON SECOND READING

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3761** at this time on its second reading:

HB 3761, Relating to a feasibility report on the creation of a border agricultural inspection training program.

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

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

HOUSE BILL 3761 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3761** be placed on its third reading and final passage.

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

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

HOUSE BILL 2621 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2621** at this time on its second reading:

HB 2621, Relating to disclaimers of estate property by certain beneficiaries.

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

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

HOUSE BILL 2621 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2621** be placed on its third reading and final passage.

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

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

COMMITTEE SUBSTITUTE**HOUSE BILL 3259 ON SECOND READING**

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3259** at this time on its second reading:

CSHB 3259, Relating to the ownership of and access to certain investigation records in child abuse and neglect cases.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3259** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 162.006, Family Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The department, licensed child-placing agency, or other person ~~[or entity]~~ placing a child for adoption shall inform the prospective adoptive parents of their right to examine the records and other information relating to the history of the child. The department, licensed child-placing agency, or other person ~~[or entity]~~ placing the child for adoption shall edit the records and information to protect the identity of the biological parents and any other person whose identity is confidential.

(a-1) The records described by Subsection (a) must include any records relating to an investigation of abuse in which the child was an alleged or confirmed victim of sexual abuse while residing in a foster home or other residential child-care facility. If the licensed child-placing agency or other person placing the child for adoption does

not have the information required by this subsection, the department, at the request of the licensed child-placing agency or other person placing the child for adoption, shall provide the information to the prospective adoptive parents of the child.

The amendment to **CSHB 3259** was read and was adopted by a viva voce vote.

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

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

CSHB 3259 as amended was passed to third reading by a viva voce vote.

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

COMMITTEE SUBSTITUTE HOUSE BILL 3259 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3259** be placed on its third reading and final passage.

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

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

HOUSE CONCURRENT RESOLUTION 57 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HCR 57** at this time on its second reading:

HCR 57, Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study human trafficking in Texas.

The resolution was read second time and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2080 ON SECOND READING

Senator Rodriguez moved to suspend the regular order of business to take up for consideration **HB 2080** at this time on its second reading:

HB 2080, Relating to guardianships, including the assessment and payment of attorney's fees and other court costs in guardianships, and to court-created management trusts for persons who have physical disabilities or who are incapacitated; changing the amount of a fee and requiring the collection of a fee.

The motion prevailed.

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

The bill was read second time.

Senator Rodríguez offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 2080** (house engrossment) as follows:

(1) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Section 1102.003, Estates Code, as effective January 1, 2014, is amended to read as follows:

Sec. 1102.003. INFORMATION LETTER. (a) An interested person who submits an information letter under Section 1102.002(1) about a person believed to be incapacitated must, to the best of the interested person's knowledge [may]:

(1) state [include] the person's name, address, telephone number, county of residence, and date of birth;

(2) state whether the person's residence is a private residence, health care facility, or other type of residence;

(3) describe the relationship between the person and the interested person submitting the letter;

(4) state [contain] the names and telephone numbers of any known friends and relatives of the person;

(5) state whether a guardian of the person or estate has been appointed in this state for the person;

(6) state whether the person has executed a power of attorney and, if so, the designee's name, address, and telephone number;

(7) describe any property of the person, including the estimated value of that property;

(8) list the amount and source of any monthly income of the person;

(9) describe the nature and degree of the person's alleged incapacity; and

(10) state whether the person is in imminent danger of serious impairment to the person's physical health, safety, or estate.

(b) In addition to the requirements of Subsection (a), if an information letter under that subsection is submitted by an interested person who is a family member of the person believed to be incapacitated, the information letter must:

(1) be signed and sworn to before a notary public by the interested person;

or

(2) include a written declaration signed by the interested person under penalty of perjury that the information contained in the information letter is true to the best of the person's knowledge.

(2) On page 27, between lines 24 and 25, insert the following:

(d) The changes in law made by this Act to Section 1102.003, Estates Code, apply to a guardianship proceeding that is commenced on or after the effective date of this Act. A guardianship proceeding commenced before that date is governed by the law in effect on the date the proceeding was commenced, and the former law is continued in effect for that purpose.

(3) Renumber SECTIONS of the bill appropriately.

The amendment to **HB 2080** was read and was adopted by a viva voce vote.

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

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

HB 2080 as amended was passed to third reading by a viva voce vote.

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

Nays: Campbell.

HOUSE BILL 2080 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2080** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Campbell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 3566 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3566** at this time on its second reading:

HB 3566, Relating to the regulation of advertising by structural pest control businesses.

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

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

HOUSE BILL 3566 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3566** be placed on its third reading and final passage.

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

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

HOUSE BILL 3952 ON SECOND READING

On motion of Senator Uresti and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3952** at this time on its second reading:

HB 3952, Relating to the composition of the juvenile board of Val Verde County.

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

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

HOUSE BILL 3952 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3952** be placed on its third reading and final passage.

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

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

HOUSE BILL 2781 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **HB 2781** at this time on its second reading:

HB 2781, Relating to rainwater harvesting and other water conservation initiatives.

The motion prevailed.

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

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

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

Nays: Hancock, Schwertner.

HOUSE BILL 2781 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2781** be placed on its third reading and final passage.

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

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

Nays: Hancock, Schwertner.

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

HOUSE BILL 3314 ON SECOND READING

On motion of Senator Taylor and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3314** at this time on its second reading:

HB 3314, Relating to instruction and continuing education requirements for certain court clerks.

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

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

HOUSE BILL 3314 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3314** be placed on its third reading and final passage.

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

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

COMMITTEE SUBSTITUTE HOUSE BILL 2978 ON SECOND READING

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2978** at this time on its second reading:

CSHB 2978, Relating to service of citation in connection with an expedited judicial foreclosure proceeding.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2978** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Subchapter A, Chapter 22, Government Code, is amended by adding Section 22.018 to read as follows:

Sec. 22.018. PROMULGATION OF FORMS FOR CERTAIN EXPEDITED FORECLOSURE PROCEEDINGS. (a) The supreme court shall promulgate the following forms for use in expedited foreclosure proceedings described by Section 50(r), Article XVI, Texas Constitution:

- (1) a form for application for an expedited foreclosure proceeding;
- (2) a form for a supporting affidavit; and
- (3) a form for any court-required citation.

SECTION ____ . Not later than March 1, 2014, The Texas Supreme Court shall promulgate the form required by section 22.018, Government Code, as added by this Act.

SECTION ____ . Subchapter B, Chapter 154, Civil Practice and Remedies Code, is amended by adding Section 154.028 to read as follows:

Sec. 154.028. MEDIATION FOLLOWING APPLICATION FOR EXPEDITED FORECLOSURE. (a) A citation for expedited foreclosure may be served in the manner provided by Rule 106 or 736, Texas Rules of Civil Procedure. Following the filing of a response to an application for an expedited foreclosure proceeding under Rule 736.5, Texas Rules of Civil Procedure, a court may, in the court's discretion,

conduct a hearing to determine whether to order mediation. A court may not order mediation without conducting a hearing. The petitioner or respondent may request a hearing to determine whether mediation is necessary or whether an application is defective.

(b) A hearing under Subsection (a) may not be conducted before the expiration of the respondent's deadline to file a response.

(c) Subject to Subsection (d), a hearing under Subsection (a) may be conducted by telephone.

(d) Not later than the 10th day before the date of a hearing under Subsection (a), the court shall send notice of the hearing to the parties concerning whether the hearing will be conducted by telephone and, if applicable, instructions for contacting the court and attending the hearing by telephone.

(e) At a hearing under Subsection (a), the court must consider any objections to the referral of the case to mediation.

(f) If the court orders the case to mediation, the mediation must be conducted before the expiration of any deadline imposed by Rule 736, Texas Rules of Civil Procedure.

(g) If the parties to a case that has been ordered to mediation are unable to agree on the appointment of a mediator, the court may appoint a mediator. If a mediator is appointed by the court, the court shall provide all parties with the name of the chosen mediator at the mediation hearing if the parties are unable to agree to a mediator at that hearing.

(h) A mediator's fee shall be divided equally between the parties.

(i) The parties may agree to waive the mediation process.

(j) The court may not conduct a hearing under this section if the applicant has served the citation in compliance with Rule 106, Texas Rules of Civil Procedure, and a response to the application has not been filed before the deadline provided by Rule 736, Texas Rules of Civil Procedure.

(k) If a respondent fails to attend a mediation hearing after notice in accordance with Subsection (d), the court:

(1) may not order mediation; and

(2) shall grant or deny the petitioner's motion for default order under Rule 736.7, Texas Rules of Civil Procedure.

(l) If a respondent attends a hearing and mediation is ordered, any mediation must take place not later than the 29th day after the date the petitioner filed a motion for default order.

(m) Notwithstanding Section 22.004, Government Code, the supreme court may not amend or adopt rules in conflict with this section.

The amendment to **CSHB 2978** was read and was adopted by a viva voce vote.

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

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

CSHB 2978 as amended was passed to third reading by a viva voce vote.

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 2978 ON THIRD READING**

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2978** be placed on its third reading and final passage.

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

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

HOUSE BILL 709 ON SECOND READING

On motion of Senator Deuell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 709** at this time on its second reading:

HB 709, Relating to ad valorem tax payments and refunds.

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

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

HOUSE BILL 709 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 709** be placed on its third reading and final passage.

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

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

HOUSE BILL 2422 ON SECOND READING

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2422** at this time on its second reading:

HB 2422, Relating to consideration of cloud computing services when a state agency purchases services for a major information resources project.

The bill was read second time.

Senator Schwertner offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2422** (Senate Committee printing) as follows:

(1) In SECTION 1 of the bill strike "cloud" (page 1, line 23) and insert "advanced internet-based".

(2) In SECTION 1 of the bill strike "cloud" (page 1, line 24) and insert "advanced internet-based".

(3) In SECTION 1 of the bill strike "must" (page 1, line 32) and insert "may".

(4) In SECTION 1 of the bill strike "cloud" (page 1, line 32) and insert "advanced internet-based".

(5) In SECTION 1, add subsection (c) (page 1, between lines 34 and 35) accordingly: (c) A state agency shall ensure that information resources projects that use advanced internet-based computing service options meet or exceed required state standards for cybersecurity.

The amendment to **HB 2422** was read and was adopted by a viva voce vote.

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

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 2422** (senate committee printing) as follows:

(1) In SECTION 1, subsection (b), (page 1, line 34) insert after "option" and before ", " including any cost associated with purchasing those service options.

(2) In SECTION 1 add subsection (d), (page 1, between line 34 and 35) accordingly: (d) Using existing resources, the department may review the process for the coordinated development, hosting, and management of computer software for state agencies that use advanced internet-based computing services.

The amendment to **HB 2422** was read and was adopted by a viva voce vote.

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

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

HB 2422 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 2422 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2422** be placed on its third reading and final passage.

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

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

COMMITTEE SUBSTITUTE HOUSE BILL 2859 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **CSHB 2859** at this time on its second reading:

CSHB 2859, Relating to the amount of money authorized to be used for Clean Air Act local initiative projects related to vehicles.

The motion prevailed.

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

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

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

Nays: Hancock, Paxton, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 2859 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2859** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

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

Nays: Hancock, Paxton, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

ACKNOWLEDGMENT

The Presiding Officer acknowledged the presence of the Honorable Rick Perry.

The Senate welcomed its guest.

HOUSE BILL 1245 ON SECOND READING

Senator Duncan moved to suspend the regular order of business to take up for consideration **HB 1245** at this time on its second reading:

HB 1245, Relating to the allocation of money in the judicial and court personnel training fund.

The motion prevailed.

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

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

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

Nays: Nelson, Patrick, Paxton.

HOUSE BILL 1245 ON THIRD READING

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1245** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

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

Nays: Nelson, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 1382 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 1382** at this time on its second reading:

HB 1382, Relating to the regulation of food prepared, stored, distributed, or sold at farms and farmers' markets; limiting the applicability of a fee.

The motion prevailed.

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

The bill was read second time.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1382** (Senate Committee Printing) in SECTION 2 of the bill, after added Section 437.020(d), Health and Safety Code (page 2, between lines 24 and 25), by inserting the following:

(e) This section does not authorize the sale of or provision of samples of raw milk or raw milk products at a farmers' market.

The amendment to **HB 1382** was read and was adopted by a viva voce vote.

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

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

HB 1382 as amended was passed to third reading by a viva voce vote.

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

Nays: Huffman.

HOUSE BILL 1382 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1382** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Huffman.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

RECESS

On motion of Senator Whitmire, the Senate at 2:02 p.m. recessed until 3:00 p.m. today.

AFTER RECESS

The Senate met at 3:29 p.m. and was called to order by Senator Eltife.

CONFERENCE COMMITTEE ON HOUSE BILL 630 (Motion In Writing)

Senator Huffman called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 630** and submitted a Motion In Writing that the request be granted.

The Motion In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 630** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Huffman, Chair; Deuell, Fraser, Whitmire, and Van de Putte.

CONFERENCE COMMITTEE ON HOUSE BILL 1534 (Motion In Writing)

Senator Paxton called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1534** and submitted a Motion In Writing that the request be granted.

The Motion In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1534** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Paxton, Chair; Deuell, Hancock, Estes, and Nelson.

SENATE BILL 7 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Nelson called **SB 7** 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 7** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to improving the delivery and quality of certain health and human services, including the delivery and quality of Medicaid acute care services and long-term services and supports.

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

ARTICLE 1. DELIVERY SYSTEM REDESIGN FOR THE PROVISION OF
ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS TO
INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL
DISABILITIES

SECTION 1.01. Subtitle I, Title 4, Government Code, is amended by adding Chapter 534 to read as follows:

CHAPTER 534. SYSTEM REDESIGN FOR DELIVERY OF MEDICAID ACUTE
CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS TO
PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 534.001. DEFINITIONS. In this chapter:

(1) "Advisory committee" means the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053.

(2) "Basic attendant services" means assistance with the activities of daily living, including instrumental activities of daily living, provided to an individual because of a physical, cognitive, or behavioral limitation related to the individual's disability or chronic health condition.

(3) "Department" means the Department of Aging and Disability Services.

(4) "Functional need" means the measurement of an individual's services and supports needs, including the individual's intellectual, psychiatric, medical, and physical support needs.

(5) "Habilitation services" includes assistance provided to an individual with acquiring, retaining, or improving:

(A) skills related to the activities of daily living; and

(B) the social and adaptive skills necessary to enable the individual to live and fully participate in the community.

(6) "ICF-IID" means the Medicaid program serving individuals with intellectual and developmental disabilities who receive care in intermediate care facilities other than a state supported living center.

(7) "ICF-IID program" means a program under the Medicaid program serving individuals with intellectual and developmental disabilities who reside in and receive care from:

(A) intermediate care facilities licensed under Chapter 252, Health and Safety Code; or

(B) community-based intermediate care facilities operated by local intellectual and developmental disability authorities.

(8) "Local intellectual and developmental disability authority" means an authority defined by Section 531.002(11), Health and Safety Code.

(9) "Managed care organization," "managed care plan," and "potentially preventable event" have the meanings assigned under Section 536.001.

(10) "Medicaid program" means the medical assistance program established under Chapter 32, Human Resources Code.

(11) "Medicaid waiver program" means only the following programs that are authorized under Section 1915(c) of the federal Social Security Act (42 U.S.C. Section 1396n(c)) for the provision of services to persons with intellectual and developmental disabilities:

(A) the community living assistance and support services (CLASS) waiver program;

(B) the home and community-based services (HCS) waiver program;

(C) the deaf-blind with multiple disabilities (DBMD) waiver program;

and

(D) the Texas home living (TxHmL) waiver program.

(12) "State supported living center" has the meaning assigned by Section 531.002, Health and Safety Code.

Sec. 534.002. CONFLICT WITH OTHER LAW. To the extent of a conflict between a provision of this chapter and another state law, the provision of this chapter controls.

SUBCHAPTER B. ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS SYSTEM

Sec. 534.051. ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS SYSTEM FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES. In accordance with this chapter, the commission and the department shall jointly design and implement an acute care services and long-term services and supports system for individuals with intellectual and developmental disabilities that supports the following goals:

(1) provide Medicaid services to more individuals in a cost-efficient manner by providing the type and amount of services most appropriate to the individuals' needs;

(2) improve individuals' access to services and supports by ensuring that the individuals receive information about all available programs and services, including employment and least restrictive housing assistance, and how to apply for the programs and services;

(3) improve the assessment of individuals' needs and available supports, including the assessment of individuals' functional needs;

(4) promote person-centered planning, self-direction, self-determination, community inclusion, and customized, integrated, competitive employment;

(5) promote individualized budgeting based on an assessment of an individual's needs and person-centered planning;

(6) promote integrated service coordination of acute care services and long-term services and supports;

(7) improve acute care and long-term services and supports outcomes, including reducing unnecessary institutionalization and potentially preventable events;

(8) promote high-quality care;

(9) provide fair hearing and appeals processes in accordance with applicable federal law;

(10) ensure the availability of a local safety net provider and local safety net services;

(11) promote independent service coordination and independent ombudsmen services; and

(12) ensure that individuals with the most significant needs are appropriately served in the community and that processes are in place to prevent inappropriate institutionalization of individuals.

Sec. 534.052. IMPLEMENTATION OF SYSTEM REDESIGN. The commission and department shall, in consultation with the advisory committee, jointly implement the acute care services and long-term services and supports system for individuals with intellectual and developmental disabilities in the manner and in the stages described in this chapter.

Sec. 534.053. INTELLECTUAL AND DEVELOPMENTAL DISABILITY SYSTEM REDESIGN ADVISORY COMMITTEE. (a) The Intellectual and Developmental Disability System Redesign Advisory Committee is established to advise the commission and the department on the implementation of the acute care services and long-term services and supports system redesign under this chapter. Subject to Subsection (b), the executive commissioner and the commissioner of the department shall jointly appoint members of the advisory committee who are stakeholders from the intellectual and developmental disabilities community, including:

(1) individuals with intellectual and developmental disabilities who are recipients of services under the Medicaid waiver programs or the Medicaid ICF-IID program and individuals who are advocates of those recipients, including at least three representatives from intellectual and developmental disability advocacy organizations;

(2) representatives of Medicaid managed care and nonmanaged care health care providers, including:

(A) physicians who are primary care providers and physicians who are specialty care providers;

(B) nonphysician mental health professionals; and

(C) providers of long-term services and supports, including direct service workers;

(3) representatives of entities with responsibilities for the delivery of Medicaid long-term services and supports or other Medicaid program service delivery, including:

(A) representatives of aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services;

(B) representatives of community mental health and intellectual disability centers;

(C) representatives of and service coordinators or case managers from private and public home and community-based services providers that serve individuals with intellectual and developmental disabilities; and

(D) representatives of private and public ICF-IID providers; and

(4) representatives of managed care organizations contracting with the state to provide services to individuals with intellectual and developmental disabilities.

(b) To the greatest extent possible, the executive commissioner and the commissioner of the department shall appoint members of the advisory committee who reflect the geographic diversity of the state and include members who represent rural Medicaid program recipients.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) The advisory committee must meet at least quarterly or more frequently if the presiding officer determines that it is necessary to address planning and development needs related to implementation of the acute care services and long-term services and supports system.

(e) A member of the advisory committee serves without compensation. A member of the advisory committee who is a Medicaid program recipient or the relative of a Medicaid program recipient is entitled to a per diem allowance and reimbursement at rates established in the General Appropriations Act.

(f) The advisory committee is subject to the requirements of Chapter 551.

(g) On January 1, 2024:

(1) the advisory committee is abolished; and

(2) this section expires.

Sec. 534.054. ANNUAL REPORT ON IMPLEMENTATION. (a) Not later than September 30 of each year, the commission shall submit a report to the legislature regarding:

(1) the implementation of the system required by this chapter, including appropriate information regarding the provision of acute care services and long-term services and supports to individuals with intellectual and developmental disabilities under the Medicaid program; and

(2) recommendations, including recommendations regarding appropriate statutory changes to facilitate the implementation.

(b) This section expires January 1, 2024.

SUBCHAPTER C. STAGE ONE: PROGRAMS TO IMPROVE SERVICE DELIVERY MODELS

Sec. 534.101. DEFINITIONS. In this subchapter:

(1) "Capitation" means a method of compensating a provider on a monthly basis for providing or coordinating the provision of a defined set of services and supports that is based on a predetermined payment per services recipient.

(2) "Provider" means a person with whom the commission contracts for the provision of long-term services and supports under the Medicaid program to a specific population based on capitation.

Sec. 534.102. PILOT PROGRAMS TO TEST MANAGED CARE STRATEGIES BASED ON CAPITATION. The commission and the department may develop and implement pilot programs in accordance with this subchapter to test one or more service delivery models involving a managed care strategy based on capitation to deliver long-term services and supports under the Medicaid program to individuals with intellectual and developmental disabilities.

Sec. 534.103. STAKEHOLDER INPUT. As part of developing and implementing a pilot program under this subchapter, the department shall develop a process to receive and evaluate input from statewide stakeholders and stakeholders from the region of the state in which the pilot program will be implemented.

Sec. 534.104. MANAGED CARE STRATEGY PROPOSALS; PILOT PROGRAM SERVICE PROVIDERS. (a) The department shall identify private services providers that are good candidates to develop a service delivery model involving a managed care strategy based on capitation and to test the model in the provision of long-term services and supports under the Medicaid program to individuals with intellectual and developmental disabilities through a pilot program established under this subchapter.

(b) The department shall solicit managed care strategy proposals from the private services providers identified under Subsection (a).

(c) A managed care strategy based on capitation developed for implementation through a pilot program under this subchapter must be designed to:

- (1) increase access to long-term services and supports;
- (2) improve quality of acute care services and long-term services and supports;
- (3) promote meaningful outcomes by using person-centered planning, individualized budgeting, and self-determination, and promote community inclusion and customized, integrated, competitive employment;
- (4) promote integrated service coordination of acute care services and long-term services and supports;
- (5) promote efficiency and the best use of funding;
- (6) promote the placement of an individual in housing that is the least restrictive setting appropriate to the individual's needs;
- (7) promote employment assistance and supported employment;
- (8) provide fair hearing and appeals processes in accordance with applicable federal law; and
- (9) promote sufficient flexibility to achieve the goals listed in this section through the pilot program.

(d) The department, in consultation with the advisory committee, shall evaluate each submitted managed care strategy proposal and determine whether:

- (1) the proposed strategy satisfies the requirements of this section; and
- (2) the private services provider that submitted the proposal has a demonstrated ability to provide the long-term services and supports appropriate to the individuals who will receive services through the pilot program based on the proposed strategy, if implemented.

(e) Based on the evaluation performed under Subsection (d), the department may select as pilot program service providers one or more private services providers.

(f) For each pilot program service provider, the department shall develop and implement a pilot program. Under a pilot program, the pilot program service provider shall provide long-term services and supports under the Medicaid program to persons with intellectual and developmental disabilities to test its managed care strategy based on capitation.

(g) The department shall analyze information provided by the pilot program service providers and any information collected by the department during the operation of the pilot programs for purposes of making a recommendation about a system of programs and services for implementation through future state legislation or rules.

Sec. 534.105. PILOT PROGRAM: MEASURABLE GOALS. (a) The department, in consultation with the advisory committee, shall identify measurable goals to be achieved by each pilot program implemented under this subchapter. The identified goals must:

(1) align with information that will be collected under Section 534.108(a);
and

(2) be designed to improve the quality of outcomes for individuals receiving services through the pilot program.

(b) The department, in consultation with the advisory committee, shall propose specific strategies for achieving the identified goals. A proposed strategy may be evidence-based if there is an evidence-based strategy available for meeting the pilot program's goals.

Sec. 534.106. IMPLEMENTATION, LOCATION, AND DURATION. (a) The commission and the department shall implement any pilot programs established under this subchapter not later than September 1, 2017.

(b) A pilot program established under this subchapter must operate for not less than 24 months, except that a pilot program may cease operation before the expiration of 24 months if the pilot program service provider terminates the contract with the commission before the agreed-to termination date.

(c) A pilot program established under this subchapter shall be conducted in one or more regions selected by the department.

Sec. 534.1065. RECIPIENT PARTICIPATION IN PROGRAM VOLUNTARY. Participation in a pilot program established under this subchapter by an individual with an intellectual or developmental disability is voluntary, and the decision whether to participate in a program and receive long-term services and supports from a provider through that program may be made only by the individual or the individual's legally authorized representative.

Sec. 534.107. COORDINATING SERVICES. In providing long-term services and supports under the Medicaid program to individuals with intellectual and developmental disabilities, a pilot program service provider shall:

(1) coordinate through the pilot program institutional and community-based services available to the individuals, including services provided through:

(A) a facility licensed under Chapter 252, Health and Safety Code;

(B) a Medicaid waiver program; or

(C) a community-based ICF-IID operated by local authorities;

(2) collaborate with managed care organizations to provide integrated coordination of acute care services and long-term services and supports, including discharge planning from acute care services to community-based long-term services and supports;

(3) have a process for preventing inappropriate institutionalizations of individuals; and

(4) accept the risk of inappropriate institutionalizations of individuals previously residing in community settings.

Sec. 534.108. PILOT PROGRAM INFORMATION. (a) The commission and the department shall collect and compute the following information with respect to each pilot program implemented under this subchapter to the extent it is available:

(1) the difference between the average monthly cost per person for all acute care services and long-term services and supports received by individuals participating in the pilot program while the program is operating, including services provided through the pilot program and other services with which pilot program services are coordinated as described by Section 534.107, and the average monthly cost per person for all services received by the individuals before the operation of the pilot program;

(2) the percentage of individuals receiving services through the pilot program who begin receiving services in a nonresidential setting instead of from a facility licensed under Chapter 252, Health and Safety Code, or any other residential setting;

(3) the difference between the percentage of individuals receiving services through the pilot program who live in non-provider-owned housing during the operation of the pilot program and the percentage of individuals receiving services through the pilot program who lived in non-provider-owned housing before the operation of the pilot program;

(4) the difference between the average total Medicaid cost, by level of need, for individuals in various residential settings receiving services through the pilot program during the operation of the program and the average total Medicaid cost, by level of need, for those individuals before the operation of the program;

(5) the difference between the percentage of individuals receiving services through the pilot program who obtain and maintain employment in meaningful, integrated settings during the operation of the program and the percentage of individuals receiving services through the program who obtained and maintained employment in meaningful, integrated settings before the operation of the program;

(6) the difference between the percentage of individuals receiving services through the pilot program whose behavioral, medical, life-activity, and other personal outcomes have improved since the beginning of the program and the percentage of individuals receiving services through the program whose behavioral, medical, life-activity, and other personal outcomes improved before the operation of the program, as measured over a comparable period; and

(7) a comparison of the overall client satisfaction with services received through the pilot program, including for individuals who leave the program after a determination is made in the individuals' cases at hearings or on appeal, and the overall client satisfaction with services received before the individuals entered the pilot program.

(b) The pilot program service provider shall collect any information described by Subsection (a) that is available to the provider and provide the information to the department and the commission not later than the 30th day before the date the program's operation concludes.

(c) In addition to the information described by Subsection (a), the pilot program service provider shall collect any information specified by the department for use by the department in making an evaluation under Section 534.104(g).

(d) On or before December 1, 2017, and December 1, 2018, the commission and the department, in consultation with the advisory committee, shall review and evaluate the progress and outcomes of each pilot program implemented under this subchapter and submit a report to the legislature during the operation of the pilot programs. Each report must include recommendations for program improvement and continued implementation.

Sec. 534.109. PERSON-CENTERED PLANNING. The commission, in cooperation with the department, shall ensure that each individual with an intellectual or developmental disability who receives services and supports under the Medicaid program through a pilot program established under this subchapter, or the individual's legally authorized representative, has access to a facilitated, person-centered plan that identifies outcomes for the individual and drives the development of the individualized budget. The consumer direction model, as defined by Section 531.051, may be an outcome of the plan.

Sec. 534.110. TRANSITION BETWEEN PROGRAMS. The commission shall ensure that there is a comprehensive plan for transitioning the provision of Medicaid program benefits between a Medicaid waiver program and a pilot program under this subchapter to protect continuity of care.

Sec. 534.111. CONCLUSION OF PILOT PROGRAMS; EXPIRATION. On September 1, 2019:

(1) each pilot program established under this subchapter that is still in operation must conclude; and

(2) this subchapter expires.

SUBCHAPTER D. STAGE ONE: PROVISION OF ACUTE CARE AND CERTAIN OTHER SERVICES

Sec. 534.151. DELIVERY OF ACUTE CARE SERVICES FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES. (a) Subject to Section 533.0025, the commission shall provide acute care Medicaid program benefits to individuals with intellectual and developmental disabilities through the STAR + PLUS Medicaid managed care program or the most appropriate integrated capitated managed care program delivery model and monitor the provision of those benefits.

(b) A managed care organization that contracts with the commission to provide acute care services in accordance with this section shall provide an acute care services coordinator to each individual with an intellectual or developmental disability during the individual's transition to the STAR + PLUS Medicaid managed care program or the most appropriate integrated capitated managed care program delivery model.

Sec. 534.152. DELIVERY OF CERTAIN OTHER SERVICES UNDER STAR + PLUS MEDICAID MANAGED CARE PROGRAM. (a) The commission shall:

(1) implement the most cost-effective option for the delivery of basic attendant and habilitation services for individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program that maximizes federal funding for the delivery of services for that program and other similar programs; and

(2) provide voluntary training to individuals receiving services under the STAR + PLUS Medicaid managed care program or their legally authorized representatives regarding how to select, manage, and dismiss personal attendants providing basic attendant and habilitation services under the program.

(b) The commission shall require that each managed care organization that contracts with the commission for the provision of basic attendant and habilitation services under the STAR + PLUS Medicaid managed care program in accordance with this section:

(1) include in the organization's provider network for the provision of those services:

(A) home and community support services agencies licensed under Chapter 142, Health and Safety Code, with which the department has a contract to provide services under the community living assistance and support services (CLASS) waiver program; and

(B) persons exempted from licensing under Section 142.003(a)(19), Health and Safety Code, with which the department has a contract to provide services under:

(i) the home and community-based services (HCS) waiver program; or

(ii) the Texas home living (TxHmL) waiver program;

(2) review and consider any assessment conducted by a local intellectual and developmental disability authority providing intellectual and developmental disability service coordination under Subsection (c); and

(3) enter into a written agreement with each local intellectual and developmental disability authority in the service area regarding the processes the organization and the authority will use to coordinate the services of individuals with intellectual and developmental disabilities.

(c) The department shall contract with and make contract payments to local intellectual and developmental disability authorities to conduct the following activities under this section:

(1) provide intellectual and developmental disability service coordination to individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program by assisting those individuals who are eligible to receive services in a community-based setting, including individuals transitioning to a community-based setting;

(2) provide an assessment to the appropriate managed care organization regarding whether an individual with an intellectual or developmental disability needs attendant or habilitation services, based on the individual's functional need, risk factors, and desired outcomes;

(3) assist individuals with intellectual and developmental disabilities with developing the individuals' plans of care under the STAR + PLUS Medicaid managed care program, including with making any changes resulting from periodic reassessments of the plans;

(4) provide to the appropriate managed care organization and the department information regarding the recommended plans of care with which the authorities provide assistance as provided by Subdivision (3), including documentation necessary to demonstrate the need for care described by a plan; and

(5) on an annual basis, provide to the appropriate managed care organization and the department a description of outcomes based on an individual's plan of care.

(d) Local intellectual and developmental disability authorities providing service coordination under this section may not also provide attendant and habilitation services under this section.

(e) During the first three years basic attendant and habilitation services are provided to individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program in accordance with this section, providers eligible to participate in the home and community-based services (HCS) waiver program, the Texas home living (TxHmL) waiver program, or the community living assistance and support services (CLASS) waiver program on September 1, 2013, are considered significant traditional providers.

(f) A local intellectual and developmental disability authority with which the department contracts under Subsection (c) may subcontract with an eligible person, including a nonprofit entity, to coordinate the services of individuals with intellectual and developmental disabilities under this section. The executive commissioner by rule shall establish minimum qualifications a person must meet to be considered an "eligible person" under this subsection.

SUBCHAPTER E. STAGE TWO: TRANSITION OF LONG-TERM CARE MEDICAID WAIVER PROGRAM RECIPIENTS TO INTEGRATED MANAGED CARE SYSTEM

Sec. 534.201. TRANSITION OF RECIPIENTS UNDER TEXAS HOME LIVING (TxHmL) WAIVER PROGRAM TO MANAGED CARE PROGRAM.

(a) This section applies to individuals with intellectual and developmental disabilities who are receiving long-term services and supports under the Texas home living (TxHmL) waiver program on the date the commission implements the transition described by Subsection (b).

(b) Not later than September 1, 2018, the commission shall transition the provision of Medicaid program benefits to individuals to whom this section applies to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as determined by the commission based on cost-effectiveness and the experience of the STAR + PLUS Medicaid managed care program in providing basic attendant and habilitation services and of the pilot programs established under Subchapter C, subject to Subsection (c)(1).

(c) At the time of the transition described by Subsection (b), the commission shall determine whether to:

(1) continue operation of the Texas home living (TxHmL) waiver program for purposes of providing supplemental long-term services and supports not available under the managed care program delivery model selected by the commission; or

(2) provide all or a portion of the long-term services and supports previously available under the Texas home living (TxHmL) waiver program through the managed care program delivery model selected by the commission.

(d) In implementing the transition described by Subsection (b), the commission shall develop a process to receive and evaluate input from interested statewide stakeholders that is in addition to the input provided by the advisory committee.

(e) The commission shall ensure that there is a comprehensive plan for transitioning the provision of Medicaid program benefits under this section that protects the continuity of care provided to individuals to whom this section applies.

(f) In addition to the requirements of Section 533.005, a contract between a managed care organization and the commission for the organization to provide Medicaid program benefits under this section must contain a requirement that the organization implement a process for individuals with intellectual and developmental disabilities that:

(1) ensures that the individuals have a choice among providers; and

(2) to the greatest extent possible, protects those individuals' continuity of care with respect to access to primary care providers, including the use of single-case agreements with out-of-network providers.

Sec. 534.202. TRANSITION OF ICF-IID PROGRAM RECIPIENTS AND CERTAIN OTHER MEDICAID WAIVER PROGRAM RECIPIENTS TO MANAGED CARE PROGRAM. (a) This section applies to individuals with intellectual and developmental disabilities who, on the date the commission implements the transition described by Subsection (b), are receiving long-term services and supports under:

(1) a Medicaid waiver program other than the Texas home living (TxHmL) waiver program; or

(2) an ICF-IID program.

(b) After implementing the transition required by Section 534.201 but not later than September 1, 2021, the commission shall transition the provision of Medicaid program benefits to individuals to whom this section applies to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as determined by the commission based on cost-effectiveness and the experience of the transition of Texas home living (TxHmL) waiver program recipients to a managed care program delivery model under Section 534.201, subject to Subsections (c)(1) and (g).

(c) At the time of the transition described by Subsection (b), the commission shall determine whether to:

(1) continue operation of the Medicaid waiver programs or ICF-IID program only for purposes of providing, if applicable:

(A) supplemental long-term services and supports not available under the managed care program delivery model selected by the commission; or

(B) long-term services and supports to Medicaid waiver program recipients who choose to continue receiving benefits under the waiver program as provided by Subsection (g); or

(2) subject to Subsection (g), provide all or a portion of the long-term services and supports previously available only under the Medicaid waiver programs or ICF-IID program through the managed care program delivery model selected by the commission.

(d) In implementing the transition described by Subsection (b), the commission shall develop a process to receive and evaluate input from interested statewide stakeholders that is in addition to the input provided by the advisory committee.

(e) The commission shall ensure that there is a comprehensive plan for transitioning the provision of Medicaid program benefits under this section that protects the continuity of care provided to individuals to whom this section applies.

(f) Before transitioning the provision of Medicaid program benefits for children under this section, a managed care organization providing services under the managed care program delivery model selected by the commission must demonstrate to the satisfaction of the commission that the organization's network of providers has experience and expertise in the provision of services to children with intellectual and developmental disabilities. Before transitioning the provision of Medicaid program benefits for adults with intellectual and developmental disabilities under this section, a managed care organization providing services under the managed care program delivery model selected by the commission must demonstrate to the satisfaction of the commission that the organization's network of providers has experience and expertise in the provision of services to adults with intellectual and developmental disabilities.

(g) If the commission determines that all or a portion of the long-term services and supports previously available only under the Medicaid waiver programs should be provided through a managed care program delivery model under Subsection (c)(2), the commission shall, at the time of the transition, allow each recipient receiving long-term services and supports under a Medicaid waiver program the option of:

(1) continuing to receive the services and supports under the Medicaid waiver program; or

(2) receiving the services and supports through the managed care program delivery model selected by the commission.

(h) A recipient who chooses to receive long-term services and supports through a managed care program delivery model under Subsection (g) may not, at a later time, choose to receive the services and supports under a Medicaid waiver program.

(i) In addition to the requirements of Section 533.005, a contract between a managed care organization and the commission for the organization to provide Medicaid program benefits under this section must contain a requirement that the organization implement a process for individuals with intellectual and developmental disabilities that:

(1) ensures that the individuals have a choice among providers; and

(2) to the greatest extent possible, protects those individuals' continuity of care with respect to access to primary care providers, including the use of single-case agreements with out-of-network providers.

SECTION 1.02. Subsection (a), Section 142.003, Health and Safety Code, is amended to read as follows:

(a) The following persons need not be licensed under this chapter:

(1) a physician, dentist, registered nurse, occupational therapist, or physical therapist licensed under the laws of this state who provides home health services to a client only as a part of and incidental to that person's private office practice;

(2) a registered nurse, licensed vocational nurse, physical therapist, occupational therapist, speech therapist, medical social worker, or any other health care professional as determined by the department who provides home health services as a sole practitioner;

(3) a registry that operates solely as a clearinghouse to put consumers in contact with persons who provide home health, hospice, or personal assistance services and that does not maintain official client records, direct client services, or compensate the person who is providing the service;

(4) an individual whose permanent residence is in the client's residence;

(5) an employee of a person licensed under this chapter who provides home health, hospice, or personal assistance services only as an employee of the license holder and who receives no benefit for providing the services, other than wages from the license holder;

(6) a home, nursing home, convalescent home, assisted living facility, special care facility, or other institution for individuals who are elderly or who have disabilities that provides home health or personal assistance services only to residents of the home or institution;

(7) a person who provides one health service through a contract with a person licensed under this chapter;

(8) a durable medical equipment supply company;

(9) a pharmacy or wholesale medical supply company that does not furnish services, other than supplies, to a person at the person's house;

(10) a hospital or other licensed health care facility that provides home health or personal assistance services only to inpatient residents of the hospital or facility;

(11) a person providing home health or personal assistance services to an injured employee under Title 5, Labor Code;

(12) A visiting nurse service that:

(A) is conducted by and for the adherents of a well-recognized church or religious denomination; and

(B) provides nursing services by a person exempt from licensing by Section 301.004, Occupations Code, because the person furnishes nursing care in which treatment is only by prayer or spiritual means;

(13) an individual hired and paid directly by the client or the client's family or legal guardian to provide home health or personal assistance services;

(14) a business, school, camp, or other organization that provides home health or personal assistance services, incidental to the organization's primary purpose, to individuals employed by or participating in programs offered by the business, school, or camp that enable the individual to participate fully in the business's, school's, or camp's programs;

(15) a person or organization providing sitter-companion services or chore or household services that do not involve personal care, health, or health-related services;

(16) a licensed health care facility that provides hospice services under a contract with a hospice;

(17) a person delivering residential acquired immune deficiency syndrome hospice care who is licensed and designated as a residential AIDS hospice under Chapter 248;

(18) the Texas Department of Criminal Justice;

(19) a person that provides home health, hospice, or personal assistance services only to persons receiving benefits under:

(A) the home and community-based services (HCS) waiver program;

(B) the Texas home living (TxHmL) waiver program; or

(C) Section 534.152, Government Code [enrolled in a program funded wholly or partly by the Texas Department of Mental Health and Mental Retardation and monitored by the Texas Department of Mental Health and Mental Retardation or its designated local authority in accordance with standards set by the Texas Department of Mental Health and Mental Retardation]; or

(20) an individual who provides home health or personal assistance services as the employee of a consumer or an entity or employee of an entity acting as a consumer's fiscal agent under Section 531.051, Government Code.

SECTION 1.03. Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission and the commissioner of the Department of Aging and Disability Services shall appoint the members of the Intellectual and Developmental Disability System Redesign Advisory Committee as required by Section 534.053, Government Code, as added by this article.

SECTION 1.04. (a) In this section, "health and human services agencies" has the meaning assigned by Section 531.001, Government Code.

(b) The Health and Human Services Commission and any other health and human services agency implementing a provision of this Act that affects individuals with intellectual and developmental disabilities shall consult with the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code, as added by this article, regarding implementation of the provision.

SECTION 1.05. The Health and Human Services Commission shall submit:

(1) the initial report on the implementation of the Medicaid acute care services and long-term services and supports delivery system for individuals with intellectual and developmental disabilities as required by Section 534.054, Government Code, as added by this article, not later than September 30, 2014; and

(2) the final report under that section not later than September 30, 2023.

SECTION 1.06. Not later than June 1, 2016, the Health and Human Services Commission shall submit a report to the legislature regarding the commission's experience in, including the cost-effectiveness of, delivering basic attendant and habilitation services for individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program under Section 534.152, Government Code, as added by this article.

SECTION 1.07. The Health and Human Services Commission and the Department of Aging and Disability Services shall implement any pilot program to be established under Subchapter C, Chapter 534, Government Code, as added by this article, as soon as practicable after the effective date of this Act.

SECTION 1.08. (a) The Health and Human Services Commission and the Department of Aging and Disability Services shall:

(1) in consultation with the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code, as added by this article, review and evaluate the outcomes of:

(A) the transition of the provision of benefits to individuals under the Texas home living (TxHmL) waiver program to a managed care program delivery model under Section 534.201, Government Code, as added by this article; and

(B) the transition of the provision of benefits to individuals under the Medicaid waiver programs, other than the Texas home living (TxHmL) waiver program, and the ICF-IID program to a managed care program delivery model under Section 534.202, Government Code, as added by this article; and

(2) submit as part of an annual report required by Section 534.054, Government Code, as added by this article, due on or before September 30 of 2019, 2020, and 2021, a report on the review and evaluation conducted under Paragraphs (A) and (B), Subdivision (1), of this subsection that includes recommendations for continued implementation of and improvements to the acute care and long-term services and supports system under Chapter 534, Government Code, as added by this article.

(b) This section expires September 1, 2024.

ARTICLE 2. MEDICAID MANAGED CARE EXPANSION

SECTION 2.01. Section 533.0025, Government Code, is amended by amending Subsection (a) and adding Subsections (f), (g), and (h) to read as follows:

(a) In this section and Sections 533.00251, 533.002515, 533.00252, 533.00253, and 533.00254, "medical assistance" has the meaning assigned by Section 32.003, Human Resources Code.

(f) The commission shall:

(1) conduct a study to evaluate the feasibility of automatically enrolling applicants determined eligible for benefits under the medical assistance program in a Medicaid managed care plan; and

(2) report the results of the study to the legislature not later than December 1, 2014.

(g) Subsection (f) and this subsection expire September 1, 2015.

(h) If the commission determines that it is feasible, the commission may, notwithstanding any other law, implement an automatic enrollment process under which applicants determined eligible for medical assistance benefits are automatically enrolled in a Medicaid managed care plan. The commission may elect to implement the automatic enrollment process as to certain populations of recipients under the medical assistance program.

SECTION 2.02. Subchapter A, Chapter 533, Government Code, is amended by adding Sections 533.00251, 533.002515, 533.00252, 533.00253, and 533.00254 to read as follows:

Sec. 533.00251. DELIVERY OF CERTAIN BENEFITS, INCLUDING NURSING FACILITY BENEFITS, THROUGH STAR + PLUS MEDICAID MANAGED CARE PROGRAM. (a) In this section and Sections 533.002515 and 533.00252:

(1) "Advisory committee" means the STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252.

(2) "Clean claim" means a claim that meets the same criteria for a clean claim used by the Department of Aging and Disability Services for the reimbursement of nursing facility claims.

(3) "Nursing facility" means a convalescent or nursing home or related institution licensed under Chapter 242, Health and Safety Code, that provides long-term services and supports to Medicaid recipients.

(4) "Potentially preventable event" has the meaning assigned by Section 536.001.

(b) Subject to Section 533.0025, the commission shall expand the STAR + PLUS Medicaid managed care program to all areas of this state to serve individuals eligible for acute care services and long-term services and supports under the medical assistance program.

(c) Subject to Section 533.0025 and notwithstanding any other law, the commission, in consultation with the advisory committee, shall provide benefits under the medical assistance program to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. In implementing this subsection, the commission shall ensure:

(1) that the commission is responsible for setting the minimum reimbursement rate paid to a nursing facility under the managed care program, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement;

(2) that a nursing facility is paid not later than the 10th day after the date the facility submits a clean claim;

(3) the appropriate utilization of services consistent with criteria adopted by the commission;

(4) a reduction in the incidence of potentially preventable events and unnecessary institutionalizations;

(5) that a managed care organization providing services under the managed care program provides discharge planning, transitional care, and other education programs to physicians and hospitals regarding all available long-term care settings;

(6) that a managed care organization providing services under the managed care program:

(A) assists in collecting applied income from recipients; and

(B) provides payment incentives to nursing facility providers that reward reductions in preventable acute care costs and encourage transformative efforts in the delivery of nursing facility services, including efforts to promote a resident-centered care culture through facility design and services provided;

(7) the establishment of a portal through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims to any participating managed care organization; and

(8) that rules and procedures relating to the certification and decertification of nursing facility beds under the medical assistance program are not affected.

(d) Subject to Subsection (e), the commission shall ensure that a nursing facility provider authorized to provide services under the medical assistance program on September 1, 2013, is allowed to participate in the STAR + PLUS Medicaid managed care program through August 31, 2017. This subsection expires September 1, 2018.

(e) The commission shall establish credentialing and minimum performance standards for nursing facility providers seeking to participate in the STAR + PLUS Medicaid managed care program that are consistent with adopted federal and state standards. A managed care organization may refuse to contract with a nursing facility provider if the nursing facility does not meet the minimum performance standards established by the commission under this section.

(f) This section expires September 1, 2019.

Sec. 533.002515. PLANNED PREPARATION FOR DELIVERY OF NURSING FACILITY BENEFITS THROUGH STAR + PLUS MEDICAID MANAGED CARE PROGRAM. (a) The commission shall develop a plan in preparation for implementing the requirement under Section 533.00251(c) that the commission provide benefits under the medical assistance program to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. The plan required by this section must be completed in two phases as follows:

(1) phase one: contract planning phase; and

(2) phase two: initial testing phase.

(b) In phase one, the commission shall develop a contract template to be used by the commission when the commission contracts with a managed care organization to provide nursing facility services under the STAR + PLUS Medicaid managed care program. In addition to the requirements of Section 533.005 and any other applicable law, the template must include:

(1) nursing home credentialing requirements;

(2) appeals processes;

(3) termination provisions;

(4) prompt payment requirements and a liquidated damages provision that contains financial penalties for failure to meet prompt payment requirements;

(5) a description of medical necessity criteria;

(6) a requirement that the managed care organization provide recipients and recipients' families freedom of choice in selecting a nursing facility; and

(7) a description of the managed care organization's role in discharge planning and imposing prior authorization requirements.

(c) In phase two, the commission shall:

(1) design and test the portal required under Section 533.00251(c)(7);

(2) establish and inform managed care organizations of the minimum technological or system requirements needed to use the portal required under Section 533.00251(c)(7);

(3) establish operating policies that require that managed care organizations maintain a portal through which providers may confirm recipient eligibility on a monthly basis; and

(4) establish the manner in which managed care organizations are to assist the commission in collecting from recipients applied income or cost-sharing payments, including copayments, as applicable.

(d) This section expires September 1, 2015.

Sec. 533.00252. STAR + PLUS NURSING FACILITY ADVISORY COMMITTEE. (a) The STAR + PLUS Nursing Facility Advisory Committee is established to advise the commission on the implementation of and other activities related to the provision of medical assistance benefits to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program under Section 533.00251, including advising the commission regarding its duties with respect to:

(1) developing quality-based outcomes and process measures for long-term services and supports provided in nursing facilities;

(2) developing quality-based long-term care payment systems and quality initiatives for nursing facilities;

(3) transparency of information received from managed care organizations;

(4) the reporting of outcome and process measures;

(5) the sharing of data among health and human services agencies; and

(6) patient care coordination, quality of care improvement, and cost savings.

(b) The governor, lieutenant governor, and speaker of the house of representatives shall each appoint five members of the advisory committee as follows:

(1) one member who is a physician and medical director of a nursing facility provider with experience providing the long-term continuum of care, including home care and hospice;

(2) one member who is a nonprofit nursing facility provider;

(3) one member who is a for-profit nursing facility provider;

(4) one member who is a consumer representative; and

(5) one member who is from a managed care organization providing services as provided by Section 533.00251.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) A member of the advisory committee serves without compensation.

(e) The advisory committee is subject to the requirements of Chapter 551.

(f) On September 1, 2017:

(1) the advisory committee is abolished; and

(2) this section expires.

Sec. 533.00253. STAR KIDS MEDICAID MANAGED CARE PROGRAM.

(a) In this section:

(1) "Advisory committee" means the STAR Kids Managed Care Advisory Committee established under Section 533.00254.

(2) "Health home" means a primary care provider practice, or, if appropriate, a specialty care provider practice, incorporating several features, including comprehensive care coordination, family-centered care, and data management, that are focused on improving outcome-based quality of care and increasing patient and provider satisfaction under the medical assistance program.

(3) "Potentially preventable event" has the meaning assigned by Section 536.001.

(b) Subject to Section 533.0025, the commission shall, in consultation with the advisory committee and the Children's Policy Council established under Section 22.035, Human Resources Code, establish a mandatory STAR Kids capitated managed care program tailored to provide medical assistance benefits to children with disabilities. The managed care program developed under this section must:

(1) provide medical assistance benefits that are customized to meet the health care needs of recipients under the program through a defined system of care;

(2) better coordinate care of recipients under the program;

(3) improve the health outcomes of recipients;

(4) improve recipients' access to health care services;

(5) achieve cost containment and cost efficiency;

(6) reduce the administrative complexity of delivering medical assistance benefits;

(7) reduce the incidence of unnecessary institutionalizations and potentially preventable events by ensuring the availability of appropriate services and care management;

(8) require a health home; and

(9) coordinate and collaborate with long-term care service providers and long-term care management providers, if recipients are receiving long-term services and supports outside of the managed care organization.

(c) The commission shall provide medical assistance benefits through the STAR Kids managed care program established under this section to children who are receiving benefits under the medically dependent children (MDCP) waiver program. The commission shall:

(1) ensure that the STAR Kids managed care program provides all of the benefits provided under the medically dependent children (MDCP) waiver program to the extent necessary to implement this subsection;

(2) contract with local intellectual and developmental disability authorities to provide service coordination to the children described by this subsection; and

(3) monitor the provision of benefits to children described by this subsection.

(d) The commission shall ensure that there is a plan for transitioning the provision of Medicaid program benefits to recipients 21 years of age or older from under the STAR Kids program to under the STAR + PLUS Medicaid managed care program that protects continuity of care. The plan must ensure that coordination between the programs begins when a recipient reaches 18 years of age.

(e) A local intellectual and developmental disability authority with which the commission contracts under this section may subcontract with an eligible person, including a nonprofit entity, to provide service coordination under Subsection (c)(2). The executive commissioner by rule shall establish minimum qualifications a person must meet to be considered an "eligible person" under this subsection.

(f) A managed care organization that contracts with the commission to provide acute care services under this section shall provide an acute care services coordinator to each child with a disability during the child's transition to the STAR Kids capitated managed care program.

(g) The commission shall seek ongoing input from the Children's Policy Council regarding the establishment and implementation of the STAR Kids managed care program.

Sec. 533.00254. STAR KIDS MANAGED CARE ADVISORY COMMITTEE.

(a) The STAR Kids Managed Care Advisory Committee is established to advise the commission on the establishment and implementation of the STAR Kids managed care program under Section 533.00253.

(b) The executive commissioner shall appoint the members of the advisory committee. The committee must consist of:

(1) families whose children will receive private duty nursing under the program;

(2) health care providers;

(3) providers of home and community-based services, including at least one private duty nursing provider and one pediatric therapy provider; and

(4) other stakeholders as the executive commissioner determines appropriate.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) A member of the advisory committee serves without compensation.

(e) The advisory committee is subject to the requirements of Chapter 551.

(f) On September 1, 2017:

(1) the advisory committee is abolished; and

(2) this section expires.

SECTION 2.03. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00285 to read as follows:

Sec. 533.00285. STAR + PLUS QUALITY COUNCIL. (a) The STAR + PLUS Quality Council is established to advise the commission on the development of policy recommendations that will ensure eligible recipients receive quality, person-centered, consumer-directed acute care services and long-term services and supports in an integrated setting under the STAR + PLUS Medicaid managed care program.

(b) The executive commissioner shall appoint the members of the council, who must be stakeholders from the acute care services and long-term services and supports community, including:

(1) representatives of health and human services agencies;

(2) recipients under the STAR + PLUS Medicaid managed care program;

(3) representatives of advocacy groups representing individuals with disabilities and seniors who are recipients under the STAR + PLUS Medicaid managed care program;

(4) representatives of service providers for individuals with disabilities; and

(5) representatives of health maintenance organizations.

(c) The executive commissioner shall appoint the presiding officer of the council.

(d) The council shall meet at least quarterly or more frequently if the presiding officer determines that it is necessary to carry out the responsibilities of the council.

(e) Not later than November 1 of each year, the council shall submit a report to the executive commissioner and the Department of Aging and Disability Services that includes:

(1) an analysis and assessment of the quality of acute care services and long-term services and supports provided under the STAR + PLUS Medicaid managed care program;

(2) recommendations regarding how to improve the quality of acute care services and long-term services and supports provided under the program; and

(3) recommendations regarding how to ensure that recipients eligible to receive services and supports under the program receive person-centered, consumer-directed care in the most integrated setting achievable.

(f) Not later than December 1 of each even-numbered year, the Department of Aging and Disability Services, in consultation with the council, shall submit a report to the legislature regarding the assessments and recommendations contained in any report submitted by the council under Subsection (e) during the most recent state fiscal biennium.

(g) The council is subject to the requirements of Chapter 551.

(h) A member of the council serves without compensation.

(i) On January 1, 2017:

(1) the council is abolished; and

(2) this section expires.

SECTION 2.04. Subsection (a), Section 533.005, Government Code, is amended to read as follows:

(a) A contract between a managed care organization and the commission for the organization to provide health care services to recipients must contain:

(1) procedures to ensure accountability to the state for the provision of health care services, including procedures for financial reporting, quality assurance, utilization review, and assurance of contract and subcontract compliance;

(2) capitation rates that ensure the cost-effective provision of quality health care;

(3) a requirement that the managed care organization provide ready access to a person who assists recipients in resolving issues relating to enrollment, plan administration, education and training, access to services, and grievance procedures;

(4) a requirement that the managed care organization provide ready access to a person who assists providers in resolving issues relating to payment, plan administration, education and training, and grievance procedures;

(5) a requirement that the managed care organization provide information and referral about the availability of educational, social, and other community services that could benefit a recipient;

(6) procedures for recipient outreach and education;

(7) a requirement that the managed care organization make payment to a physician or provider for health care services rendered to a recipient under a managed care plan on any [not later than the 45th day after the date a] claim for payment that is received with documentation reasonably necessary for the managed care organization to process the claim:

(A) not later than:

(i) the 10th day after the date the claim is received if the claim relates to services provided by a nursing facility, intermediate care facility, or home and community-based services provider;

(ii) the 21st day after the date the claim is received if the claim relates to the provision of long-term services and supports not subject to Subparagraph (i); and

(iii) the 45th day after the date the claim is received if the claim is not subject to Subparagraph (i) or (ii);[;] or

(B) within a period, not to exceed 60 days, specified by a written agreement between the physician or provider and the managed care organization;

(8) a requirement that the commission, on the date of a recipient's enrollment in a managed care plan issued by the managed care organization, inform the organization of the recipient's Medicaid certification date;

(9) a requirement that the managed care organization comply with Section 533.006 as a condition of contract retention and renewal;

(10) a requirement that the managed care organization provide the information required by Section 533.012 and otherwise comply and cooperate with the commission's office of inspector general and the office of the attorney general;

(11) a requirement that the managed care organization's usages of out-of-network providers or groups of out-of-network providers may not exceed limits for those usages relating to total inpatient admissions, total outpatient services, and emergency room admissions determined by the commission;

(12) if the commission finds that a managed care organization has violated Subdivision (11), a requirement that the managed care organization reimburse an out-of-network provider for health care services at a rate that is equal to the allowable rate for those services, as determined under Sections 32.028 and 32.0281, Human Resources Code;

(13) a requirement that the organization use advanced practice nurses in addition to physicians as primary care providers to increase the availability of primary care providers in the organization's provider network;

(14) a requirement that the managed care organization reimburse a federally qualified health center or rural health clinic for health care services provided to a recipient outside of regular business hours, including on a weekend day or holiday, at a rate that is equal to the allowable rate for those services as determined under Section 32.028, Human Resources Code, if the recipient does not have a referral from the recipient's primary care physician;

(15) a requirement that the managed care organization develop, implement, and maintain a system for tracking and resolving all provider appeals related to claims payment, including a process that will require:

(A) a tracking mechanism to document the status and final disposition of each provider's claims payment appeal;

(B) the contracting with physicians who are not network providers and who are of the same or related specialty as the appealing physician to resolve claims disputes related to denial on the basis of medical necessity that remain unresolved subsequent to a provider appeal; and

(C) the determination of the physician resolving the dispute to be binding on the managed care organization and provider;

(16) a requirement that a medical director who is authorized to make medical necessity determinations is available to the region where the managed care organization provides health care services;

(17) a requirement that the managed care organization ensure that a medical director and patient care coordinators and provider and recipient support services personnel are located in the South Texas service region, if the managed care organization provides a managed care plan in that region;

(18) a requirement that the managed care organization provide special programs and materials for recipients with limited English proficiency or low literacy skills;

(19) a requirement that the managed care organization develop and establish a process for responding to provider appeals in the region where the organization provides health care services;

(20) a requirement that the managed care organization:

(A) develop and submit to the commission, before the organization begins to provide health care services to recipients, a comprehensive plan that describes how the organization's provider network will provide recipients sufficient access to:

(i) [~~A~~] preventive care;

(ii) [~~B~~] primary care;

(iii) [~~C~~] specialty care;

(iv) [~~D~~] after-hours urgent care; ~~and~~

(v) [~~E~~] chronic care;

(vi) long-term services and supports;

(vii) nursing services; and

(viii) therapy services, including services provided in a clinical setting or in a home or community-based setting; and

(B) regularly, as determined by the commission, submit to the commission and make available to the public a report containing data on the sufficiency of the organization's provider network with regard to providing the care and services described under Paragraph (A) and specific data with respect to Paragraphs (A)(iii), (vi), (vii), and (viii) on the average length of time between:

(i) the date a provider makes a referral for the care or service and the date the organization approves or denies the referral; and

(ii) the date the organization approves a referral for the care or service and the date the care or service is initiated;

(21) a requirement that the managed care organization demonstrate to the commission, before the organization begins to provide health care services to recipients, that:

(A) the organization's provider network has the capacity to serve the number of recipients expected to enroll in a managed care plan offered by the organization;

(B) the organization's provider network includes:

(i) a sufficient number of primary care providers;

(ii) a sufficient variety of provider types; ~~and~~

(iii) a sufficient number of providers of long-term services and supports and specialty pediatric care providers of home and community-based services; and

(iv) providers located throughout the region where the organization will provide health care services; and

(C) health care services will be accessible to recipients through the organization's provider network to a comparable extent that health care services would be available to recipients under a fee-for-service or primary care case management model of Medicaid managed care;

(22) a requirement that the managed care organization develop a monitoring program for measuring the quality of the health care services provided by the organization's provider network that:

(A) incorporates the National Committee for Quality Assurance's Healthcare Effectiveness Data and Information Set (HEDIS) measures;

(B) focuses on measuring outcomes; and

(C) includes the collection and analysis of clinical data relating to prenatal care, preventive care, mental health care, and the treatment of acute and chronic health conditions and substance abuse;

(23) ~~[subject to Subsection (a-1)]~~ a requirement that the managed care organization develop, implement, and maintain an outpatient pharmacy benefit plan for its enrolled recipients:

(A) that exclusively employs the vendor drug program formulary and preserves the state's ability to reduce waste, fraud, and abuse under the Medicaid program;

(B) that adheres to the applicable preferred drug list adopted by the commission under Section 531.072;

(C) that includes the prior authorization procedures and requirements prescribed by or implemented under Sections 531.073(b), (c), and (g) for the vendor drug program;

(D) for purposes of which the managed care organization:

(i) may not negotiate or collect rebates associated with pharmacy products on the vendor drug program formulary; and

(ii) may not receive drug rebate or pricing information that is confidential under Section 531.071;

(E) that complies with the prohibition under Section 531.089;

(F) under which the managed care organization may not prohibit, limit, or interfere with a recipient's selection of a pharmacy or pharmacist of the recipient's choice for the provision of pharmaceutical services under the plan through the imposition of different copayments;

(G) that allows the managed care organization or any subcontracted pharmacy benefit manager to contract with a pharmacist or pharmacy providers separately for specialty pharmacy services, except that:

(i) the managed care organization and pharmacy benefit manager are prohibited from allowing exclusive contracts with a specialty pharmacy owned wholly or partly by the pharmacy benefit manager responsible for the administration of the pharmacy benefit program; and

(ii) the managed care organization and pharmacy benefit manager must adopt policies and procedures for reclassifying prescription drugs from retail to specialty drugs, and those policies and procedures must be consistent with rules adopted by the executive commissioner and include notice to network pharmacy providers from the managed care organization;

(H) under which the managed care organization may not prevent a pharmacy or pharmacist from participating as a provider if the pharmacy or pharmacist agrees to comply with the financial terms and conditions of the contract as well as other reasonable administrative and professional terms and conditions of the contract;

(I) under which the managed care organization may include mail-order pharmacies in its networks, but may not require enrolled recipients to use those pharmacies, and may not charge an enrolled recipient who opts to use this service a fee, including postage and handling fees; and

(J) under which the managed care organization or pharmacy benefit manager, as applicable, must pay claims in accordance with Section 843.339, Insurance Code; ~~and~~

(24) a requirement that the managed care organization and any entity with which the managed care organization contracts for the performance of services under a managed care plan disclose, at no cost, to the commission and, on request, the office of the attorney general all discounts, incentives, rebates, fees, free goods, bundling arrangements, and other agreements affecting the net cost of goods or services provided under the plan; and

(25) a requirement that the managed care organization not implement significant, nonnegotiated, across-the-board provider reimbursement rate reductions unless the organization has the prior approval of the commission to make the reduction.

SECTION 2.05. Section 533.041, Government Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) The executive commissioner ~~[commission]~~ shall appoint a state Medicaid managed care advisory committee. The advisory committee consists of representatives of:

- (1) hospitals;
- (2) managed care organizations and participating health care providers;
- (3) primary care providers and specialty care providers;

- (4) state agencies;
- (5) low-income recipients or consumer advocates representing low-income recipients;
- (6) recipients with disabilities, including recipients with intellectual and developmental disabilities or physical disabilities, or consumer advocates representing those recipients [with a disability];
- (7) parents of children who are recipients;
- (8) rural providers;
- (9) advocates for children with special health care needs;
- (10) pediatric health care providers, including specialty providers;
- (11) long-term services and supports [care] providers, including nursing facility [home] providers and direct service workers;
- (12) obstetrical care providers;
- (13) community-based organizations serving low-income children and their families; ~~and~~
- (14) community-based organizations engaged in perinatal services and outreach;
- (15) recipients who are 65 years of age or older;
- (16) recipients with mental illness;
- (17) nonphysician mental health providers participating in the Medicaid managed care program; and
- (18) entities with responsibilities for the delivery of long-term services and supports or other Medicaid program service delivery, including:
- (A) independent living centers;
- (B) area agencies on aging;
- (C) aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services;
- (D) community mental health and intellectual disability centers; and
- (E) the NorthSTAR Behavioral Health Program provided under Chapter 534, Health and Safety Code.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) To the greatest extent possible, the executive commissioner shall appoint members of the advisory committee who reflect the geographic diversity of the state and include members who represent rural Medicaid program recipients.

SECTION 2.06. Section 533.042, Government Code, is amended to read as follows:

Sec. 533.042. MEETINGS. (a) The advisory committee shall meet at the call of the presiding officer at least semiannually, but no more frequently than quarterly.

(b) The advisory committee:

(1) [;] shall develop procedures that provide the public with reasonable opportunity to appear before the committee [committee] and speak on any issue under the jurisdiction of the committee;[;] and

(2) is subject to Chapter 551.

SECTION 2.07. Section 533.043, Government Code, is amended to read as follows:

Sec. 533.043. POWERS AND DUTIES. (a) The advisory committee shall:

(1) provide recommendations and ongoing advisory input to the commission on the statewide implementation and operation of Medicaid managed care, including:

(A) program design and benefits;

(B) systemic concerns from consumers and providers;

(C) the efficiency and quality of services delivered by Medicaid managed care organizations;

(D) contract requirements for Medicaid managed care organizations;

(E) Medicaid managed care provider network adequacy; and

(F) other issues as requested by the executive commissioner;

(2) assist the commission with issues relevant to Medicaid managed care to improve the policies established for and programs operating under Medicaid managed care, including the early and periodic screening, diagnosis, and treatment program, provider and patient education issues, and patient eligibility issues; and

(3) disseminate or make available to each regional advisory committee appointed under Subchapter B information on best practices with respect to Medicaid managed care that is obtained from a regional advisory committee.

(b) The commission and the Department of Aging and Disability Services shall ensure coordination and communication between the advisory committee, regional Medicaid managed care advisory committees appointed by the commission under Subchapter B, and other advisory committees or groups that perform functions related to Medicaid managed care, including the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, in a manner that enables the state Medicaid managed care advisory committee to act as a central source of agency information and stakeholder input relevant to the implementation and operation of Medicaid managed care.

(c) The advisory committee may establish work groups that meet at other times for purposes of studying and making recommendations on issues the committee determines appropriate.

SECTION 2.08. Section 533.044, Government Code, is amended to read as follows:

Sec. 533.044. OTHER LAW. (a) Except as provided by Subsection (b) and other provisions of this subchapter, the advisory committee is subject to Chapter 2110.

(b) Section 2110.008 does not apply to the advisory committee.

SECTION 2.09. Subchapter C, Chapter 533, Government Code, is amended by adding Section 533.045 to read as follows:

Sec. 533.045. COMPENSATION; REIMBURSEMENT. (a) Except as provided by Subsection (b), a member of the advisory committee is not entitled to receive compensation or reimbursement for travel expenses.

(b) A member of the advisory committee who is a Medicaid program recipient or the relative of a Medicaid program recipient is entitled to a per diem allowance and reimbursement at rates established in the General Appropriations Act.

SECTION 2.10. Subsection (a-1), Section 533.005, Government Code, is repealed.

SECTION 2.11. (a) The Health and Human Services Commission and the Department of Aging and Disability Services shall:

(1) review and evaluate the outcomes of the transition of the provision of benefits to recipients under the medically dependent children (MDCP) waiver program to the STAR Kids managed care program delivery model established under Section 533.00253, Government Code, as added by this article;

(2) not later than December 1, 2017, submit an initial report to the legislature on the review and evaluation conducted under Subdivision (1) of this subsection, including recommendations for continued implementation and improvement of the program; and

(3) not later than December 1 of each year after 2017 and until December 1, 2021, submit additional reports that include the information described by Subdivision (1) of this subsection.

(b) This section expires September 1, 2022.

SECTION 2.12. (a) Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission shall appoint the members of the STAR + PLUS Quality Council as required by Section 533.00285, Government Code, as added by this article.

(b) The STAR + PLUS Quality Council shall submit:

(1) the initial report required under Subsection (e), Section 533.00285, Government Code, as added by this article, not later than November 1, 2014; and

(2) the final report required under that subsection not later than November 1, 2016.

(c) The Department of Aging and Disability Services shall submit:

(1) the initial report required under Subsection (f), Section 533.00285, Government Code, as added by this article, not later than December 1, 2014; and

(2) the final report required under that subsection not later than December 1, 2016.

SECTION 2.13. (a) The Health and Human Services Commission shall, in a contract between the commission and a managed care organization under Chapter 533, Government Code, that is entered into or renewed on or after the effective date of this Act, require that the managed care organization comply with applicable provisions of Subsection (a), Section 533.005, Government Code, as amended by this article.

(b) The Health and Human Services Commission shall seek to amend contracts entered into with managed care organizations under Chapter 533, Government Code, before the effective date of this Act to require those managed care organizations to comply with applicable provisions of Subsection (a), Section 533.005, Government Code, as amended by this article. To the extent of a conflict between the applicable provisions of that subsection and a provision of a contract with a managed care organization entered into before the effective date of this Act, the contract provision prevails.

SECTION 2.14. Not later than September 15, 2013, the governor, lieutenant governor, and speaker of the house of representatives shall appoint the members of the STAR + PLUS Nursing Facility Advisory Committee as required by Section 533.00252, Government Code, as added by this article.

SECTION 2.15. (a) Not later than October 1, 2013, the Health and Human Services Commission shall:

(1) complete phase one of the plan required under Section 533.002515, Government Code, as added by this article; and

(2) submit a report regarding the implementation of phase one of the plan together with a copy of the contract template required by that section to the STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added by this article.

(b) Not later than July 15, 2014, the Health and Human Services Commission shall:

(1) complete phase two of the plan required under Section 533.002515, Government Code, as added by this article; and

(2) submit a report regarding the implementation of phase two to the STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added by this article.

SECTION 2.16. (a) The Health and Human Services Commission may not:

(1) implement Paragraph (B), Subdivision (6), Subsection (c), Section 533.00251, Government Code, as added by this article, unless the commission seeks and obtains a waiver or other authorization from the federal Centers for Medicare and Medicaid Services or other appropriate entity that ensures a significant portion, but not more than 80 percent, of accrued savings to the Medicare program as a result of reduced hospitalizations and institutionalizations and other care and efficiency improvements to nursing facilities participating in the medical assistance program in this state will be returned to this state and distributed to those facilities; and

(2) begin providing medical assistance benefits to recipients under Section 533.00251, Government Code, as added by this article, before September 1, 2014.

(b) As soon as practicable after the implementation date of Section 533.00251, Government Code, as added by this article, the Health and Human Services Commission shall provide a portal through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims in accordance with Subdivision (7), Subsection (c), Section 533.00251, Government Code, as added by this article.

SECTION 2.17. (a) Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission shall appoint additional members to the state Medicaid managed care advisory committee to comply with Section 533.041, Government Code, as amended by this article.

(b) Not later than December 1, 2013, the presiding officer of the state Medicaid managed care advisory committee shall convene the first meeting of the advisory committee following appointment of additional members as required by Subsection (a) of this section.

SECTION 2.18. As soon as practicable after the effective date of this Act, but not later than January 1, 2015, the executive commissioner of the Health and Human Services Commission shall adopt rules and managed care contracting guidelines governing the transition of appropriate duties and functions from the commission and other health and human services agencies to managed care organizations that are required as a result of the changes in law made by this article.

SECTION 2.19. The changes in law made by this article are not intended to negatively affect Medicaid recipients' access to quality health care. The Health and Human Services Commission, as the state agency designated to supervise the administration and operation of the Medicaid program and to plan and direct the Medicaid program in each state agency that operates a portion of the Medicaid program, including directing the Medicaid managed care system, shall continue to timely enforce all laws applicable to the Medicaid program and the Medicaid managed care system, including laws relating to provider network adequacy, the prompt payment of claims, and the resolution of patient and provider complaints.

ARTICLE 3. OTHER PROVISIONS RELATING TO INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

SECTION 3.01. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Section 533.0335 to read as follows:

Sec. 533.0335. COMPREHENSIVE ASSESSMENT AND RESOURCE ALLOCATION PROCESS. (a) In this section:

(1) "Advisory committee" means the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code.

(2) "Department" means the Department of Aging and Disability Services.

(3) "Functional need," "ICF-IID program," and "Medicaid waiver program" have the meanings assigned those terms by Section 534.001, Government Code.

(b) Subject to the availability of federal funding, the department shall develop and implement a comprehensive assessment instrument and a resource allocation process for individuals with intellectual and developmental disabilities as needed to ensure that each individual with an intellectual or developmental disability receives the type, intensity, and range of services that are both appropriate and available, based on the functional needs of that individual, if the individual receives services through one of the following:

(1) a Medicaid waiver program;

(2) the ICF-IID program; or

(3) an intermediate care facility operated by the state and providing services for individuals with intellectual and developmental disabilities.

(b-1) In developing a comprehensive assessment instrument for purposes of Subsection (b), the department shall evaluate any assessment instrument in use by the department. In addition, the department may implement an evidence-based, nationally recognized, comprehensive assessment instrument that assesses the functional needs of an individual with intellectual and developmental disabilities as the comprehensive assessment instrument required by Subsection (b). This subsection expires September 1, 2015.

(c) The department, in consultation with the advisory committee, shall establish a prior authorization process for requests for supervised living or residential support services available in the home and community-based services (HCS) Medicaid waiver program. The process must ensure that supervised living or residential support services available in the home and community-based services (HCS) Medicaid waiver program are available only to individuals for whom a more independent setting is not appropriate or available.

(d) The department shall cooperate with the advisory committee to establish the prior authorization process required by Subsection (c). This subsection expires January 1, 2024.

SECTION 3.02. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Sections 533.03551 and 533.03552 to read as follows:

Sec. 533.03551. FLEXIBLE, LOW-COST HOUSING OPTIONS. (a) To the extent permitted under federal law and regulations, the executive commissioner shall adopt or amend rules as necessary to allow for the development of additional housing supports for individuals with intellectual and developmental disabilities in urban and rural areas, including:

(1) a selection of community-based housing options that comprise a continuum of integration, varying from most to least restrictive, that permits individuals to select the most integrated and least restrictive setting appropriate to the individual's needs and preferences;

(2) non-provider-owned residential settings;

(3) assistance with living more independently; and

(4) rental properties with on-site supports.

(b) The Department of Aging and Disability Services, in cooperation with the Texas Department of Housing and Community Affairs, the Department of Agriculture, the Texas State Affordable Housing Corporation, and the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code, shall coordinate with federal, state, and local public housing entities as necessary to expand opportunities for accessible, affordable, and integrated housing to meet the complex needs of individuals with intellectual and developmental disabilities.

(c) The Department of Aging and Disability Services shall develop a process to receive input from statewide stakeholders to ensure the most comprehensive review of opportunities and options for housing services described by this section.

Sec. 533.03552. BEHAVIORAL SUPPORTS FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AT RISK OF INSTITUTIONALIZATION; INTERVENTION TEAMS. (a) In this section, "department" means the Department of Aging and Disability Services.

(b) Subject to the availability of federal funding, the department shall develop and implement specialized training for providers, family members, caregivers, and first responders providing direct services and supports to individuals with intellectual and developmental disabilities and behavioral health needs who are at risk of institutionalization.

(c) Subject to the availability of federal funding, the department shall establish one or more behavioral health intervention teams to provide services and supports to individuals with intellectual and developmental disabilities and behavioral health needs who are at risk of institutionalization. An intervention team may include a:

- (1) psychiatrist or psychologist;
- (2) physician;
- (3) registered nurse;
- (4) pharmacist or representative of a pharmacy;
- (5) behavior analyst;
- (6) social worker;
- (7) crisis coordinator;
- (8) peer specialist; and
- (9) family partner.

(d) In providing services and supports, a behavioral health intervention team established by the department shall:

- (1) use the team's best efforts to ensure that an individual remains in the community and avoids institutionalization;
 - (2) focus on stabilizing the individual and assessing the individual for intellectual, medical, psychiatric, psychological, and other needs;
 - (3) provide support to the individual's family members and other caregivers;
 - (4) provide intensive behavioral assessment and training to assist the individual in establishing positive behaviors and continuing to live in the community;
- and
- (5) provide clinical and other referrals.

(e) The department shall ensure that members of a behavioral health intervention team established under this section receive training on trauma-informed care, which is an approach to providing care to individuals with behavioral health needs based on awareness that a history of trauma or the presence of trauma symptoms may create the behavioral health needs of the individual.

SECTION 3.03. (a) The Health and Human Services Commission and the Department of Aging and Disability Services shall conduct a study to identify crisis intervention programs currently available to, evaluate the need for appropriate housing for, and develop strategies for serving the needs of persons in this state with Prader-Willi syndrome.

(b) In conducting the study, the Health and Human Services Commission and the Department of Aging and Disability Services shall seek stakeholder input.

(c) Not later than December 1, 2014, the Health and Human Services Commission shall submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the senate and house of representatives having jurisdiction over the Medicaid program regarding the study required by this section.

(d) This section expires September 1, 2015.

SECTION 3.04. (a) In this section:

(1) "Medicaid program" means the medical assistance program established under Chapter 32, Human Resources Code.

(2) "Section 1915(c) waiver program" has the meaning assigned by Section 531.001, Government Code.

(b) The Health and Human Services Commission shall conduct a study to evaluate the need for applying income disregards to persons with intellectual and developmental disabilities receiving benefits under the medical assistance program, including through a Section 1915(c) waiver program.

(c) Not later than January 15, 2015, the Health and Human Services Commission shall submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the senate and house of representatives having jurisdiction over the Medicaid program regarding the study required by this section.

(d) This section expires September 1, 2015.

ARTICLE 4. QUALITY-BASED OUTCOMES AND PAYMENT PROVISIONS

SECTION 4.01. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00256 to read as follows:

Sec. 533.00256. MANAGED CARE CLINICAL IMPROVEMENT PROGRAM. (a) In consultation with the Medicaid and CHIP Quality-Based Payment Advisory Committee established under Section 536.002 and other appropriate stakeholders with an interest in the provision of acute care services and long-term services and supports under the Medicaid managed care program, the commission shall:

(1) establish a clinical improvement program to identify goals designed to improve quality of care and care management and to reduce potentially preventable events, as defined by Section 536.001; and

(2) require managed care organizations to develop and implement collaborative program improvement strategies to address the goals.

(b) Goals established under this section may be set by geographic region and program type.

SECTION 4.02. Subsections (a) and (g), Section 533.0051, Government Code, are amended to read as follows:

(a) The commission shall establish outcome-based performance measures and incentives to include in each contract between a health maintenance organization and the commission for the provision of health care services to recipients that is procured and managed under a value-based purchasing model. The performance measures and incentives must:

(1) be designed to facilitate and increase recipients' access to appropriate health care services; and

(2) to the extent possible, align with other state and regional quality care improvement initiatives.

(g) In performing the commission's duties under Subsection (d) with respect to assessing feasibility and cost-effectiveness, the commission may consult with participating Medicaid providers [physicians], including those with expertise in quality improvement and performance measurement[~~and hospitals~~].

SECTION 4.03. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00511 to read as follows:

Sec. 533.00511. QUALITY-BASED ENROLLMENT INCENTIVE PROGRAM FOR MANAGED CARE ORGANIZATIONS. (a) In this section, "potentially preventable event" has the meaning assigned by Section 536.001.

(b) The commission shall create an incentive program that automatically enrolls a greater percentage of recipients who did not actively choose their managed care plan in a managed care plan, based on:

(1) the quality of care provided through the managed care organization offering that managed care plan;

(2) the organization's ability to efficiently and effectively provide services, taking into consideration the acuity of populations primarily served by the organization; and

(3) the organization's performance with respect to exceeding, or failing to achieve, appropriate outcome and process measures developed by the commission, including measures based on all potentially preventable events.

SECTION 4.04. Section 533.0071, Government Code, is amended to read as follows:

Sec. 533.0071. ADMINISTRATION OF CONTRACTS. The commission shall make every effort to improve the administration of contracts with managed care organizations. To improve the administration of these contracts, the commission shall:

(1) ensure that the commission has appropriate expertise and qualified staff to effectively manage contracts with managed care organizations under the Medicaid managed care program;

(2) evaluate options for Medicaid payment recovery from managed care organizations if the enrollee dies or is incarcerated or if an enrollee is enrolled in more than one state program or is covered by another liable third party insurer;

(3) maximize Medicaid payment recovery options by contracting with private vendors to assist in the recovery of capitation payments, payments from other liable third parties, and other payments made to managed care organizations with respect to enrollees who leave the managed care program;

(4) decrease the administrative burdens of managed care for the state, the managed care organizations, and the providers under managed care networks to the extent that those changes are compatible with state law and existing Medicaid managed care contracts, including decreasing those burdens by:

(A) where possible, decreasing the duplication of administrative reporting and process requirements for the managed care organizations and providers, such as requirements for the submission of encounter data, quality reports, historically underutilized business reports, and claims payment summary reports;

(B) allowing managed care organizations to provide updated address information directly to the commission for correction in the state system;

(C) promoting consistency and uniformity among managed care organization policies, including policies relating to the preauthorization process, lengths of hospital stays, filing deadlines, levels of care, and case management services;

(D) reviewing the appropriateness of primary care case management requirements in the admission and clinical criteria process, such as requirements relating to including a separate cover sheet for all communications, submitting handwritten communications instead of electronic or typed review processes, and admitting patients listed on separate notifications; and

(E) providing a [~~single~~] portal through which providers in any managed care organization's provider network may submit acute care services and long-term services and supports claims; and

(5) reserve the right to amend the managed care organization's process for resolving provider appeals of denials based on medical necessity to include an independent review process established by the commission for final determination of these disputes.

SECTION 4.05. Section 533.014, Government Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Except as provided by Subsection (c), any [~~Any~~] amount received by the state under this section shall be deposited in the general revenue fund for the purpose of funding the state Medicaid program.

(c) If cost-effective, the commission may use amounts received by the state under this section to provide incentives to specific managed care organizations to promote quality of care, encourage payment reform, reward local service delivery reform, increase efficiency, and reduce inappropriate or preventable service utilization.

SECTION 4.06. Subsection (b), Section 536.002, Government Code, is amended to read as follows:

(b) The executive commissioner shall appoint the members of the advisory committee. The committee must consist of physicians and other health care providers, representatives of health care facilities, representatives of managed care organizations, and other stakeholders interested in health care services provided in this state, including:

(1) at least one member who is a physician with clinical practice experience in obstetrics and gynecology;

(2) at least one member who is a physician with clinical practice experience in pediatrics;

(3) at least one member who is a physician with clinical practice experience in internal medicine or family medicine;

(4) at least one member who is a physician with clinical practice experience in geriatric medicine;

(5) at least three members [~~one member~~] who are [~~is~~] or who represent [~~represents~~] a health care provider that primarily provides long-term [~~care~~] services and supports;

(6) at least one member who is a consumer representative; and

(7) at least one member who is a member of the Advisory Panel on Health Care-Associated Infections and Preventable Adverse Events who meets the qualifications prescribed by Section 98.052(a)(4), Health and Safety Code.

SECTION 4.07. Section 536.003, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) The commission, in consultation with the advisory committee, shall develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used in the child health plan and Medicaid programs to implement quality-based payments for acute ~~and long-term~~ care services and long-term services and supports across all delivery models and payment systems, including fee-for-service and managed care payment systems. Subject to Subsection (a-1), the [The] commission, in developing outcome and process measures under this section, must include measures that are based on all [consider measures addressing] potentially preventable events and that advance quality improvement and innovation. The commission may change measures developed:

(1) to promote continuous system reform, improved quality, and reduced costs; and

(2) to account for managed care organizations added to a service area.

(a-1) The outcome measures based on potentially preventable events must:

(1) allow for rate-based determination of health care provider performance compared to statewide norms; and

(2) be risk-adjusted to account for the severity of the illnesses of patients served by the provider.

(b) To the extent feasible, the commission shall develop outcome and process measures:

(1) consistently across all child health plan and Medicaid program delivery models and payment systems;

(2) in a manner that takes into account appropriate patient risk factors, including the burden of chronic illness on a patient and the severity of a patient's illness;

(3) that will have the greatest effect on improving quality of care and the efficient use of services, including acute care services and long-term services and supports; [and]

(4) that are similar to outcome and process measures used in the private sector, as appropriate;

(5) that reflect effective coordination of acute care services and long-term services and supports;

(6) that can be tied to expenditures; and

(7) that reduce preventable health care utilization and costs.

SECTION 4.08. Subsection (a), Section 536.004, Government Code, is amended to read as follows:

(a) Using quality-based outcome and process measures developed under Section 536.003 and subject to this section, the commission, after consulting with the advisory committee and other appropriate stakeholders with an interest in the provision of acute care and long-term services and supports under the child health plan and Medicaid programs, shall develop quality-based payment systems, and require managed care organizations to develop quality-based payment systems, for compensating a physician or other health care provider participating in the child health plan or Medicaid program that:

(1) align payment incentives with high-quality, cost-effective health care;

(2) reward the use of evidence-based best practices;

- (3) promote the coordination of health care;
- (4) encourage appropriate physician and other health care provider collaboration;
- (5) promote effective health care delivery models; and
- (6) take into account the specific needs of the child health plan program enrollee and Medicaid recipient populations.

SECTION 4.09. Section 536.005, Government Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (a) and to the extent possible, the commission shall convert outpatient hospital reimbursement systems under the child health plan and Medicaid programs to an appropriate prospective payment system that will allow the commission to:

- (1) more accurately classify the full range of outpatient service episodes;
- (2) more accurately account for the intensity of services provided; and
- (3) motivate outpatient service providers to increase efficiency and effectiveness.

SECTION 4.10. Section 536.006, Government Code, is amended to read as follows:

Sec. 536.006. TRANSPARENCY. (a) The commission and the advisory committee shall:

- (1) ensure transparency in the development and establishment of:
 - (A) quality-based payment and reimbursement systems under Section 536.004 and Subchapters B, C, and D, including the development of outcome and process measures under Section 536.003; and
 - (B) quality-based payment initiatives under Subchapter E, including the development of quality of care and cost-efficiency benchmarks under Section 536.204(a) and efficiency performance standards under Section 536.204(b);
- (2) develop guidelines establishing procedures for providing notice and information to, and receiving input from, managed care organizations, health care providers, including physicians and experts in the various medical specialty fields, and other stakeholders, as appropriate, for purposes of developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1); ~~and~~
- (3) in developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1), consider that as the performance of a managed care organization or physician or other health care provider improves with respect to an outcome or process measure, quality of care and cost-efficiency benchmark, or efficiency performance standard, as applicable, there will be a diminishing rate of improved performance over time; and
- (4) develop web-based capability to provide managed care organizations and health care providers with data on their clinical and utilization performance, including comparisons to peer organizations and providers located in this state and in the provider's respective region.

(b) The web-based capability required by Subsection (a)(4) must support the requirements of the electronic health information exchange system under Sections 531.907 through 531.909.

SECTION 4.11. Section 536.008, Government Code, is amended to read as follows:

Sec. 536.008. ANNUAL REPORT. (a) The commission shall submit to the legislature and make available to the public an annual report ~~[to the legislature]~~ regarding:

(1) the quality-based outcome and process measures developed under Section 536.003, including measures based on each potentially preventable event; and

(2) the progress of the implementation of quality-based payment systems and other payment initiatives implemented under this chapter.

(b) As appropriate, the ~~[The]~~ commission shall report outcome and process measures under Subsection (a)(1) by:

(1) geographic location, which may require reporting by county, health care service region, or other appropriately defined geographic area;

(2) recipient population or eligibility group served;

(3) type of health care provider, such as acute care or long-term care provider;

(4) number of recipients who relocated to a community-based setting from a less integrated setting;

(5) quality-based payment system; and

(6) service delivery model.

(c) The report required under this section may not identify specific health care providers.

SECTION 4.12. Subsection (a), Section 536.051, Government Code, is amended to read as follows:

(a) Subject to Section 1903(m)(2)(A), Social Security Act (42 U.S.C. Section 1396b(m)(2)(A)), and other applicable federal law, the commission shall base a percentage of the premiums paid to a managed care organization participating in the child health plan or Medicaid program on the organization's performance with respect to outcome and process measures developed under Section 536.003 that address all[, including outcome measures addressing] potentially preventable events. The percentage of the premiums paid may increase each year.

SECTION 4.13. Subsection (a), Section 536.052, Government Code, is amended to read as follows:

(a) The commission may allow a managed care organization participating in the child health plan or Medicaid program increased flexibility to implement quality initiatives in a managed care plan offered by the organization, including flexibility with respect to financial arrangements, in order to:

(1) achieve high-quality, cost-effective health care;

(2) increase the use of high-quality, cost-effective delivery models; ~~and~~

(3) reduce the incidence of unnecessary institutionalization and potentially preventable events; and

(4) increase the use of alternative payment systems, including shared savings models, in collaboration with physicians and other health care providers.

SECTION 4.14. Section 536.151, Government Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1) and (d) to read as follows:

(a) The executive commissioner shall adopt rules for identifying:

(1) potentially preventable admissions and readmissions of child health plan program enrollees and Medicaid recipients, including preventable admissions to long-term care facilities;

(2) potentially preventable ancillary services provided to or ordered for child health plan program enrollees and Medicaid recipients;

(3) potentially preventable emergency room visits by child health plan program enrollees and Medicaid recipients; and

(4) potentially preventable complications experienced by child health plan program enrollees and Medicaid recipients.

(a-1) The commission shall collect data from hospitals on present-on-admission indicators for purposes of this section.

(b) The commission shall establish a program to provide a confidential report to each hospital in this state that participates in the child health plan or Medicaid program regarding the hospital's performance with respect to each potentially preventable event described under Subsection (a) [~~readmissions and potentially preventable complications~~]. To the extent possible, a report provided under this section should include all potentially preventable events [~~readmissions and potentially preventable complications information~~] across all child health plan and Medicaid program payment systems. A hospital shall distribute the information contained in the report to physicians and other health care providers providing services at the hospital.

(c) Except as provided by Subsection (d), a [A] report provided to a hospital under this section is confidential and is not subject to Chapter 552.

(d) The commission may release the information in the report described by Subsection (b):

(1) not earlier than one year after the date the report is submitted to the hospital; and

(2) only after deleting any data that relates to a hospital's performance with respect to particular diagnosis-related groups or individual patients.

SECTION 4.15. Subsection (a), Section 536.152, Government Code, is amended to read as follows:

(a) Subject to Subsection (b), using the data collected under Section 536.151 and the diagnosis-related groups (DRG) methodology implemented under Section 536.005, if applicable, the commission, after consulting with the advisory committee, shall to the extent feasible adjust child health plan and Medicaid reimbursements to hospitals, including payments made under the disproportionate share hospitals and upper payment limit supplemental payment programs, [~~in a manner that may reward or penalize a hospital~~] based on the hospital's performance with respect to exceeding, or failing to achieve, outcome and process measures developed under Section 536.003 that address the rates of potentially preventable readmissions and potentially preventable complications.

SECTION 4.16. Subsection (a), Section 536.202, Government Code, is amended to read as follows:

(a) The commission shall, after consulting with the advisory committee, establish payment initiatives to test the effectiveness of quality-based payment systems, alternative payment methodologies, and high-quality, cost-effective health

care delivery models that provide incentives to physicians and other health care providers to develop health care interventions for child health plan program enrollees or Medicaid recipients, or both, that will:

- (1) improve the quality of health care provided to the enrollees or recipients;
- (2) reduce potentially preventable events;
- (3) promote prevention and wellness;
- (4) increase the use of evidence-based best practices;
- (5) increase appropriate physician and other health care provider collaboration; ~~and~~
- (6) contain costs; and
- (7) improve integration of acute care services and long-term services and supports, including discharge planning from acute care services to community-based long-term services and supports.

SECTION 4.17. Chapter 536, Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. QUALITY-BASED LONG-TERM SERVICES AND SUPPORTS
PAYMENT SYSTEMS

Sec. 536.251. QUALITY-BASED LONG-TERM SERVICES AND SUPPORTS PAYMENTS. (a) Subject to this subchapter, the commission, after consulting with the advisory committee and other appropriate stakeholders representing nursing facility providers with an interest in the provision of long-term services and supports, may develop and implement quality-based payment systems for Medicaid long-term services and supports providers designed to improve quality of care and reduce the provision of unnecessary services. A quality-based payment system developed under this section must base payments to providers on quality and efficiency measures that may include measurable wellness and prevention criteria and use of evidence-based best practices, sharing a portion of any realized cost savings achieved by the provider, and ensuring quality of care outcomes, including a reduction in potentially preventable events.

(b) The commission may develop a quality-based payment system for Medicaid long-term services and supports providers under this subchapter only if implementing the system would be feasible and cost-effective.

Sec. 536.252. EVALUATION OF DATA SETS. To ensure that the commission is using the best data to inform the development and implementation of quality-based payment systems under Section 536.251, the commission shall evaluate the reliability, validity, and functionality of post-acute and long-term services and supports data sets. The commission's evaluation under this section should assess:

- (1) to what degree data sets relied on by the commission meet a standard:
 - (A) for integrating care;
 - (B) for developing coordinated care plans; and
 - (C) that would allow for the meaningful development of risk adjustment techniques;
- (2) whether the data sets will provide value for outcome or performance measures and cost containment; and
- (3) how classification systems and data sets used for Medicaid long-term services and supports providers can be standardized and, where possible, simplified.

Sec. 536.253. COLLECTION AND REPORTING OF CERTAIN INFORMATION. (a) The executive commissioner shall adopt rules for identifying the incidence of potentially preventable admissions, potentially preventable readmissions, and potentially preventable emergency room visits by Medicaid long-term services and supports recipients.

(b) The commission shall establish a program to provide a report to each Medicaid long-term services and supports provider in this state regarding the provider's performance with respect to potentially preventable admissions, potentially preventable readmissions, and potentially preventable emergency room visits. To the extent possible, a report provided under this section should include applicable potentially preventable events information across all Medicaid program payment systems.

(c) Subject to Subsection (d), a report provided to a provider under this section is confidential and is not subject to Chapter 552.

(d) The commission may release the information in the report described by Subsection (b):

(1) not earlier than one year after the date the report is submitted to the provider; and

(2) only after deleting any data that relates to a provider's performance with respect to particular resource utilization groups or individual recipients.

SECTION 4.18. As soon as practicable after the effective date of this Act, the Health and Human Services Commission shall provide a portal through which providers in any managed care organization's provider network may submit acute care services and long-term services and supports claims as required by Paragraph (E), Subdivision (4), Section 533.0071, Government Code, as amended by this article.

SECTION 4.19. Not later than September 1, 2013, the Health and Human Services Commission shall convert outpatient hospital reimbursement systems as required by Subsection (c), Section 536.005, Government Code, as added by this article.

ARTICLE 5. SPECIFIC PROVISIONS RELATING TO PREMIUMS UNDER THE MEDICAL ASSISTANCE PROGRAM

SECTION 5.01. Section 533.013, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The commission shall pursue and, if appropriate, implement premium rate-setting strategies that encourage provider payment reform and more efficient service delivery and provider practices. In pursuing premium rate-setting strategies under this section, the commission shall review and consider strategies employed or under consideration by other states. If necessary, the commission may request a waiver or other authorization from a federal agency to implement strategies identified under this subsection.

ARTICLE 6. ADDITIONAL PROVISIONS RELATING TO QUALITY AND DELIVERY OF HEALTH AND HUMAN SERVICES

SECTION 6.01. The heading to Section 531.024, Government Code, is amended to read as follows:

Sec. 531.024. PLANNING AND DELIVERY OF HEALTH AND HUMAN SERVICES; DATA SHARING.

SECTION 6.02. Section 531.024, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) To the extent permitted under applicable federal law and notwithstanding any provision of Chapter 191 or 192, Health and Safety Code, the commission and other health and human services agencies shall share data to facilitate patient care coordination, quality improvement, and cost savings in the Medicaid program, child health plan program, and other health and human services programs funded using money appropriated from the general revenue fund.

SECTION 6.03. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.024115 to read as follows:

Sec. 531.024115. SERVICE DELIVERY AREA ALIGNMENT. Notwithstanding Section 533.0025(e) or any other law, to the extent possible, the commission shall align service delivery areas under the Medicaid and child health plan programs.

SECTION 6.04. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0981 to read as follows:

Sec. 531.0981. WELLNESS SCREENING PROGRAM. If cost-effective, the commission may implement a wellness screening program for Medicaid recipients designed to evaluate a recipient's risk for having certain diseases and medical conditions for purposes of establishing a health baseline for each recipient that may be used to tailor the recipient's treatment plan or for establishing the recipient's health goals.

SECTION 6.05. Section 531.024115, Government Code, as added by this article:

(1) applies only with respect to a contract between the Health and Human Services Commission and a managed care organization, service provider, or other person or entity under the medical assistance program, including Chapter 533, Government Code, or the child health plan program established under Chapter 62, Health and Safety Code, that is entered into or renewed on or after the effective date of this Act; and

(2) does not authorize the Health and Human Services Commission to alter the terms of a contract that was entered into or renewed before the effective date of this Act.

SECTION 6.06. Section 533.0354, Health and Safety Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) A local mental health authority shall ensure the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

- (1) bipolar disorder;
- (2) [;] schizophrenia;
- (3) major depressive disorder, including single episode or recurrent major depressive disorder;
- (4) post-traumatic stress disorder;

- (5) schizoaffective disorder, including bipolar and depressive types;
- (6) obsessive compulsive disorder;
- (7) anxiety disorder;
- (8) attention deficit disorder;
- (9) delusional disorder;
- (10) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or
- (11) any other diagnosed mental health disorder [~~—or clinically severe depression and for children with serious emotional illnesses~~].

(a-1) The local mental health authority shall ensure that individuals are engaged with treatment services that are:

- (1) ongoing and matched to the needs of the individual in type, duration, and intensity;
- (2) focused on a process of recovery designed to allow the individual to progress through levels of service;
- (3) guided by evidence-based protocols and a strength-based paradigm of service; and
- (4) monitored by a system that holds the local authority accountable for specific outcomes, while allowing flexibility to maximize local resources.

(b) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in [~~for~~] managing adults with the following mental health disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5):

- (1) schizophrenia;
- (2) [~~and~~] bipolar disorder;
- (3) post-traumatic stress disorder;
- (4) schizoaffective disorder, including bipolar and depressive types;
- (5) anxiety disorder; or
- (6) delusional disorder [~~to reduce the involvement of those client populations with the criminal justice system~~].

SECTION 6.07. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.0284 to read as follows:

Sec. 32.0284. CALCULATION OF PAYMENTS UNDER CERTAIN SUPPLEMENTAL HOSPITAL PAYMENT PROGRAMS. (a) In this section:

- (1) "Commission" means the Health and Human Services Commission.
- (2) "Supplemental hospital payment program" means:
 - (A) the disproportionate share hospitals supplemental payment program administered according to 42 U.S.C. Section 1396r-4; and
 - (B) the uncompensated care payment program established under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315).

(b) For purposes of calculating the hospital-specific limit used to determine a hospital's uncompensated care payment under a supplemental hospital payment program, the commission shall ensure that to the extent a third-party commercial

payment exceeds the Medicaid allowable cost for a service provided to a recipient and for which reimbursement was not paid under the medical assistance program, the payment is not considered a medical assistance payment.

ARTICLE 7. FEDERAL AUTHORIZATIONS, FUNDING, AND EFFECTIVE DATE

SECTION 7.01. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 7.02. As soon as practicable after the effective date of this Act, the Health and Human Services Commission shall apply for and actively seek a waiver or authorization from the appropriate federal agency to waive, with respect to a person who is dually eligible for Medicare and Medicaid, the requirement under 42 C.F.R. Section 409.30 that the person be hospitalized for at least three consecutive calendar days before Medicare covers posthospital skilled nursing facility care for the person.

SECTION 7.03. If the Health and Human Services Commission determines that it is cost-effective, the commission shall apply for and actively seek a waiver or authorization from the appropriate federal agency to allow the state to provide medical assistance under the waiver or authorization to medically fragile individuals:

- (1) who are at least 21 years of age; and
- (2) whose costs to receive care exceed cost limits under existing Medicaid waiver programs.

SECTION 7.04. The Health and Human Services Commission may use any available revenue, including legislative appropriations and available federal funds, for purposes of implementing any provision of this Act.

SECTION 7.05. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2013.

(b) Section 533.0354, Health and Safety Code, as amended by this Act, takes effect January 1, 2014.

Floor Amendment No. 1

Amend **CSSB 7** (house committee report) on page 9, line 18, after "(a).", by adding the following:

In addition, the department may accept and approve a managed care strategy proposal from any qualified entity that is a private services provider if the proposal provides for a comprehensive array of long-term services and supports, including case management and service coordination.

Floor Amendment No. 2

Amend **CSSB 7** (house committee printing) as follows:

- (1) On page 16, line 20, strike "(a)".
- (2) Strike page 16, line 27, through page 17, line 6.

Floor Amendment No. 3

Amend CSSB 7 (house committee report), on page 33, line 18, between "portal" and "through", by inserting "that is in compliance with state and federal regulations, including standard coding requirements,".

Floor Amendment No. 4

Amend CSSB 7 (house committee report) on page 33 of the bill as follows:

- (1) On line 21, strike "and".
- (2) On line 24, between "affected" and the underlined period, insert the following:
; and
- (9) that a managed care organization providing services under the managed care program, to the greatest extent possible, offers nursing facility providers access to:
 - (A) acute care professionals; and
 - (B) telemedicine, when feasible

Floor Amendment No. 5

Amend CSSB 7 (house committee printing) as follows:

- (1) On page 28, line 3, strike "Section" and substitute "Sections 533.0025 and".
- (2) On page 30, line 23, strike "and (h)" and substitute "(h), and (i)".
- (3) On page 31, between lines 16 and 17, insert the following:
 - (i) Subject to Section 534.152, the commission shall:
 - (1) implement the most cost-effective option for the delivery of basic attendant and habilitation services for individuals with disabilities under the STAR + PLUS Medicaid managed care program that maximizes federal funding for the delivery of services for that program and other similar programs; and
 - (2) provide voluntary training to individuals receiving services under the STAR + PLUS Medicaid managed care program or their legally authorized representatives regarding how to select, manage, and dismiss personal attendants providing basic attendant and habilitation services under the program.
- (4) In ARTICLE 2 of the bill, add the following appropriately numbered SECTION and renumber subsequent SECTIONS of the ARTICLE accordingly:

SECTION 2. __. Not later than June 1, 2016, the Health and Human Services Commission shall submit a report to the legislature regarding the commission's experience in, including the cost-effectiveness of, delivering basic attendant and habilitation services for individuals with disabilities under the STAR + PLUS Medicaid managed care program under Section 533.0025(i), Government Code, as added by this article. The commission may combine the report required under this section with the report required under Section 1.06 of this Act.

Floor Amendment No. 6

Amend CSSB 7 (house committee printing) as follows:

- (1) On page 39, strike lines 7 and 8 and substitute the following:
shall ensure that the STAR Kids managed care program
- (2) On page 39, line 11, strike the underlined semicolon and substitute an underlined period.

- (3) On page 39, strike lines 12 through 16.
- (4) Strike page 39, line 23, through page 40, line 7.
- (5) On page 40, line 8, strike "(g)" and substitute "(e)".

Floor Amendment No. 7

Amend **CSSB 7** (house committee report) as follows:

- (1) On page 42, line 8, immediately following "council", insert "in coordination with the commission".
- (2) On page 42, lines 9 and 10, strike "and the Department of Aging and Disability Services".
- (3) On page 42, line 22, strike "Department of Aging and Disability Services" and substitute "commission".
- (4) On page 57, line 12, between "Council" and "shall", insert ", in coordination with the Health and Human Services Commission,".
- (5) On page 57, line 18, strike "Department of Aging and Disability Services" and substitute "Health and Human Services Commission".

Floor Amendment No. 8

Amend **CSSB 7** (house committee printing) on page 44, lines 13 and 14, by striking "home and community-based services provider", and substituting "group home".

Floor Amendment No. 9

Amend **CSSB 7** (house committee report) as follows:

- (1) On page 30, line 23, strike "Subsection (a)" and substitute "Subsections (a) and (b)".
- (2) Between page 30, line 27, and page 31, line 1, insert the following:
 - (b) Except as otherwise provided by this section and notwithstanding any other law, the commission shall provide medical assistance for acute care services through the most cost-effective model of Medicaid capitated managed care as determined by the commission. The ~~[If the]~~ commission shall require mandatory participation in a Medicaid capitated managed care program for all persons eligible for acute care ~~[determines that it is more cost effective, the commission may provide]~~ medical assistance benefits, but may implement alternative models or arrangements, including a traditional fee-for-service arrangement, if the commission determines the alternative would be more cost-effective or efficient ~~[for acute care in a certain part of this state or to a certain population of recipients using:~~
 - ~~[(1) a health maintenance organization model, including the acute care portion of Medicaid Star + Plus pilot programs;~~
 - ~~[(2) a primary care case management model;~~
 - ~~[(3) a prepaid health plan model;~~
 - ~~[(4) an exclusive provider organization model; or~~
 - ~~[(5) another Medicaid managed care model or arrangement].~~
- (3) Add the following appropriately numbered SECTION to ARTICLE 2 of the bill and renumber subsequent SECTIONS of the ARTICLE appropriately:

SECTION 2. ____. Section 32.0212, Human Resources Code, is amended to read as follows:

Sec. 32.0212. DELIVERY OF MEDICAL ASSISTANCE. Notwithstanding any other law and subject to Section 533.0025, Government Code, the department shall provide medical assistance for acute care services through the Medicaid managed care system implemented under Chapter 533, Government Code, or another Medicaid capitated managed care program.

Floor Amendment No. 10

Amend CSSB 7 (house committee printing) as follows:

(1) On page 31, line 5, between "plan" and the underlined semicolon, insert "chosen by the applicant".

(2) On page 31, line 14, between "plan" and the underlined period, insert "chosen by the applicant".

Floor Amendment No. 11

Amend CSSB 7 (house committee report) as follows:

(1) On page 43, lines 6-7, strike "Subsection (a), Section 533.005, Government Code, is amended" and substitute "Subsections (a) and (a-1), Section 533.005, Government Code, are amended".

(2) On page 49, line 16, strike "~~[subject to Subsection (a-1),]~~" and substitute "subject to Subsection (a-1),".

(3) On page 51, between lines 26 and 27, insert the following:

(a-1) The requirements imposed by Subsections (a)(23)(A), (B), and (C) do not apply, and may not be enforced, on and after August 31, 2018 [~~2013~~].

(4) Strike SECTION 2.10 of the bill (page 56, lines 16-17) and renumber subsequent SECTIONS of the bill accordingly.

Floor Amendment No. 12

Amend CSSB 7 (house committee printing) as follows:

(1) On page 44, line 15, strike "21st" and substitute "30th".

(2) On page 44, between lines 23 and 24, insert the following:

(7-a) a requirement that the managed care organization demonstrate to the commission that the organization pays claims described by Subdivision (7)(A)(ii) on average not later than the 21st day after the date the claim is received by the commission;

(3) On page 46, line 14, strike "and" and substitute "~~and~~".

(4) On page 46, line 17, immediately after the semicolon, insert the following:
; and

(D) the managed care organization to allow a provider with a claim that has not been paid before the time prescribed by Subdivision (7)(A)(ii) to initiate an appeal of that claim;

Floor Amendment No. 13

Amend CSSB 7 (house committee report) by striking page 54, line 27, through page 55, line 1, and substituting the following:
adequacy;

(F) trends in claims processing; and

(G) other issues as requested by the executive

Floor Amendment No. 14

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 63, line 9, between "with" and "intellectual", insert "disabilities, including individuals with".

(2) On page 63, line 27, between "with" and "intellectual", insert "disabilities, including individuals with".

Floor Amendment No. 15

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 69, line 1, strike "all".

(2) On page 72, line 24, strike "all".

(3) On page 77, line 24, strike "all".

Floor Amendment No. 16

Amend **CSSB 7** (house committee printing) on page 86, line 11, by striking "A" and substituting "Except as otherwise provided by law and to the extent funding is available, a [A]".

Floor Amendment No. 17

Amend **CSSB 7** (house committee printing) on page 39, between lines 2 and 3, by inserting the following:

(b-1) The commission may require that care management services made available as provided by Subsection (b)(7):

(1) incorporate best practices, as determined by the commission;

(2) integrate with a nurse advice line to ensure appropriate redirection rates;

(3) use an identification and stratification methodology that identifies recipients who have the greatest need for services;

(4) provide a care needs assessment for a recipient that is comprehensive, holistic, consumer-directed, evidence-based, and takes into consideration social and medical issues, for purposes of prioritizing the recipient's needs that threaten independent living;

(5) are delivered through multi-disciplinary care teams located in different geographic areas of this state that use in-person contact with recipients and their caregivers;

(6) identify immediate interventions for transition of care;

(7) include monitoring and reporting outcomes that, at a minimum, include:

(A) recipient quality of life;

(B) recipient satisfaction; and

(C) other financial and clinical metrics determined appropriate by the commission; and

(8) use innovations in the provision of services.

Floor Amendment No. 18

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 6, line 1, strike "or the Medicaid ICF-IID program" and substitute "individuals with intellectual and developmental disabilities who are recipients of services under the ICF-IID program.".

(2) On page 16, line 10, between "program" and "and", insert "or an ICF-IID program".

(3) On page 23, strike lines 6 through 8 and substitute the following:

(B) long-term services and supports to recipients who choose to continue receiving benefits under a waiver program or the ICF-IID program as provided by Subsection (g); or

(4) On page 23, line 11, strike "only".

(5) On page 24, lines 10 and 11, strike "only under the Medicaid waiver programs" and substitute "under the Medicaid waiver programs or the ICF-IID program".

(6) On page 24, line 15, between "program" and "the", insert "or the ICF-IID program".

(7) On page 24, line 17, between "program" and the underlined semicolon, insert "or the ICF-IID program".

(8) On page 22, line 2, strike "and".

(9) On page 22, line 6, between "providers" and the underlined period, insert the following:
; and

(3) provides access to a member services phone line for individuals or their legally authorized representatives to obtain information on and assistance with accessing services through network providers, including providers of primary, specialty, and other long-term services and supports

(10) On page 25, line 4, strike "and".

(11) On page 25, line 8, between "providers" and the underlined period, insert the following:
; and

(3) provides access to a member services phone line for individuals or their legally authorized representatives to obtain information on and assistance with accessing services through network providers, including providers of primary, specialty, and other long-term services and supports.

(12) On page 63, line 16, between "(2)" and "non-provider-owned" by inserting "provider-owned and".

(13) On page 25, between lines 8 and 9, by inserting the following:

Sec. 534.203. RESPONSIBILITIES OF COMMISSION. In administering this subchapter, the commission shall ensure:

(1) that the commission is responsible for setting the minimum reimbursement rate paid to a provider of ICF-IID services or a provider of home and community-based residential waiver services under the integrated managed care system including the staff rate enhancement paid to a provider of ICF-IID or a provider of home and community-based residential waiver services;

(2) that an ICF-IID service provider or a provider of home and community-based residential waiver services is paid not later than the 10th day after the date the facility submits a clean claim in accordance with the criteria used by the department for the reimbursement of ICF-IID service providers or a provider of home and community-based residential waiver services; and

(3) the establishment of an electronic portal through which providers of ICF-IID services or a provider of home and community-based residential waiver services participating in the STAR + PLUS Medicaid managed care program delivery model, or the most appropriate integrated capitated managed care program delivery model determined by the commission, may submit long-term services and supports claims to any participating managed care organization.

Floor Amendment No. 19

Amend **CSSB 7** (house committee printing) on page 34, between lines 11 and 12, by inserting the following subsection and renumbering remaining subsections accordingly:

(f) A managed care organization may not require prior authorization for a nursing facility resident in need of emergency hospital services.

Floor Amendment No. 20

Amend **CSSB 7** (house committee report) by adding the following appropriately numbered SECTION to ARTICLE 2 of the bill and renumbering subsequent SECTIONS of ARTICLE 2 accordingly:

SECTION 2. _____. INTERIM STUDY REGARDING STAR + PLUS EXPANSION IN NURSING FACILITIES. (a) A select interim committee is created to study and review:

(1) the requirement under Section 533.00251(c), Government Code, as added by this Act, that medical assistance program recipients who reside in nursing facilities receive nursing facility benefits through the STAR + PLUS Medicaid managed care program; and

(2) the implementation of that requirement.

(b) The committee is composed of members of each standing committee of the legislature with jurisdiction over health and human services. Not later than October 1, 2013, the chair of each standing committee of the legislature with jurisdiction over health and human services shall appoint as many members to the select interim committee as each chair considers necessary to complete the committee's purposes.

(c) Not later than December 1, 2013, the members appointed to the committee shall select from among the committee members a presiding officer of the committee. The committee shall convene at the call of the presiding officer.

(d) The committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on health and human services.

(e) Not later than January 15, 2015, the committee shall report the committee's findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor. The committee shall include in its recommendations specific statutory, rule, and procedural changes that appear necessary from the results of the committee's study under Subsection (a) of this section.

(f) The committee is abolished January 20, 2015.

Floor Amendment No. 22

Amend **CSSB 7** (house committee report) by adding the following appropriately numbered SECTION to ARTICLE 6 of the bill and renumbering subsequent SECTIONS in ARTICLE 6 of the bill accordingly:

SECTION 6. ____ Section 32.053, Human Resources Code, is amended by adding Subsection (i) to read as follows:

(i) To the extent allowed by the General Appropriations Act, the Health and Human Services Commission may transfer general revenue funds appropriated to the commission for the medical assistance program to the Department of Aging and Disability Services to provide PACE services in PACE program service areas to eligible recipients whose medical assistance benefits would otherwise be delivered as home and community-based services through the STAR + PLUS Medicaid managed care program and whose personal incomes are at or below the level of income required to receive Supplemental Security Income (SSI) benefits under 42 U.S.C. Section 1381 et seq.

Floor Amendment No. 23

Amend **CSSB 7** on page 8, between lines 11 and 12, by inserting the following:

Sec. 534.055. REPORT ON ROLE OF LOCAL INTELLECTUAL AND DEVELOPMENTAL DISABILITY AUTHORITIES AS SERVICE PROVIDERS. (a) The commission and department shall submit a report to the legislature not later than December 1, 2014, that includes the following information:

(1) the percentage of services provided by each local intellectual and developmental disability authority to individuals receiving ICF-IID or Medicaid waiver program services, compared to the percentage of those services provided by private providers;

(2) the types of evidence provided by local intellectual and developmental disability authorities to the department to demonstrate the lack of available private providers in areas of the state where local authorities provide services to more than 40 percent of the Texas home living (TxHmL) waiver program clients or 20 percent of the home and community-based services (HCS) waiver program clients;

(3) the types and amounts of services received by clients from local intellectual and developmental disability authorities compared to the types and amounts of services received by clients from private providers;

(4) the provider capacity of each local intellectual and developmental disability authority as determined under Section 533.0355(d), Health and Safety Code;

(5) the number of individuals served above or below the applicable provider capacity by each local intellectual and developmental disability authority; and

(6) if a local intellectual and developmental disability authority is serving clients over the authority's provider capacity, the length of time the local authority has served clients above their approved provider capacity.

(b) This section expires September 1, 2015.

Floor Amendment No. 24

Amend **CSSB 7** (house committee printing) by striking SECTION 6.06 of the bill (page 86, line 8, through page 88, line 5) and substituting the following:

SECTION 6.06. Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

(1) major depressive disorder, including single episode or recurrent major depressive disorder;

(2) post-traumatic stress disorder;

(3) schizoaffective disorder, including bipolar and depressive types;

(4) obsessive compulsive disorder;

(5) anxiety disorder;

(6) attention deficit disorder;

(7) delusional disorder;

(8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or

(9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

(1) post-traumatic stress disorder;

(2) schizoaffective disorder, including bipolar and depressive types;

(3) anxiety disorder; or

(4) delusional disorder.

Floor Amendment No. 26

Amend **CSSB 7** (house committee printing) by adding the following appropriately numbered SECTION to ARTICLE 6 of the bill and renumbering the subsequent SECTIONS of the ARTICLE accordingly:

SECTION 6.____. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.02121 to read as follows:

Sec. 32.02121. LIMITATION ON PROVISION OF MEDICAL ASSISTANCE. Notwithstanding any other law, the department may not provide medical assistance to any person who would not have been eligible for that assistance and for whom federal matching funds were not available under the eligibility criteria for medical assistance in effect on December 31, 2013.

Floor Amendment No. 27

Amend **CSSB 7** (house committee printing) in **ARTICLE 6** of the bill by adding the following appropriately numbered **SECTIONS** to the **ARTICLE** and renumbering subsequent **SECTIONS** of the **ARTICLE** accordingly:

SECTION 6. ____. Section 31.002(a)(3), Health and Safety Code, is amended to read as follows:

(3) "Other benefit" means a benefit, other than a benefit provided under this chapter, to which an individual is entitled for payment of the costs of primary health care services, including benefits available from:

(A) an insurance policy, group health plan, or prepaid medical care plan;

(B) Title XVIII, ~~[or]~~ XIX, or XXI of the Social Security Act (42 U.S.C. Section 1395 et seq., ~~[or]~~ Section 1396 et seq., or Section 1397aa et seq.); or

(C) ~~[the Veterans Administration;~~
(~~D~~) ~~the Civilian Health and Medical Program of the Uniformed Services;~~

~~[(E) workers' compensation or any other compulsory employers' insurance program;~~

~~[(F)] a public program created by federal or state law, or by an ordinance or rule of a municipality or political subdivision of the state, excluding benefits created by the establishment of a municipal or county hospital, a joint municipal-county hospital, a county hospital authority, a hospital district, or the facilities of a publicly supported medical school[; or~~

~~[(G) a cause of action for medical, facility, or medical transportation expenses, or a settlement or judgment based on the cause of action, if the expenses are related to the need for services provided under this chapter].~~

SECTION 6. ____. Section 31.003(g), Health and Safety Code, is amended to read as follows:

(g) The department shall ensure that an approved service provider makes every reasonable effort to collect appropriate reimbursement for its costs in providing primary health care services to persons who are entitled to receive other benefits ~~[board should require that the services provided under this chapter be reserved to the greatest extent possible for low income individuals who are not eligible for similar services through any other publicly funded program].~~

Floor Amendment No. 1 on Third Reading

Amend **CSSB 7** (house committee printing) on third reading as follows:

(1) On page 1, strike lines 16 through 18 and substitute the following:

(1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041.

(2) On page 5, line 12, strike "jointly".

- (3) Strike page 5, line 16, through page 7, line 26.
- (4) On page 7, line 27, strike "534.054" and substitute "534.053".
- (5) On page 28, lines 13 through 18, strike SECTION 1.03 of ARTICLE 1 of the bill and renumber subsequent SECTIONS of that ARTICLE and cross-references accordingly.
- (6) On page 28, strike lines 25 through 27 and substitute the following:
disabilities shall consult with the state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended by this Act,
- (7) On page 29, line 7, strike "534.054," and substitute "534.053".
- (8) Strike page 29, line 26, through page 30, line 2, and substitute the following:
- (1) in consultation with the state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended by this Act, review and evaluate the outcomes of:
- (9) On page 30, line 13, strike "534.054" and substitute "534.053".
- (10) On page 30, line 26, strike "533.00252, 533.00253, and 533.00254" and substitute "and 533.00252".
- (11) On page 31, lines 18 and 19, strike "533.00252, 533.00253, and 533.00254" and substitute "and 533.00252".
- (12) On page 31, lines 22 and 23, strike "Sections 533.002515 and 533.00252" and substitute "Section 533.002515".
- (13) On page 31, strike lines 24 and 25 and substitute the following:
- (1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041.
- (14) On page 32, line 21, strike "minimum".
- (15) Strike page 36, line 2, through page 37, line 16.
- (16) On page 37, line 17, strike "533.00253" and substitute "533.00252".
- (17) On page 37, strike lines 19 and 20 and substitute the following:
- (1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041.
- (18) Strike page 40, line 11, through page 41, line 6.
- (19) On page 41, line 7, through page 43, line 5, strike SECTION 2.03.
- (20) Strike page 52, line 9, through page 53, line 21, and substitute the following:
- (3) primary care providers and specialty care providers serving child and adult recipients;
- (4) long-term services and supports providers, including community-based and institutional providers;
- (5) state agencies;
- (6) [(5)] consumer advocates representing low-income child and adult recipients;
- (7) recipients who are 65 years of age or older;
- (8) recipients with chronic illnesses, physical disabilities, intellectual or other developmental disabilities, or serious mental illnesses [(6) consumer advocates representing recipients with a disability];
- (9) [(7)] parents, guardians, or other legal representatives of [children who are] recipients;

(10) advocacy organizations that represent individuals with intellectual and developmental disabilities;

(11) nonphysician mental health providers participating in the Medicaid program; and

(12) entities with responsibilities for the delivery of long-term services and supports or other Medicaid program service delivery, including:

(A) independent living centers;

(B) area agencies on aging;

(C) community mental health and intellectual disability authorities; and

(D) aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services;

(13) a physician or medical director of a nursing facility;

(14) ICF-IID program providers; and

(15) representatives of and service coordinators or case managers from home- and community-based services providers that serve individuals with intellectual and developmental disabilities [~~(8) rural providers;~~

~~(9) advocates for children with special health care needs;~~

~~(10) pediatric health care providers, including specialty providers;~~

~~(11) long term care providers, including nursing home providers;~~

~~(12) obstetrical care providers;~~

~~(13) community based organizations serving low income children and their families; and~~

~~(14) community based organizations engaged in perinatal services and outreach].~~

(21) On page 54, lines 4 and 5, strike "semiannually, but no more frequently than".

(22) Strike page 54, line 16, through page 55, line 2, and substitute the following:

(1) not later than September 1 of each year, provide assessments, recommendations, and ongoing advisory input to the commission on the [statewide] implementation, design, and operation of Medicaid managed care, including assessments, recommendations, and input regarding:

(A) the provision of benefits under the:

(i) system redesign for the delivery of acute care services and long-term services and supports to individuals with intellectual and developmental disabilities under Chapter 534;

(ii) STAR + PLUS Medicaid managed care program, including the provision of nursing facility services under the program; and

(iii) STAR Kids Medicaid managed care program established under Section 533.00252;

(B) concerns from consumers and providers;

(C) the efficiency and quality of acute care services and long-term care services and supports delivered by Medicaid managed care organizations;

(D) the delivery of person-centered, consumer-directed long-term services and supports in the most integrated setting achievable;

(E) contract requirements under Medicaid managed care organizations;

(F) Medicaid managed care provider network adequacy; and

(G) other issues as requested by the executive commissioner;

(23) Strike page 55, lines 5 through 7, and substitute the following:

programs operating under Medicaid managed care [~~including the early and periodic screening, diagnosis, and treatment program, provider and patient education issues, and patient eligibility issues~~]; and

(24) On page 55, strike lines 12 through 25 and substitute the following:

(b) The commission shall ensure coordination and communication between the advisory committee, regional Medicaid managed care advisory committees appointed by the commission under Subchapter B, and other advisory committees or groups that perform functions related to Medicaid managed care in a manner that enables the state Medicaid managed care advisory committee to act as a central source of agency information and stakeholder input relevant to the implementation and operation of Medicaid managed care.

(c) The presiding officer of the advisory committee may establish subcommittees or work groups chaired by a member of the advisory committee that meet at other times for purposes of studying and making recommendations on issues the committee determines appropriate.

(25) On page 56, line 7, strike "Section 533.045" and substitute "Sections 533.045 and 533.046".

(26) On page 56, between lines 15 and 16, insert the following:

Sec. 533.046. REPORT TO LEGISLATURE. Not later than December 1 of each even-numbered year, the commission shall submit a report to the legislature regarding the assessments and recommendations contained in any report submitted by the state Medicaid managed care advisory committee under Section 533.043(a) during the most recent state fiscal biennium.

(27) On page 56, line 23, strike "533.00253" and substitute "533.00252".

(28) On page 57, lines 7 through 24, strike SECTION 2.12.

(29) On page 58, lines 15 through 19, strike SECTION 2.14.

(30) On page 58, line 26, through page 59, line 1, strike "STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added" and substitute "state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended".

(31) On page 59, lines 7 and 8, strike "STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added" and substitute "state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended".

(32) On page 60, between lines 15 and 16, insert the following:

(c) Subject to Subsection (e) of this section, the state Medicaid managed care advisory committee shall submit the initial report required under Section 533.043(a)(1), Government Code, as amended by this Act, not later than September 1, 2014.

(d) Subject to Subsection (e) of this section, the Health and Human Services Commission shall submit the initial report required under Section 533.046, Government Code, as added by this Act, not later than December 1, 2014.

(e) The state Medicaid managed care advisory committee and the Health and Human Services Commission may delay including information relating to the system redesign under Chapter 534, Government Code, as added by Article 1 of this Act, including information required by Section 533.043(a)(1)(A)(i), Government Code, as added by this Act, until September 1, 2024, and December 1, 2024, respectively.

(33) On page 61, strike lines 14 through 16 and substitute the following:

(1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041, Government Code.

(34) On page 63, lines 22 through 24, strike "Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053" and substitute "state Medicaid managed care advisory committee established under Section 533.041".

(35) Renumber SECTIONS of ARTICLE 2 and cross-references to those SECTIONS accordingly.

Floor Amendment No. 3 on Third Reading

Amend **CSSB 7** on third reading in ARTICLE 6 of the bill by adding the following appropriately numbered SECTIONS to the ARTICLE and renumbering subsequent SECTIONS of the ARTICLE accordingly:

SECTION _____. Sections 31.002(a)(1) and (4), Health and Safety Code, are amended to read as follows:

(1) "Facility" includes an entity providing primary [a hospital, ambulatory surgical center, public health clinic, birthing center, outpatient clinic, and community] health care services [center].

(4) "Primary health care services" may include [includes]:

(A) a health service related to family, internal, pediatric, obstetric, or gynecological medicine that is provided by a physician, physician assistant, or advanced practice registered nurse [diagnosis and treatment];

(B) diagnostic laboratory and radiological services;

(C) emergency medical services;

(D) [(C)] family planning services;

(E) [(D)] preventive health services, including:

(i) prenatal and perinatal services;

(ii) appropriate cancer screening;

(iii) well-child services;

(iv) immunizations against diseases that are preventable by vaccines;

(v) screenings for elevated blood levels, communicable diseases, and cholesterol levels;

(vi) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care; and

(vii) preventive dental services;

(F) [(E)] health education;

(G) [(F)] laboratory, X ray, nuclear medicine, or other appropriate diagnostic services;

[(G)] nutrition services;

[(H)] health screening;

~~[(I) home health care;~~
~~[(J) dental care;~~
~~[(K) transportation;~~
~~[(L)] prescription drugs and devices and durable supplies, as~~
appropriate;

(H) integrated mental health
~~[(M) environmental health services;~~
~~[(N) podiatry services; and~~
~~[(O) social] services; and~~
(I) other services related to the diagnosis or treatment of acute and chronic medical conditions.

The amendments were read.

Senator Nelson submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 7** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Deuell, Schwertner, Huffman, and Hinojosa.

SENATE BILL 8 WITH HOUSE AMENDMENTS **(Motion In Writing)**

Senator Nelson called **SB 8** 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 8** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the provision and delivery of certain health and human services in this state, including the provision of those services through the Medicaid program and the prevention of fraud, waste, and abuse in that program and other programs.

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

SECTION 1. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0082 to read as follows:

Sec. 531.0082. DATA ANALYSIS UNIT. (a) The executive commissioner shall establish a data analysis unit within the commission to establish, employ, and oversee data analysis processes designed to:

- (1) improve contract management;
- (2) detect data trends; and

(3) identify anomalies relating to service utilization, providers, payment methodologies, and compliance with requirements in Medicaid and child health plan program managed care and fee-for-service contracts.

(b) The commission shall assign staff to the data analysis unit who perform duties only in relation to the unit.

(c) The data analysis unit shall use all available data and tools for data analysis when establishing, employing, and overseeing data analysis processes under this section.

(d) Not later than the 30th day following the end of each calendar quarter, the data analysis unit shall provide an update on the unit's activities and findings to the governor, the lieutenant governor, the speaker of the house of representatives, the chair of the Senate Finance Committee, the chair of the House Appropriations Committee, and the chairs of the standing committees of the senate and house of representatives having jurisdiction over the Medicaid program.

SECTION 2. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02115 to read as follows:

Sec. 531.02115. MARKETING ACTIVITIES BY PROVIDERS PARTICIPATING IN MEDICAID OR CHILD HEALTH PLAN PROGRAM. (a) A provider participating in the Medicaid or child health plan program, including a provider participating in the network of a managed care organization that contracts with the commission to provide services under the Medicaid or child health plan program, may not engage in any marketing activity, including any dissemination of material or other attempt to communicate, that:

(1) involves unsolicited personal contact, including by door-to-door solicitation, solicitation at a child-care facility or other type of facility, direct mail, or telephone, with a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program;

(2) is directed at the client or parent solely because the client or the parent's child is receiving benefits under the Medicaid or child health plan program; and

(3) is intended to influence the client's or parent's choice of provider.

(b) In addition to the requirements of Subsection (a), a provider participating in the network of a managed care organization described by that subsection must comply with the marketing guidelines established by the commission under Section 533.008.

(c) Nothing in this section prohibits:

(1) a provider participating in the Medicaid or child health plan program from:

(A) engaging in a marketing activity, including any dissemination of material or other attempt to communicate, that is intended to influence the choice of provider by a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program, if the marketing activity involves only the general dissemination of information, including by television, radio, newspaper, or billboard advertisement, and does not involve unsolicited personal contact;

(B) as permitted under the provider's contract, engaging in the dissemination of material or another attempt to communicate with a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program, including communication in person or by direct mail or telephone, for the purpose of:

(i) providing an appointment reminder;
(ii) distributing promotional health materials;
(iii) providing information about the types of services offered by
the provider; or

(iv) coordinating patient care; or
(C) engaging in a marketing activity that has been submitted for review
and obtained a notice of prior authorization from the commission under Subsection
(d); or

(2) a provider participating in the Medicaid STAR + PLUS program from,
as permitted under the provider's contract, engaging in a marketing activity, including
any dissemination of material or other attempt to communicate, that is intended to
educate a Medicaid client about available long-term care services and supports.

(d) The commission shall establish a process by which providers may submit
proposed marketing activities for review and prior authorization to ensure that
providers are in compliance with the requirements of this section and, if applicable,
Section 533.008, or to determine whether the providers are exempt from a
requirement of this section and, if applicable, Section 533.008. The commission may
grant or deny a provider's request for authorization to engage in a proposed marketing
activity.

(e) The executive commissioner shall adopt rules as necessary to implement this
section, including rules relating to provider marketing activities that are exempt from
the requirements of this section and, if applicable, Section 533.008.

SECTION 3. Section 531.02414, Government Code, is amended by amending
 Subsection (d) and adding Subsections (g) and (h) to read as follows:

(d) Subject to Section 533.00257, the ~~The~~ commission may contract with a
 public transportation provider, as defined by Section 461.002, Transportation Code, a
 private transportation provider, or a regional transportation broker for the provision of
 public transportation services, as defined by Section 461.002, Transportation Code,
 under the medical transportation program.

(g) The commission shall enter into a memorandum of understanding with the
 Texas Department of Motor Vehicles and the Department of Public Safety for
 purposes of obtaining the motor vehicle registration and driver's license information
 of a provider of medical transportation services, including a regional contracted
 broker and a subcontractor of the broker, to confirm that the provider complies with
 applicable requirements adopted under Subsection (e).

(h) The commission shall establish a process by which providers of medical
 transportation services, including providers under a managed transportation delivery
 model, that contract with the commission may request and obtain the information
 described under Subsection (g) for purposes of ensuring that subcontractors providing
 medical transportation services meet applicable requirements adopted under
 Subsection (e).

SECTION 4. Subchapter B, Chapter 531, Government Code, is amended by
 adding Section 531.076 to read as follows:

Sec. 531.076. REVIEW OF PRIOR AUTHORIZATION AND UTILIZATION
REVIEW PROCESSES. (a) The commission shall periodically review in accordance
with an established schedule the prior authorization and utilization review processes

within the Medicaid fee-for-service delivery model to determine if those processes need modification to reduce authorizations of unnecessary services and inappropriate use of services. The commission shall also monitor the processes described in this subsection for anomalies and, on identification of an anomaly in a process, shall review the process for modification earlier than scheduled.

(b) The commission shall monitor Medicaid managed care organizations to ensure that the organizations are using prior authorization and utilization review processes to reduce authorizations of unnecessary services and inappropriate use of services.

SECTION 5. Section 531.102, Government Code, is amended by amending Subsection (a) and adding Subsection (l) to read as follows:

(a) The ~~[commission, through the]~~ commission's office of inspector general[;] is responsible for the prevention, detection, audit, inspection, review, and investigation of fraud, waste, and abuse in the provision and delivery of all health and human services in the state, including services through any state-administered health or human services program that is wholly or partly federally funded, and the enforcement of state law relating to the provision of those services. The commission may obtain any information or technology necessary to enable the office to meet its responsibilities under this subchapter or other law.

(l) Nothing in this section limits the authority of any other state agency or governmental entity.

SECTION 6. (a) Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00257 to read as follows:

Sec. 533.00257. DELIVERY OF MEDICAL TRANSPORTATION PROGRAM SERVICES. (a) In this section:

(1) "Managed transportation organization" means:

(A) a rural or urban transit district created under Chapter 458, Transportation Code;

(B) a public transportation provider defined by Section 461.002, Transportation Code;

(C) a regional contracted broker defined by Section 531.02414;

(D) a local private transportation provider approved by the commission to provide Medicaid nonemergency medical transportation services; or

(E) any other entity the commission determines meets the requirements of this section.

(2) "Medical transportation program" has the meaning assigned by Section 531.02414.

(3) "Transportation service area provider" means a for-profit or nonprofit entity that provides demand response, curb-to-curb, nonemergency transportation under the medical transportation program.

(b) Subject to Subsection (h), the commission shall provide medical transportation program services on a regional basis through a managed transportation delivery model using managed transportation organizations and providers, as appropriate, that:

(1) operate under a capitated rate system;

(2) assume financial responsibility under a full-risk model;

(3) operate a call center;
(4) use fixed routes when available and appropriate; and
(5) agree to provide data to the commission if the commission determines that the data is required to receive federal matching funds.

(c) The commission shall procure managed transportation organizations under the medical transportation program through a competitive bidding process.

(d) A managed transportation organization that participates in the medical transportation program must attempt to contract with medical transportation providers that:

(1) are considered significant traditional providers, as defined by rule by the executive commissioner;

(2) meet the minimum quality and efficiency measures required under Subsection (g) and other requirements that may be imposed by the managed transportation organization; and

(3) agree to accept the prevailing contract rate of the managed transportation organization.

(e) To the extent allowed under federal law, a managed transportation organization may own, operate, and maintain a fleet of vehicles or contract with an entity that owns, operates, and maintains a fleet of vehicles.

(f) The commission shall consider the ownership, operation, and maintenance of a fleet of vehicles by a managed transportation organization to be a related-party transaction for purposes of applying experience rebates, administrative costs, and other administrative controls determined by the commission.

(g) The commission shall require that managed transportation providers participating in the medical transportation program meet minimum quality and efficiency measures as determined by the commission.

(h) The commission may delay providing medical transportation program services through a managed transportation delivery model in areas of this state in which the commission on September 1, 2013, is operating a full-risk transportation broker model.

(b) The Health and Human Services Commission shall begin providing medical transportation program services through the delivery model required by Section 533.00257, Government Code, as added by this section, not later than September 1, 2014, subject to Subsection (h), Section 533.00257, Government Code, as added by this section.

SECTION 7. (a) Section 773.0571, Health and Safety Code, is amended to read as follows:

Sec. 773.0571. REQUIREMENTS FOR PROVIDER LICENSE. The department shall issue to an emergency medical services provider applicant a license that is valid for two years if the department is satisfied that:

(1) the applicant [~~emergency medical services provider~~] has adequate staff to meet the staffing standards prescribed by this chapter and the rules adopted under this chapter;

(2) each emergency medical services vehicle is adequately constructed, equipped, maintained, and operated to render basic or advanced life support services safely and efficiently;

(3) the applicant [~~emergency medical services provider~~] offers safe and efficient services for emergency prehospital care and transportation of patients; [~~and~~]

(4) the applicant:

(A) possesses sufficient professional experience and qualifications to provide emergency medical services; and

(B) has not been excluded from participation in the state Medicaid program;

(5) the applicant holds a letter of approval issued under Section 773.0573 by the governing body of the municipality or the commissioners court of the county in which the applicant is located and is applying to provide emergency medical services, as applicable; and

(6) the applicant [~~emergency medical services provider~~] complies with the rules adopted [~~by the board~~] under this chapter.

(b) Subchapter C, Chapter 773, Health and Safety Code, is amended by adding Sections 773.05711, 773.05712, and 773.05713 to read as follows:

Sec. 773.05711. ADDITIONAL EMERGENCY MEDICAL SERVICES PROVIDER LICENSE REQUIREMENTS. (a) In addition to the requirements for obtaining or renewing an emergency medical services provider license under this subchapter, a person who applies for a license or for a renewal of a license must:

(1) provide the department with a letter of credit issued by a federally insured bank or savings institution in the amount of:

(A) \$100,000 for the initial license and for renewal of the license on the second anniversary of the date the initial license is issued;

(B) \$75,000 for renewal of the license on the fourth anniversary of the date the initial license is issued;

(C) \$50,000 for renewal of the license on the sixth anniversary of the date the initial license is issued; and

(D) \$25,000 for renewal of the license on the eighth anniversary of the date the initial license is issued and each subsequent renewal;

(2) provide the department with a surety bond in the amount of:

(A) \$50,000 for the initial license and for renewal of the license on the second anniversary of the date the initial license is issued;

(B) \$25,000 for renewal of the license on the fourth anniversary of the date the initial license is issued; and

(C) \$10,000 for renewal of the license on the sixth anniversary of the date the initial license is issued and each subsequent renewal; and

(3) submit for approval by the department the name and contact information of the provider's administrator of record who satisfies the requirements under Section 773.05712.

(b) An emergency medical services provider that is directly operated by a governmental entity is exempt from this section.

Sec. 773.05712. ADMINISTRATOR OF RECORD. (a) The administrator of record for an emergency medical services provider licensed under this subchapter:

(1) may not be employed or otherwise compensated by another private for-profit emergency medical services provider;

(2) must meet the qualifications required for an emergency medical technician or other health care professional license or certification issued by this state; and

(3) must submit to a criminal history record check at the applicant's expense.

(b) Section 773.0415 does not apply to information an administrator of record is required to provide under this section.

(c) An administrator of record initially approved by the department may be required to complete an education course for new administrators of record. The executive commissioner shall recognize, prepare, or administer the education course for new administrators of record, which must include information about the laws and department rules that affect emergency medical services providers.

(d) An administrator of record approved by the department under Section 773.05711(a) annually must complete at least eight hours of continuing education following initial approval. The executive commissioner shall recognize, prepare, or administer continuing education programs for administrators of record, which must include information about changes in law and department rules that affect emergency medical services providers.

(e) An emergency medical services provider that is directly operated by a governmental entity is exempt from this section.

Sec. 773.05713. REPORT TO LEGISLATURE. Not later than December 1 of each even-numbered year, the department shall electronically submit a report to the lieutenant governor, the speaker of the house of representatives, and the standing committees of the house and senate with jurisdiction over the department on the effect of Sections 773.05711 and 773.05712 that includes:

(1) the total number of applications for emergency medical services provider licenses submitted to the department and the number of applications for which licenses were issued or licenses were denied by the department;

(2) the number of emergency medical services provider licenses that were suspended or revoked by the department for violations of those sections and a description of the types of violations that led to the license suspension or revocation;

(3) the number of occurrences and types of fraud committed by licensed emergency medical services providers related to those sections;

(4) the number of complaints made against licensed emergency medical services providers for violations of those sections and a description of the types of complaints; and

(5) the status of any coordination efforts of the department and the Texas Medical Board related to those sections.

(c) Subchapter C, Chapter 773, Health and Safety Code, is amended by adding Section 773.0573 to read as follows:

Sec. 773.0573. LETTER OF APPROVAL FROM LOCAL GOVERNMENTAL ENTITY. (a) An emergency medical services provider applicant must obtain a letter of approval from:

(1) the governing body of the municipality in which the applicant is located and is applying to provide emergency medical services; or

(2) if the applicant is not located in a municipality, the commissioners court of the county in which the applicant is located and is applying to provide emergency medical services.

(b) A governing body of a municipality or a commissioners court of a county may issue a letter of approval to an emergency medical services provider applicant who is applying to provide emergency medical services in the municipality or county only if the governing body or commissioners court determines that:

(1) the addition of another licensed emergency medical services provider will not interfere with or adversely affect the provision of emergency medical services by the licensed emergency medical services providers operating in the municipality or county;

(2) the addition of another licensed emergency medical services provider will remedy an existing provider shortage that cannot be resolved through the use of the licensed emergency medical services providers operating in the municipality or county; and

(3) the addition of another licensed emergency medical services provider will not cause an oversupply of licensed emergency medical services providers in the municipality or county.

(c) An emergency medical services provider is prohibited from expanding operations to or stationing any emergency medical services vehicles in a municipality or county other than the municipality or county from which the provider obtained the letter of approval under this section until after the second anniversary of the date the provider's initial license was issued, unless the expansion or stationing occurs in connection with:

(1) a contract awarded by another municipality or county for the provision of emergency medical services;

(2) an emergency response made in connection with an existing mutual aid agreement; or

(3) an activation of a statewide emergency or disaster response by the department.

(d) This section does not apply to:

(1) renewal of an emergency medical services provider license; or

(2) a municipality, county, emergency services district, hospital, or emergency medical services volunteer provider organization in this state that applies for an emergency medical services provider license.

(d) Subchapter C, Chapter 773, Health and Safety Code, is amended by adding Section 773.06141 to read as follows:

Sec. 773.06141. SUSPENSION, REVOCATION, OR DENIAL OF EMERGENCY MEDICAL SERVICES PROVIDER LICENSE. The commissioner may suspend, revoke, or deny an emergency medical services provider license on the grounds that the provider's administrator of record, employee, or other representative:

(1) has been convicted of, or placed on deferred adjudication community supervision or deferred disposition for, an offense that directly relates to the duties and responsibilities of the administrator, employee, or representative, other than an offense for which points are assigned under Section 708.052, Transportation Code;

(2) has been convicted of or placed on deferred adjudication community supervision or deferred disposition for an offense, including:

(A) an offense listed in Sections 3g(a)(1)(A) through (H), Article 42.12, Code of Criminal Procedure; or

(B) an offense, other than an offense described by Subdivision (1), for which the person is subject to registration under Chapter 62, Code of Criminal Procedure; or

(3) has been convicted of Medicare or Medicaid fraud, has been excluded from participation in the state Medicaid program, or has a hold on payment for reimbursement under the state Medicaid program under Subchapter C, Chapter 531, Government Code.

(e) Notwithstanding Chapter 773, Health and Safety Code, as amended by this section, the Department of State Health Services may not issue any new emergency medical services provider licenses for the period beginning on September 1, 2013, and ending on February 28, 2015. The moratorium does not apply to the issuance of an emergency medical services provider license to a municipality, county, emergency services district, hospital, or emergency medical services volunteer provider organization in this state, or to an emergency medical services provider applicant who is applying to provide services in response to 9-1-1 calls and is located in a rural area, as that term is defined in Section 773.0045, Health and Safety Code.

(f) Section 773.0571, Health and Safety Code, as amended by this section, and Section 773.0573, Health and Safety Code, as added by this section, apply only to an application for approval of an emergency medical services provider license submitted to the Department of State Health Services on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(g) The changes in law made by this section apply only to an application for approval or renewal of an emergency medical services provider license submitted to the Department of State Health Services on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 8. Section 32.0322, Human Resources Code, is amended by amending Subsection (b) and adding Subsections (b-1), (e), and (f) to read as follows:

(b) Subject to Subsections (b-1) and (e), the [The] executive commissioner of the Health and Human Services Commission by rule shall establish criteria for the department or the commission's office of inspector general to suspend a provider's billing privileges under the medical assistance program, revoke a provider's enrollment under the program, or deny a person's application to enroll as a provider under the program based on:

(1) the results of a criminal history check;

(2) any exclusion or debarment of the provider from participation in a state or federally funded health care program;

(3) the provider's failure to bill for medical assistance or refer clients for medical assistance within a 12-month period; or

(4) any of the provider screening or enrollment provisions contained in 42 C.F.R. Part 455, Subpart E.

(b-1) In adopting rules under this section, the executive commissioner of the Health and Human Services Commission shall require revocation of a provider's enrollment or denial of a person's application for enrollment as a provider under the medical assistance program if the person has been excluded or debarred from participation in a state or federally funded health care program as a result of:

(1) a criminal conviction or finding of civil or administrative liability for committing a fraudulent act, theft, embezzlement, or other financial misconduct under a state or federally funded health care program; or

(2) a criminal conviction for committing an act under a state or federally funded health care program that caused bodily injury to:

(A) a person who is 65 years of age or older;

(B) a person with a disability; or

(C) a person under 18 years of age.

(e) The department may reinstate a provider's enrollment under the medical assistance program or grant a person's previously denied application to enroll as a provider, including a person described by Subsection (b-1), if the department finds:

(1) good cause to determine that it is in the best interest of the medical assistance program; and

(2) the person has not committed an act that would require revocation of a provider's enrollment or denial of a person's application to enroll since the person's enrollment was revoked or application was denied, as appropriate.

(f) The department must support a determination made under Subsection (e) with written findings of good cause for the determination.

SECTION 9. Section 36.005, Human Resources Code, is amended by amending Subsection (b-1) and adding Subsections (e), (f), and (g) to read as follows:

(b-1) The period of ineligibility begins on the date on which the judgment finding the provider liable under Section 36.052 is entered by the trial court [~~determination that the provider is liable becomes final~~].

(e) Notwithstanding Subsection (b-1), the period of ineligibility for an individual licensed by a health care regulatory agency or a physician begins on the date on which the determination that the individual or physician is liable becomes final.

(f) For purposes of Subsection (e), a "physician" includes a physician, a professional association composed solely of physicians, a single legal entity authorized to practice medicine owned by two or more physicians, a nonprofit health corporation certified by the Texas Medical Board under Chapter 162, Occupations Code, or a partnership composed solely of physicians.

(g) For purposes of Subsection (e), "health care regulatory agency" has the meaning assigned by Section 774.001, Government Code.

SECTION 10. (a) The Health and Human Services Commission, in cooperation with the Department of State Health Services and the Texas Medical Board, shall:

(1) as soon as practicable after the effective date of this Act, conduct a thorough review of and solicit stakeholder input regarding the laws and policies related to the use of non-emergent services provided by ambulance providers under the medical assistance program established under Chapter 32, Human Resources Code;

(2) not later than January 1, 2014, make recommendations to the legislature regarding suggested changes to the law that would reduce the incidence of and opportunities for fraud, waste, and abuse with respect to the activities described by Subdivision (1) of this subsection; and

(3) amend the policies described by Subdivision (1) of this subsection as necessary to assist in accomplishing the goals described by Subdivision (2) of this subsection.

(b) This section expires September 1, 2015.

SECTION 11. (a) The Department of State Health Services, in cooperation with the Health and Human Services Commission and the Texas Medical Board, shall:

(1) as soon as practicable after the effective date of this Act, conduct a thorough review of and solicit stakeholder input regarding the laws and policies related to the licensure of nonemergency transportation providers;

(2) not later than January 1, 2014, make recommendations to the legislature regarding suggested changes to the law that would reduce the incidence of and opportunities for fraud, waste, and abuse with respect to the activities described by Subdivision (1) of this subsection; and

(3) amend the policies described by Subdivision (1) of this subsection as necessary to assist in accomplishing the goals described by Subdivision (2) of this subsection.

(b) This section expires September 1, 2015.

SECTION 12. (a) The Texas Medical Board, in cooperation with the Department of State Health Services and the Health and Human Services Commission, shall:

(1) as soon as practicable after the effective date of this Act, conduct a thorough review of and solicit stakeholder input regarding the laws and policies related to:

(A) the delegation of health care services by physicians or medical directors to qualified emergency medical services personnel; and

(B) physicians' assessment of patients' needs for purposes of ambulatory transfer or transport or other purposes;

(2) not later than January 1, 2014, make recommendations to the legislature regarding suggested changes to the law that would reduce the incidence of and opportunities for fraud, waste, and abuse with respect to the activities described by Subdivision (1) of this subsection; and

(3) amend the policies described by Subdivision (1) of this subsection as necessary to assist in accomplishing the goals described by Subdivision (2) of this subsection.

(b) This section expires September 1, 2015.

SECTION 13. (a) This section is a clarification of legislative intent regarding Subsection (s), Section 32.024, Human Resources Code, and a validation of certain Health and Human Services Commission acts and decisions.

(b) In 1999, the legislature became aware that certain children enrolled in the Medicaid program were receiving treatment under the program outside the presence of a parent or another responsible adult. The treatment of unaccompanied children under the Medicaid program resulted in the provision of unnecessary services to those children, the exposure of those children to unnecessary health and safety risks, and the submission of fraudulent claims by Medicaid providers.

(c) In addition, in 1999, the legislature became aware of allegations that certain Medicaid providers were offering money and other gifts in exchange for a parent's or child's consent to receive unnecessary services under the Medicaid program. In some cases, a child was offered money or gifts in exchange for the parent's or child's consent to have the child transported to a different location to receive unnecessary services. In some of those cases, once transported, the child received no treatment and was left unsupervised for hours before being transported home. The provision of money and other gifts by Medicaid providers in exchange for parents' or children's consent to services deprived those parents and children of the right to choose a Medicaid provider without improper inducement.

(d) In response, in 1999, the legislature enacted Chapter 766 (H.B. 1285), Acts of the 76th Legislature, Regular Session, 1999, which amended Section 32.024, Human Resources Code, by amending Subsection (s) and adding Subsection (s-1). As amended, Subsection (s), Section 32.024, Human Resources Code, requires that a child's parent or guardian or another adult authorized by the child's parent or guardian accompany the child at a visit or screening under the early and periodic screening, diagnosis, and treatment program in order for a Medicaid provider to be reimbursed for services provided at the visit or screening. As filed, the bill required a child's parent or guardian to accompany the child. The house committee report added the language allowing an adult authorized by the child's parent or guardian to accompany the child in order to accommodate a parent or guardian for whom accompanying the parent's or guardian's child to each visit or screening would be a hardship.

(e) The principal purposes of Chapter 766 (H.B. 1285), Acts of the 76th Legislature, Regular Session, 1999, were to prevent Medicaid providers from committing fraud, encourage parental involvement in and management of health care of children enrolled in the early and periodic screening, diagnosis, and treatment program, and ensure the safety of children receiving services under the Medicaid program. The addition of the language allowing an adult authorized by a child's parent or guardian to accompany the child furthered each of those purposes.

(f) The legislature, in amending Subsection (s), Section 32.024, Human Resources Code, understood that:

(1) the effectiveness of medical, dental, and therapy services provided to a child improves when the child's parent or guardian actively participates in the delivery of those services;

(2) a parent is responsible for the safety and well-being of the parent's child, and that a parent cannot casually delegate this responsibility to a stranger;

(3) a parent may not always be available to accompany the parent's child at a visit to the child's doctor, dentist, or therapist; and

(4) Medicaid providers and their employees and associates have a financial interest in the delivery of services under the Medicaid program and, accordingly, cannot fulfill the responsibilities of a parent or guardian when providing services to a child.

(g)(1) On March 15, 2012, the Health and Human Services Commission notified certain Medicaid providers that state law and commission policy require a child's parent or guardian or another properly authorized adult to accompany a child receiving services under the Medicaid program. This notice followed the commission's discovery that some providers were transporting children from schools to therapy clinics and other locations to receive therapy services. Although the children were not accompanied by a parent or guardian during these trips, the providers were obtaining reimbursement for the trips under the Medicaid medical transportation program. The commission clarified in the notice that, in order for a provider to be reimbursed for transportation services provided to a child under the Medicaid medical transportation program, the child must be accompanied by the child's parent or guardian or another adult who is not the provider and whom the child's parent or guardian has authorized to accompany the child by submitting signed, written consent to the provider.

(2) In May 2012, a lawsuit was filed to enjoin the Health and Human Services Commission from enforcing Subsection (s), Section 32.024, Human Resources Code, and 1 T.A.C. Section 380.207, as interpreted in certain notices issued by the commission. A state district court enjoined the commission from denying eligibility to a child for transportation services under the Medicaid medical transportation program if the child's parent or guardian does not accompany the child, provided that the child's parent or guardian authorizes any other adult to accompany the child. The court also enjoined the commission from requiring as a condition for a provider to be reimbursed for services provided to a child during a visit or screening under the early and periodic screening, diagnosis, and treatment program that the child be accompanied by the child's parent or guardian, provided that the child's parent or guardian authorizes another adult to accompany the child. The state has filed a notice of appeal of the court's order.

(3) The legislature declares that a rule or policy adopted by the Health and Human Services Commission before the effective date of this Act to require that, in order for a Medicaid provider to be reimbursed for services provided to a child under the early and periodic screening, diagnosis, and treatment program or the medical transportation program, the child must be accompanied by the child's parent or guardian or another adult whom the child's parent or guardian has authorized to accompany the child is conclusively presumed, as of the date the rule or policy was adopted, to be a valid exercise of the commission's authority and consistent with the intent of the legislature, provided that the rule or policy:

(A) was adopted pursuant to Subsection (s), Section 32.024, Human Resources Code; and

(B) prohibits the child's parent or guardian from authorizing the provider or the provider's employee or associate as an adult who may accompany the child.

(4) Subdivision (3) of this subsection does not apply to:

(A) an action or decision that was void at the time the action was taken or the decision was made;

(B) an action or decision that violates federal law or the terms of a federal waiver; or

(C) an action or decision that, under a statute of this state or the United States, was a misdemeanor or felony at the time the action was taken or the decision was made.

(5) This section does not apply to:

(A) an action or decision that was void at the time the action was taken or the decision was made;

(B) an action or decision that violates federal law or the terms of a federal waiver; or

(C) an action or decision that, under a statute of this state or the United States, was a misdemeanor or felony at the time the action was taken or the decision was made.

SECTION 14. As soon as practicable after the effective date of this Act, the executive commissioner of the Health and Human Services Commission shall establish the data analysis unit required under Section 531.0082, Government Code, as added by this Act. The data analysis unit shall provide the initial update required under Subsection (d), Section 531.0082, Government Code, as added by this Act, not later than the 30th day after the last day of the first complete calendar quarter occurring after the date the unit is established.

SECTION 15. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 16. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 8** (house committee printing) on page 10 by striking lines 11 through 18 and substituting the following:

(5) the applicant holds a letter of approval issued under Section 773.0573 by the governing body of the municipality or the 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.

Floor Amendment No. 2

Amend **CSSB 8** (house committee printing) as follows:

(1) On page 12, between lines 26 and 27, insert the following:

(e) Subsection (a)(2) does not apply to an emergency medical services provider that held a license on September 1, 2013, and has an administrator of record who has at least eight years of experience providing emergency medical services.

(2) On page 12, line 27, strike "(e)" and substitute "(f)".

Floor Amendment No. 3

Amend **CSSB 8** (house committee report) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill appropriately:

SECTION ____ . Section 533.005(a-1), Government Code, is amended to read as follows:

(a-1) The requirements imposed by Subsections (a)(23)(A), (B), and (C) do not apply, and may not be enforced, on and after August 31, 2018 [~~2013~~].

Floor Amendment No. 4

Amend **CSSB 8** (house committee printing) on page 7, line 19, immediately following the period, by inserting "The term does not include an emergency medical services provider licensed under Chapter 773, Health and Safety Code, unless the provider contracts to provide medical transportation program services."

Floor Amendment No. 5

Amend **CSSB 8** (house committee report) as follows:

(1) On page 7, line 17, between "entity" and "that", insert "or political subdivision of this state".

(2) On page 7, line 20, strike "Subsection (h)," and substitute "Subsection (i),".

(3) On page 8, line 8, between "process" and the underlined period, insert "for each managed transportation region as determined by the commission".

(4) On page 8, line 19, strike "To the extent allowed under federal law, a", and substitute "A".

(5) On page 8, line 22, between "vehicles" and the underlined period, insert ". The commission shall seek appropriate federal waivers or other authorizations to implement this subsection as necessary".

(6) On page 9, line 2, between "transportation" and "providers", insert "organizations and".

(7) On page 9, strike lines 5 through 9 and substitute the following:

(h) Instead of procuring managed transportation organizations under Subsection (c), the commission may approve or enter into a contract or interlocal agreement with transportation service area providers to consolidate and coordinate transportation service delivery activities under the medical transportation program if the providers are transportation service area providers on August 31, 2013, and collectively provide services in no fewer than three contiguous rural or small urban transit districts created under Chapter 458, Transportation Code. A contract or agreement entered into under this subsection must:

(1) be executed not later than December 30, 2013;

(2) be for a term that does not exceed two years; and

(3) be designed to allow for the evaluation of the following in the medical transportation program:

- (A) cost-saving measures;
- (B) efficiencies;
- (C) best practices; and
- (D) sources of matching funds.

(i) The commission may delay providing medical transportation program services through a managed transportation delivery model in areas of this state in which the commission on September 1, 2013, is operating a full-risk transportation broker model.

(j) Subsection (h) and this subsection expire on the earlier of:

- (1) the date any contract entered into under Subsection (h) terminates; or
- (2) August 31, 2015.

(8) On page 9, line 14, strike "(h)" and substitute "(i)".

Floor Amendment No. 6

Amend **CSSB 8** (house committee report) on page 9, between lines 9 and 10, by inserting the following:

(h-1) Notwithstanding Subsection (h), the commission may not delay providing medical transportation program services through a managed transportation delivery model in:

(1) a county with a population of 750,000 or more:

(A) in which all or part of a municipality with a population of one million or more is located; and

(B) that is located adjacent to a county with a population of two million or more; or

(2) a county with a population of at least 55,000 but not more than 65,000, that is located adjacent to a county with a population of at least 500,000 but not more than 1.5 million.

Floor Amendment No. 7

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 32.073, Human Resources Code, is amended by adding Subsection (c) to read as follows:

(c) Not later than the second anniversary of the date national standards for electronic prior authorization of benefits are adopted, the Health and Human Services Commission shall require a health benefit plan issuer participating in the medical assistance program or the agent of the health benefit plan issuer that manages or administers prescription drug benefits to exchange prior authorization requests electronically with a prescribing provider participating in the medical assistance program who has electronic prescribing capability and who initiates a request electronically.

SECTION _____. (a) The Health and Human Services Commission shall study the feasibility of developing and implementing a single standard prior authorization form to be used for requesting prior authorization for prescription drugs in the medical

assistance program by participating prescribers who do not have electronic prescribing capability and are not able to initiate electronic prior authorization requests. The commission shall complete the study not later than December 31, 2014.

(b) If the Health and Human Services Commission determines that developing and implementing the form described in Subsection (a) of this section is feasible, will reduce administrative burdens, and is cost-effective, the commission shall adjust contracts with participating health benefit plan issuers and participating health benefit plan administrators to require acceptance of the form.

Floor Amendment No. 8

Amend **CSSB 8** (house committee printing) by adding the following SECTION, appropriately numbered, to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 281, Health and Safety Code, is amended by adding Section 281.0518 to read as follows:

Sec. 281.0518. DALLAS COUNTY HOSPITAL DISTRICT; AUTHORITY TO SELL OR LICENSE INTELLECTUAL PROPERTY. (a) The Dallas County Hospital District or a nonprofit corporation formed by the district may:

(1) sell or license technology or intellectual property that is owned by or licensed to the district or a nonprofit corporation formed by the district;

(2) enter into a contract to provide services related to technology or intellectual property sold or licensed under Subdivision (1);

(3) contract, collaborate, or enter into a joint venture or other agreement with a public or private entity to engage in an activity authorized under Subdivision (1) or (2); or

(4) take any other action necessary to protect or benefit from the exclusivity of technology and intellectual property owned by or licensed to the district or a nonprofit corporation formed by the district, including applying for, acquiring, registering, securing, holding, protecting, and renewing under applicable provisions of state, federal, or international law:

(A) a patent;

(B) a copyright;

(C) a trademark, service mark, collective mark, or certification mark; or

(D) any other form of protection of intellectual property provided by

law.

(b) Information prepared or compiled by or for the Dallas County Hospital District or a nonprofit corporation formed by the district relating to the development of technology or intellectual property to which this section applies is exempt from public disclosure under Chapter 552, Government Code.

Floor Amendment No. 9

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) The office of inspector general of the Health and Human Services Commission shall review the manner in which:

(1) the office investigates fraud, waste, and abuse in the supplemental nutrition assistance program under Chapter 33, Human Resources Code, including in the provision of benefits under that program; and

(2) the office coordinates with other state and federal agencies in conducting those investigations.

(b) Not later than September 1, 2014, and based on the review required by Subsection (a) of this section, the office of inspector general of the Health and Human Services Commission shall submit to the legislature a written report containing strategies for addressing fraud, waste, and abuse in the supplemental nutrition assistance program under Chapter 33, Human Resources Code, including in the provision of benefits under that program.

(c) This section expires January 1, 2015.

Floor Amendment No. 10

Amend **CSSB 8** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Not later than August 31, 2014, the state auditor's office shall perform a study and issue a report concerning the indictment and criminal prosecution for Medicaid fraud under Section 35A.02, Penal Code, of employees of the San Antonio, Texas, call center for the medical transportation program established under Section 531.02414, Government Code. The study and report must review the following actions of the Health and Human Services Commission and the commission's office of inspector general:

(1) efforts to prevent Medicaid fraud at the call center; and

(2) responses to incidents of Medicaid fraud at the call center.

(b) This section expires September 1, 2015.

Floor Amendment No. 11

Amend **CSSB 8** (house committee printing) on page 27, between lines 3 and 4, by inserting the following:

(h) Notwithstanding Subsections (a) through (g) of this section, the Health and Human Services Commission may not recoup from a provider any reimbursement or portion of a reimbursement paid for Medicaid services, impose a requirement on a provider as a condition for reimbursement for Medicaid services, or take any other adverse action against a provider that relates to conduct by the provider that is inconsistent with or violates the rule or policy contained in Subsection (g)(3) of this section and that occurred before the effective date of this Act, unless the commission initiated the specific action with respect to the provider before the effective date of this Act.

Floor Amendment No. 13

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Article 2.12, Code of Criminal Procedure, is amended to read as follows:

Art. 2.12. WHO ARE PEACE OFFICERS. The following are peace officers:

(1) sheriffs, their deputies, and those reserve deputies who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;

(2) constables, deputy constables, and those reserve deputy constables who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;

(3) marshals or police officers of an incorporated city, town, or village, and those reserve municipal police officers who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;

(4) rangers and officers commissioned by the Public Safety Commission and the Director of the Department of Public Safety;

(5) investigators of the district attorneys', criminal district attorneys', and county attorneys' offices;

(6) law enforcement agents of the Texas Alcoholic Beverage Commission;

(7) each member of an arson investigating unit commissioned by a city, a county, or the state;

(8) officers commissioned under Section 37.081, Education Code, or Subchapter E, Chapter 51, Education Code;

(9) officers commissioned by the General Services Commission;

(10) law enforcement officers commissioned by the Parks and Wildlife Commission;

(11) airport police officers commissioned by a city with a population of more than 1.18 million located primarily in a county with a population of 2 million or more that operates an airport that serves commercial air carriers;

(12) airport security personnel commissioned as peace officers by the governing body of any political subdivision of this state, other than a city described by Subdivision (11), that operates an airport that serves commercial air carriers;

(13) municipal park and recreational patrolmen and security officers;

(14) security officers and investigators commissioned as peace officers by the comptroller;

(15) officers commissioned by a water control and improvement district under Section 49.216, Water Code;

(16) officers commissioned by a board of trustees under Chapter 54, Transportation Code;

(17) investigators commissioned by the Texas Medical Board;

(18) officers commissioned by:

(A) the board of managers of the Dallas County Hospital District, the Tarrant County Hospital District, the Bexar County Hospital District, or the El Paso County Hospital District under Section 281.057, Health and Safety Code; and

(B) the board of directors of the Ector County Hospital District under Section 1024.117, Special District Local Laws Code;

(19) county park rangers commissioned under Subchapter E, Chapter 351, Local Government Code;

(20) investigators employed by the Texas Racing Commission;

(21) officers commissioned under Chapter 554, Occupations Code;

(22) officers commissioned by the governing body of a metropolitan rapid transit authority under Section 451.108, Transportation Code, or by a regional transportation authority under Section 452.110, Transportation Code;

(23) investigators commissioned by the attorney general under Section 402.009, Government Code;

(24) security officers and investigators commissioned as peace officers under Chapter 466, Government Code;

(25) an officer employed by the Department of State Health Services under Section 431.2471, Health and Safety Code;

(26) officers appointed by an appellate court under Subchapter F, Chapter 53, Government Code;

(27) officers commissioned by the state fire marshal under Chapter 417, Government Code;

(28) an investigator commissioned by the commissioner of insurance under Section 701.104, Insurance Code;

(29) apprehension specialists and inspectors general commissioned by the Texas Juvenile Justice Department as officers under Sections 242.102 and 243.052, Human Resources Code;

(30) officers appointed by the inspector general of the Texas Department of Criminal Justice under Section 493.019, Government Code;

(31) investigators commissioned by the Commission on Law Enforcement Officer Standards and Education under Section 1701.160, Occupations Code;

(32) commission investigators commissioned by the Texas Private Security Board under Section 1702.061(f), Occupations Code;

(33) the fire marshal and any officers, inspectors, or investigators commissioned by an emergency services district under Chapter 775, Health and Safety Code;

(34) officers commissioned by the State Board of Dental Examiners under Section 254.013, Occupations Code, subject to the limitations imposed by that section;

(35) investigators commissioned by the Texas Juvenile Justice Department as officers under Section 221.011, Human Resources Code; ~~and~~

(36) the fire marshal and any related officers, inspectors, or investigators commissioned by a county under Subchapter B, Chapter 352, Local Government Code; and

(37) officers employed and commissioned by the Health and Human Services Commission's office of inspector general under Section 531.1022, Government Code, or Section 552.002 or 555.101, Health and Safety Code.

SECTION ____ Sections 411.1143(a) and (a-1), Government Code, are amended to read as follows:

(a) The Health and Human Services Commission, an agency operating part of the medical assistance program under Chapter 32, Human Resources Code, or the office of inspector general established under Chapter 531, Government Code, is entitled to obtain from the department the criminal history record information

maintained by the department that relates to a provider or recipient under the medical assistance program or a person applying to enroll as a provider under the medical assistance program.

(a-1) Criminal history record information an agency or the office of inspector general is authorized to obtain under Subsection (a) includes criminal history record information relating to:

(1) a person with a direct or indirect ownership or control interest, as defined by 42 C.F.R. Section 455.101, in a provider of five percent or more; ~~and~~

(2) a person whose information is required to be disclosed in accordance with 42 C.F.R. Part 1001; and

(3) a person who may have knowledge relevant to an investigation of a provider, a recipient, or an applicant for provider enrollment relating to fraud, abuse, or misrepresentation under the medical assistance program.

SECTION _____. Subchapter C, Chapter 531, Government Code, is amended by adding Section 531.1022 to read as follows:

Sec. 531.1022. PEACE OFFICERS. The commission's office of inspector general may employ and commission peace officers for the purpose of assisting the office in carrying out the duties of the office relating to the investigation of fraud, waste, and abuse in publicly funded health and human services programs. A peace officer employed and commissioned by the office is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

SECTION _____. Subchapter A, Chapter 552, Health and Safety Code, is amended by adding Section 552.002 to read as follows:

Sec. 552.002. PEACE OFFICERS. The Health and Human Services Commission's office of inspector general shall employ and commission peace officers for the purpose of assisting a state or local law enforcement agency in the investigation of an alleged criminal offense involving a patient at a state hospital. A peace officer employed and commissioned by the office is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

Floor Amendment No. 14

Amend **CSSB 8** (house committee printing) as follows:

(1) On page 23, between lines 19 and 20, insert the following new subsection:

(e) The legislature finds that it is a hardship for a parent or guardian to accompany the parent's or guardian's child to each visit or screening under the early and periodic screening, diagnosis, and treatment program if the child lives in single parent or guardian family and the parent or guardian:

(1) has a full-time job;

(2) attends school full-time;

(3) is the caretaker of two or more children and does not have access to child care;

(4) is disabled or ill; or

(5) is the primary caregiver of a person who is disabled or ill.

(2) On page 23, line 20, strike "(e)" and substitute "(f)".

(3) On page 24, line 2, strike "(f)" and substitute "(g)".

(4) On page 24, line 18, strike "(g)(1)" and substitute "(h)(1)".

Floor Amendment No. 15

Amend **CSSB 8** (house committee printing) on page 3 by striking lines 9 through 16 and substituting the following:

(A) engaging in a marketing activity, including any dissemination of material or other attempt to communicate, that is intended to influence the choice of provider by a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program, if the marketing activity:

(i) is conducted at an educational event, community event, health fair, outreach activity, or other similar event in which the provider participates, regardless of whether the event takes place at a facility and notwithstanding Subsection (a); or

(ii) involves only the general dissemination of information, including by television, radio, newspaper, or billboard advertisement, and does not involve unsolicited personal contact;

Floor Amendment No. 16

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.02613 to read as follows:

Sec. 32.02613. LIFE INSURANCE ASSETS; LIFE INSURANCE POLICY CONVERSION. (a) For purposes of this section, "long-term care services and support" includes home health care, assisted living, and nursing home services.

(b) The owner of a life insurance policy with a face amount of more than \$10,000 may enter into a life settlement contract under Chapter 1111A, Insurance Code, for the benefit of a recipient of long-term care services and support in exchange for direct payments to:

(1) a health care provider for the provision of those services to that recipient; or

(2) the state to offset the costs of providing those services to that recipient under the medical assistance program.

(c) The proceeds of a life settlement contract entered into under this section must be used for the payment of long-term care services and support, except for the amount specified in Subsection (d)(1). To the extent feasible and allowed under federal law, the medical assistance program may act only as the secondary payor for long-term care services and support provided to a person who is eligible for medical assistance and for whose benefit an owner of a life insurance policy has entered into a life settlement contract under this section.

(d) In addition to the requirements under Chapter 1111A, Insurance Code, a life settlement contract entered into under this section must:

(1) provide that the lesser of five percent of the face amount of the life insurance policy or \$5,000 is reserved and is payable to the owner's estate or a named beneficiary for funeral expenses;

(2) provide that the balance of proceeds under the life settlement contract that are unpaid on the death of the owner must be paid to the owner's estate or a named beneficiary; and

(3) specify the total amount payable for the benefit of the recipient of long-term care services and support under the life settlement contract.

(e) All proceeds of a life settlement contract entered into under this section must be held in an irrevocable state or federally insured account for the benefit of the recipient of long-term care services and support or for payment as otherwise required by this section.

(f) Only a recipient of long-term care services and support for whose benefit an owner enters into a life settlement contract under this section may choose the provider and type of services provided to the recipient and paid for out of an account described by Subsection (e). Any attempt by a person to require the recipient to choose a specific provider is strictly prohibited and constitutes an unfair method of competition or an unfair or deceptive act or practice under the Insurance Code.

(g) A person who enters into a life settlement contract with an owner of a life insurance policy under this section must maintain:

(1) a surety bond executed and issued by an insurer authorized to issue surety bonds in this state;

(2) a policy of errors and omissions insurance; or

(3) a deposit in the amount of \$500,000 in any combination of cash, certificates of deposit, or securities.

(h) In accordance with the requirements of Chapter 1111A, Insurance Code, a life settlement contract provider who enters into life settlement contracts with owners of life insurance policies under this section must file with the Texas Department of Insurance:

(1) all life settlement contract forms used by the provider; and

(2) all advertising and marketing materials used by the provider.

(i) Section 1111A.022(a)(2)(A), Insurance Code, does not apply to a life insurance policy that is the subject of a life settlement contract entered into under this section if the contract has been in force at least five years.

(j) A claim against a life settlement contract provider with whom an owner of a life insurance policy enters into a life settlement contract under this section by the owner, the owner's estate, a named beneficiary, or any other person with respect to the contract may not exceed the face amount of the policy, less the proceeds paid under the contract, plus the total amount of premiums paid by the owner since entering into the contract. A life settlement contract provider must pay a claim under this subsection from the funds in an account described by Subsection (e).

(k) In accordance with Chapter 1111A, Insurance Code, the Texas Department of Insurance may conduct periodic market examinations of each life settlement contract provider who enters into a life settlement contract with an owner of a life insurance policy under this section.

(l) The department shall educate applicants for long-term care services and support under the medical assistance program about options for life insurance policies, including options that do not allow a life insurance policy to be considered as an asset or resource in determining eligibility for medical assistance.

(m) The executive commissioner of the Health and Human Services Commission, in consultation with the commissioner of insurance, shall adopt rules necessary to implement this section. The rules must ensure that:

(1) proceeds from a life settlement contract are used to reimburse a provider of long-term care services and support or the state to offset the cost of medical assistance long-term care services and support;

(2) eligibility and need for medical assistance are determined without considering the balance of proceeds from a life settlement contract as provided in this section; and

(3) payments to a provider of long-term care services and support and applied income payments are made in accordance with this chapter.

(n) The entry into a life settlement contract by an owner of a life insurance policy under this section is not the only method by which the owner may avoid having the policy considered as an asset or resource in determining the eligibility of the owner for medical assistance.

(o) Notwithstanding the provisions of this section, the department may not implement a provision of this section if the commission determines that implementation of the provision is not cost-effective or feasible.

(b) Subject to Section 32.02613(o), Human Resources Code, as added by this section, the executive commissioner of the Health and Human Services Commission shall adopt rules necessary to implement Section 32.02613, Human Resources Code, as added by this section, not later than January 1, 2014.

(c) The change in law made by this section applies only to a determination of eligibility of a person for medical assistance benefits made on or after January 1, 2014, subject to Section 32.02613(o), Human Resources Code, as added by this section. A determination of eligibility made before January 1, 2014, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

The amendments were read.

Senator Nelson submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 8** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Deuell, Schwertner, Huffman, and Uresti.

SENATE BILL 58 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Nelson called **SB 58** 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 58** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the integration of behavioral health and physical health services into the Medicaid managed care program.

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

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00255 to read as follows:

Sec. 533.00255. BEHAVIORAL HEALTH AND PHYSICAL HEALTH SERVICES NETWORK. (a) In this section, "behavioral health services" means mental health and substance abuse disorder services, other than those provided through the NorthSTAR demonstration project.

(b) The commission shall, to the greatest extent possible, integrate into the Medicaid managed care program implemented under this chapter the following services for Medicaid-eligible persons:

(1) behavioral health services, including targeted case management and psychiatric rehabilitation services; and

(2) physical health services.

(c) A managed care organization that contracts with the commission under this chapter shall develop a network of public and private providers of behavioral health services and ensure adults with serious mental illness and children with serious emotional disturbance have access to a comprehensive array of services.

(d) In implementing this section, the commission shall ensure that:

(1) an appropriate assessment tool is used to authorize services;

(2) providers are well-qualified and able to provide an appropriate array of services;

(3) appropriate performance and quality outcomes are measured;

(4) two health home pilot programs are established in two health service areas, representing two distinct regions of the state, for persons who are diagnosed with:

(A) a serious mental illness; and

(B) at least one other chronic health condition;

(5) a health home established under a pilot program under Subdivision (4) complies with the principles for patient-centered medical homes described in Section 533.0029; and

(6) all behavioral health services provided under this section are based on an approach to treatment where the expected outcome of treatment is recovery.

(e) The commission and the Department of State Health Services shall establish a Behavioral Health Integration Advisory Committee:

(1) whose membership must include:

(A) individuals with behavioral health conditions who are current or former recipients of publicly funded behavioral health services;

(B) representatives of managed care organizations that have expertise in offering behavioral health services; and

(C) public and private providers of behavioral health services; and

(2) that shall:

(A) meet at least quarterly to address the planning and development needs of the behavioral health services network established under this section;

(B) seek input from the behavioral health community on the implementation of this section; and

(C) issue formal recommendations to the commission regarding the implementation of this section.

(f) The commission shall provide administrative support to facilitate the duties of the advisory committee established under Subsection (e). This subsection and Subsection (e) expire September 1, 2017.

(g) The commission shall, if the commission determines that it is cost-effective and beneficial to recipients, include a peer specialist as a benefit to recipients or as a provider type.

(h) To the extent of any conflict between this section and any other law relating to behavioral health services, this section prevails.

(i) The executive commissioner shall adopt rules necessary to implement this section.

SECTION 2. Not later than December 1, 2013, the Health and Human Services Commission shall establish the Behavioral Health Integration Advisory Committee required by Section 533.00255, Government Code, as added by this Act.

SECTION 3. Not later than September 1, 2014, the Health and Human Services Commission shall complete the integration of behavioral health and physical health services required by Section 533.00255, Government Code, as added by this Act.

SECTION 4. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 5. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 58** to read as follows:

Amend Sec. 533.00255(e)(1) by adding Subsection (D):

(D) providers of behavioral health services who are both Medicaid primary care providers and providers for individuals that are dually eligible for Medicaid and Medicare; and

Floor Amendment No. 2

Amend **CSSB 58** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION ____ . Subchapter D, Chapter 1001, Health and Safety Code, is amended by adding Section 1001.078 to read as follows:

Sec. 1001.078. MENTAL HEALTH AND SUBSTANCE ABUSE PUBLIC REPORTING SYSTEM. (a) The department, in collaboration with the commission, shall establish and maintain a public reporting system of performance and outcome measures relating to mental health and substance abuse services established by the Legislative Budget Board, the department, and the commission. The system must allow external users to view and compare the performance, outputs, and outcomes of:

(1) community centers established under Subchapter A, Chapter 534, that provide mental health services;

(2) Medicaid managed care pilot programs that provide mental health services; and

(3) agencies, organizations, and persons that contract with the state to provide substance abuse services.

(b) The system must allow external users to view and compare the performance, outputs, and outcomes of the Medicaid managed care programs that provide mental health services.

(c) The department shall post the performance, output, and outcome measures on the department's website so that the information is accessible to the public. The department shall post the measures quarterly or semiannually in accordance with when the measures are reported to the department.

(d) The department shall consider public input in determining the appropriate outcome measures to collect in the public reporting system. To the extent possible, the department shall include outcome measures that capture inpatient psychiatric care diversion, avoidance of emergency room use, criminal justice diversion, and the numbers of people who are homeless served.

(e) The commission shall conduct a study to determine the feasibility of establishing and maintaining the public reporting system, including, to the extent possible, the cost to the state and impact on managed care organizations and providers of collecting the outcome measures required by Subsection (d). Not later than December 1, 2014, the commission shall report the results of the study to the legislature and appropriate legislative committees.

(f) The department shall ensure that information reported through the public reporting system does not permit the identification of an individual.

SECTION ____. Not later than December 1, 2013, the Department of State Health Services shall establish the public reporting system as required under Section 1001.078, Health and Safety Code, as added by this Act.

SECTION ____. Not later than December 1, 2014, the Department of State Health Services shall submit a report to the legislature and the Legislative Budget Board on the development of the public reporting system as required by Section 1001.078, Health and Safety Code, as added by this Act, and the outcome measures collected.

Floor Amendment No. 3

Amend **CSSB 58** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION ____ Subtitle I, Title 4, Government Code, is amended by adding Chapter 539 to read as follows:

CHAPTER 539. COMMUNITY COLLABORATIVESSec. 539.001. DEFINITIONS. In this chapter:

- (1) "Department" means the Department of State Health Services.
- (2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

Sec. 539.002. GRANTS FOR ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLABORATIVES. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to entities, including local governmental entities, nonprofit community organizations, and faith-based community organizations, to establish or expand community collaboratives that bring the public and private sectors together to provide services to and coordinate the care of persons who are homeless, persons with mental illness, and persons with substance abuse problems.

(b) The amount of a grant made to an entity by the department under this section may not exceed \$7.5 million and, up to that amount, shall be equal to the amount of money provided to the entity from private funding sources for the establishment or expansion of a community collaborative.

Sec. 539.003. ACCEPTABLE USES OF GRANT MONEY. An entity shall use money received from a grant made by the department and private funding sources for the establishment or expansion of a community collaborative, provided that the collaborative must be self-sustaining within seven years. Acceptable uses for the money include:

- (1) the development of the infrastructure of the collaborative and the start-up costs of the collaborative;
- (2) the establishment, operation, or maintenance of other community service providers in the community served by the collaborative, including intake centers, detoxification units, sheltering centers for food, workforce training centers, microbusinesses, and educational centers;
- (3) the provision of clothing, hygiene products, and medical services to and the arrangement of transitional and permanent residential housing for persons served by the collaborative;
- (4) the provision of mental health services and substance abuse treatment not readily available in the community served by the collaborative;
- (5) the provision of information, tools, and resource referrals to assist persons served by the collaborative in addressing the needs of their children; and
- (6) the establishment and operation of coordinated intake processes, including triage procedures, to protect the public safety in the community served by the collaborative.

Sec. 539.004. ELEMENTS OF COMMUNITY COLLABORATIVES. (a) If appropriate, an entity shall incorporate into the community collaborative operated by the entity the use of the Homeless Management Information System, transportation plans, and case managers. An entity shall also consider incorporating into a collaborative mentoring and volunteering opportunities, strategies to assist homeless youth and homeless families with children, strategies to reintegrate persons who were

recently incarcerated into the community, services for veterans, and strategies for persons served by the collaborative to participate in the planning, governance, and oversight of the collaborative.

(b) The focus of a community collaborative shall be the eventual successful transition of persons from receiving services from the collaborative to becoming integrated into the community served by the collaborative through community relationships and family supports.

Sec. 539.005. OUTCOME MEASURES FOR COMMUNITY COLLABORATIVES. Each entity that receives a grant from the department to establish or expand a community collaborative shall select at least four of the following outcome measures that the entity will focus on meeting through the implementation and operation of the collaborative:

(1) persons served by the collaborative will find employment that results in those persons having incomes that are at or above 100 percent of the federal poverty level;

(2) persons served by the collaborative will find permanent housing;

(3) persons served by the collaborative will complete alcohol or substance abuse programs;

(4) the collaborative will help start social businesses in the community or engage in job creation, job training, or other workforce development activities;

(5) there will be a decrease in the use of jail beds by persons served by the collaborative;

(6) there will be a decrease in the need for emergency care by persons served by the collaborative;

(7) there will be a decrease in the number of children whose families lack adequate housing referred to the Department of Family and Protective Services or a local entity responsible for child welfare; and

(8) any other appropriate outcome measure that measures whether a collaborative is meeting a specific need of the community served by the collaborative and that is approved by the department.

Sec. 539.006. ANNUAL REVIEW OF OUTCOME MEASURES. The department shall contract with an independent third party to verify annually whether a community collaborative is meeting the outcome measures under Section 539.005 selected by the entity that operates the collaborative.

Sec. 539.007. REDUCTION AND CESSATION OF FUNDING. The department shall establish processes by which the department may reduce or cease providing funding to an entity if the community collaborative operated by the entity does not meet the outcome measures selected by the entity for the collaborative under Section 539.005 or is not self-sustaining after seven years. The department shall redistribute any funds withheld from an entity under this section to other entities operating high-performing collaboratives on a competitive basis.

Sec. 539.008. RULES. The executive commissioner shall adopt any rules necessary to implement the community collaborative grant program established under this chapter, including rules to establish the requirements for an entity to be eligible to

receive a grant, the required elements of a community collaborative operated by an entity, and permissible and prohibited uses of money received by an entity from a grant made by the department under this chapter.

Floor Amendment No. 4

Amend **CSSB 58** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Section 533.054 to read as follows:

Sec. 533.054. MANAGED CARE MODEL FOR DELIVERY OF BEHAVIORAL HEALTH SERVICES IN CERTAIN LOCAL SERVICE AREAS. (a) Notwithstanding any other law, the community stakeholders in a local mental health authority's local service area may petition the commission for authorization for the delivery of behavioral health services in the area through a managed care model in which an independent behavioral health organization, through the local network development plan process, establishes and maintains a network of local public and private behavioral health service providers who provide services under contract with the organization.

(b) A behavioral health service delivery system established under this section:

(1) must include:

(A) the integration of behavioral health services and substance abuse treatment;

(B) separate entities for providing behavioral health services and for overseeing the provision of those services; and

(C) open behavioral health service provider networks;

(2) must integrate behavioral health services, including targeted case management and psychiatric rehabilitation services, and physical health services; and

(3) may not have waiting lists for behavioral health services.

(c) The executive commissioner shall adopt any rules necessary to implement and administer this section.

The amendments were read.

Senator Nelson submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 58** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Nichols, Huffman, Uresti, and Taylor.

SENATE BILL 358 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Hinojosa called **SB 358** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 358** on third reading as follows:

(1) On page 1, lines 16-17, strike "an uncorroborated polygraph statement" and substitute "the uncorroborated results of a polygraph examination, except that the uncorroborated results of a polygraph examination may be used to determine whether or not a defendant charged with an offense for which registration is required under Chapter 62 has successfully completed a court-ordered sex offender treatment program".

(2) On page 2, lines 11-12, strike "an uncorroborated polygraph statement" and substitute "the uncorroborated results of a polygraph examination, except that the uncorroborated results of a polygraph examination may be used to determine whether or not a defendant charged with an offense for which registration is required under Chapter 62 has successfully completed a court-ordered sex offender treatment program".

(3) On page 3, lines 1-2, strike "an uncorroborated polygraph statement" and substitute "the uncorroborated results of a polygraph examination, except that the uncorroborated results of a polygraph examination may be used to determine whether or not a releasee who is required to register under Chapter 62, Code of Criminal Procedure, has successfully completed a sex offender treatment program that was required as a condition of release".

The amendment was read.

Senator Hinojosa submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 358** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Whitmire, Huffman, Williams, and Eltife.

SENATE BILL 396 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Hegar called **SB 396** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 396** on third reading, on page 4, line 8, between "investigations" and the period, by inserting ", including an assignment involving the Parks and Wildlife Department or any other state law enforcement agency".

The amendment was read.

Senator Hegar submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 396** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hegar, Chair; Ellis, Estes, Huffman, and Williams.

**SENATE BILL 578 WITH HOUSE AMENDMENT
(Motion In Writing)**

Senator Duncan called **SB 578** 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 578** as follows:

(1) On page 1, lines 14 through 15, strike the recital in SECTION 2 of the bill and substitute the following:

Section 43.007, Election Code, is amended by amending Subsection (a) and adding Subsection (m) to read as follows:

(2) On page 2 of the bill, between lines 14 and 15, insert the following:

(m) The commissioners court shall appoint election judges for countywide polling places in accordance with Section 32.002, except that the number of presiding election judges affiliated or aligned with a political party as compared to the number of total countywide polling places shall be in proportion to the percentage of votes that party's nominee for governor received in the county in the most recent gubernatorial general election.

The amendment was read.

Senator Duncan submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 578** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Duncan, Chair; Fraser, Lucio, Paxton, and Van de Putte.

SENATE BILL 910 WITH HOUSE AMENDMENTS

Senator Duncan called **SB 910** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 910** as follows:

(1) Add a new Section ____ that amends Section 145.092(a), Election Code, to read as follows:

(a) Except as otherwise provided by this section, a candidate may not withdraw from an election after 5 p.m. of the fifth ~~[third]~~ day after the deadline for filing the candidate's application for a place on the ballot.

(2) In Section 14 of the bill, amend Section 145.096(a), Election Code, to read as follows:

(a) Except as provided by Subsection (b), a candidate's name shall be placed on the ballot if the candidate:

(1) Dies on or after the second day before the deadline for filing the candidate's application for a place on the ballot;

(2) is declared ineligible after 5 p.m. of the fifth ~~[second]~~ day after the deadline for filing the candidate's application for a place on the ballot ~~[before the beginning of early voting by personal appearance]~~, in an election subject to Section 145.092(a);

(3) is declared ineligible after 5 p.m. of the 53rd day before election day, in an election subject to 145.092(b); or

(4) is declared ineligible after 5 p.m. of the 71st day before election day, in an election subject to Section 145.092(f)

(3) Renumber remaining sections accordingly.

Floor Amendment No. 2

Amend **SB 910** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. The heading to Section 13.047, Election Code, is amended to read as follows:

Sec. 13.047. TRAINING STANDARDS FOR DEPUTY REGISTRARS; TRAINING USING MATERIALS PROVIDED ON SECRETARY OF STATE'S WEBSITE.

SECTION _____. Section 13.047, Election Code, is amended by adding Subsections (c), (d), (e), (f), (g), (h), and (i) to read as follows:

(c) The secretary of state shall provide on its website the training materials and, if applicable, the examination for a potential volunteer deputy registrar to access at any time.

(d) The materials described by Subsection (c) must allow an applicant to download and print a document to be used as a certificate of completion of online training. The document must:

(1) provide for the applicant to include the applicant's name, county, and residence address and any other information the secretary of state considers necessary;

(2) include the examination questions, if required by the secretary of state;
and

(3) contain a form on which the applicant may execute an affidavit affirming that the applicant has read the training materials in their entirety.

(e) A person commits an offense if the person knowingly makes a false statement or requests, commands, or attempts to induce another person to make a false statement on an affidavit completed as part of a certificate of completion. An offense under this subsection is a Class B misdemeanor.

(f) An applicant who completes the training materials described by Subsection (c) and a certificate of completion shall present the certificate to the registrar at the time the applicant requests appointment as a volunteer deputy registrar. Upon appointment, the applicant is not required to take further training and may immediately receive another person's voter registration application.

(g) The registrar must accept a certificate of completion presented by an applicant and appoint the person as a volunteer deputy registrar if the applicant:

(1) is eligible to be appointed as a volunteer deputy registrar under this subchapter;

(2) has executed the affidavit with an original signature; and

(3) has passed the examination, if applicable.

(h) At the time a volunteer deputy registrar who has completed training under this section is appointed, the registrar shall advise the volunteer:

(1) of county-specific procedures for processing voter registration applications, if applicable; and

(2) that the only requirements for voter registration are those prescribed by state law or by the secretary of state.

(i) A volunteer deputy registrar requesting appointment in an additional county may present the person's valid certificate of appointment as proof of training. The volunteer is eligible to receive another person's voter registration application immediately on receiving a certificate of appointment from the registrar of the additional county.

Floor Amendment No. 3

Amend **SB 910** by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. Section 84.007(b), Election Code, is amended to read as follows:

(b) An application must be submitted to the early voting clerk by:

(1) mail;

(2) common or contract carrier; [✖]

(3) telephonic facsimile machine, if a machine is available in the clerk's office; or

(4) electronic transmission of an image of the application.

The amendments were read.

Senator Duncan moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 910** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Duncan, Chair; Deuell, Huffman, Lucio, and Van de Putte.

SENATE BILL 1017 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Paxton called **SB 1017** 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 1017** (house committee printing) on page 2, between lines 8 and 9, by inserting the following:

(e) Subsection (b) does not apply to a travel information center that is located in a municipality with a population of 1,500 or less.

The amendment was read.

Senator Paxton submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1017** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Paxton, Chair; Nichols, Campbell, Hancock, and Watson.

SENATE BILL 1023 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Watson called **SB 1023** 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 1023** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the renewal and extension and modification of a 99-year lease of certain state property to the City of Austin.

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

SECTION 1. Chapter 34 (H.B. 215), General Laws, Acts of the 33rd Legislature, Regular Session, 1913, is amended by amending Section 2 and adding Sections 2A and 2B to read as follows:

Sec. 2. That the State of Texas hereby cedes and grants to the City of Austin the plot or square of land described in Section 1 of the Act for a period of ninety-nine years beginning on August 15, 2016, ~~[from the taking effect hereof]~~ and said City through its municipal authorities, be and the same is hereby authorized and empowered to:

(1) establish, operate and maintain upon the land described by Section 1 of this Act ~~[said block bounded on the North by Fifth street, on the south by Fourth street, on the East by Guadalupe street, and on the West by San Antonio street,]~~ a municipal auditorium and market, in which auditorium, theatres, operas, concerts, lectures, fairs, shows and public exhibitions and entertainments generally can be conducted with or without pay; and in this market all kinds of produce may be bought and sold either in the open square or in a market house constructed thereon; and

(2) construct, operate, and maintain public amenities on the land described by Section 1 of this Act.

Sec. 2A. (a) Subject to Section 2B of this Act, the State of Texas grants to the City of Austin for a period of 99 years beginning on August 15, 2016, a lease of the property described as follows:

(1) Tract 1. Wooldridge Park. The northwest Public Square now known as Wooldridge Park, bounded on the north by Mulberry Street (now W. 10th Street), on the east by Guadalupe Street, on the south by Ash Street (now W. 9th Street), and on the west by San Antonio Street, and being 276 feet square, as delineated on the map titled "Plan of the City of Austin 1840" filed in the General Land Office; and

(2) Tract 2. Brush Park. The southeast Public Square now known as Brush Park, bounded on the north by Pine Street (now E. 5th Street), on the east by Neches Street, on the south by Cedar Street (now E. 4th Street), and on the west by Trinity Street, and being 276 feet square as delineated on the map titled "Plan of the City of Austin 1840" filed in the General Land Office.

(b) Except as provided by Subsection (c) of this section, the City of Austin may only use the tracts described by Subsection (a) of this section as municipal parks in which:

(1) theatres, operas, concerts, lectures, fairs, shows, and public exhibitions and entertainments generally can be conducted with or without pay; and

(2) produce may be bought and sold.

(c) The City of Austin may construct, operate, and maintain public amenities on the tracts described by Subsection (a) of this section.

Sec. 2B. (a) The ~~[; provided, however, that the]~~ state does not by this Act part with any title, color of title or interest which it now owns in the property described in this Act ~~[bill]~~, except as granted herein.

(b) In the event, however, the City of Austin should fail to use the property ~~[plot of land]~~ described in Section 1 or 2A(a)(1) or (2) of this Act ~~[herein]~~ for the purpose or purposes designated, that property ~~[the same]~~ shall revert to the State as upon breach of condition subsequent.

(c) The legislature, by concurrence of both houses, may terminate the lease, or a portion thereof, at any time for any reason.

SECTION 2. This Act takes effect August 15, 2016.

The amendment was read.

Senator Watson submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1023** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Watson, Chair; Eltife, Carona, Seliger, and Uresti.

SENATE BILL 1106 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Schwertner called **SB 1106** 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 1106** as follows:

On page 8, line 20, strike ~~[Medi-Span, or has a similar rating by]~~

Floor Amendment No. 2

Amend **SB 1106** as follows:

- (1) On page 8, line 22, strike the word "generally."
- (2) On page 9, line 1, strike the words "specific to that provider."
- (3) On page 9, line 25, strike the words "challenge is resolved" and insert the words "prescription was filled" in its place.
- (4) On page 9, line 26, strike the words "similarly situated."
- (5) On page 10, line 14, strike the word "and" and insert the following:

"(ix) must report to the commission not less than once per calendar quarter the number of different maximum allowable cost lists utilized during the covered time period, the number of providers for which each maximum allowable cost list was applicable, and the average price for the 100 most commonly prescribed pharmaceuticals for each maximum allowable cost list during the time period covered by the report; and"

(6) On page 10, strike lines 22 through 25.

The amendments were read.

Senator Schwertner submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1106** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Schwertner, Chair; Nelson, Taylor, Huffman, and Uresti.

SENATE BILL 1678 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Deuell called **SB 1678** 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 1678** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the events and expenses eligible for, reporting requirements concerning disbursements from, and a study by the comptroller of the Major Events trust fund and the Events trust fund.

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

SECTION 1. Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by amending Subsections (a-1), (b-1), (h), (i), (k), (p), and (w) and adding Subsections (x) and (y) to read as follows:

(a-1) An event not listed ~~included~~ in Subsection (a)(4) of this section is ineligible ~~eligible~~ for funding under this section. A listed event may receive funding under this section only if:

(1) a site selection organization selects a site located in this state for the event to be held one time or, for an event scheduled to be held each year for a period of years under an event contract, or an events support contract, one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in this state;

(2) a site selection organization selects a site in this state as:

(A) the sole site for the event; or

(B) the sole site for the event in a region composed of this state and one or more adjoining states; ~~and~~

(3) the event is held not more than one time in any year; or

(4) the amount of the incremental increase in tax receipts determined by the comptroller under Subsection (b) of this section equals or exceeds \$1 million. For an event scheduled to be held each year for a period of years under an event contract or event support contract, the incremental increase in tax receipts shall be calculated as if the event did not occur in the prior year.

(b-1) A request for a determination of the amount of incremental increase in tax receipts specified by Subsection (b) of this section must be submitted to the comptroller not earlier than one year and not later than 45 days ~~three months~~ before the date the event begins. The comptroller shall base the determination specified by Subsection (b) of this section on information submitted by the local organizing committee, endorsing municipality, or endorsing county, and must make the determination not later than the 30th day after the date the comptroller receives the request and related information.

(h) The funds in the Major Events trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of the state or an endorsing municipality or endorsing county to a site selection organization under a game support contract or event support contract. Subject to Subsection (k) of this section, the[; which] obligations may include the payment of costs relating to the preparations necessary [or desirable] for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the comptroller to enable the comptroller to fulfill the comptroller's duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state, and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the comptroller, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the comptroller's request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance figures, including an estimate of the number of attendees at the event who are not residents of this state, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the comptroller considers necessary.

(k) The comptroller may make a disbursement from the Major Events trust fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or the state is obligated under a game support contract or event support contract. In considering whether to make a disbursement from the trust fund, the comptroller may not consider a contingency clause in an event support contract as

relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract. A disbursement may not be made from the trust fund that the comptroller determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(p) The comptroller may not undertake any of the responsibilities or duties set forth in this section unless:

(1) a request is submitted by the municipality or the county in which the event will be located;

(2) the event meets all the requirements for funding under this section, including Subsection (a-1) of this section; and

(3) the request is ~~is~~ ~~[- The request must be]~~ accompanied by documentation from a site selection organization selecting the site for the event.

(w) Not later than 10 ~~[18]~~ months after the last day of an event eligible for disbursements from the Major Events trust fund for costs associated with the event, the comptroller using existing resources shall ~~[-~~

~~[(+)]~~ complete a study in the market area of the event on the measurable economic impact directly attributable to the preparation for and presentation of the event and related activities. The comptroller shall ~~[- and~~

~~[(2)]~~ post on the comptroller's Internet website:

(1) the results of the study conducted under this subsection, including any source documentation or other information relied on by the comptroller for the study;

(2) the amount of incremental increase in tax receipts for the event determined under Subsection (b) of this section;

(3) the site selection organization documentation described in Subsection (p)(3) of this section;

(4) any source documentation or information described under Subsection (i) of this section that was relied on by the comptroller in making the determination of the amount of incremental increase in tax receipts under Subsection (b) of this section; and

(5) documentation verifying that:

(A) a request submitted by a local organizing committee, endorsing municipality, or endorsing county under Subsection (p) of this section is complete and certified as such by the comptroller;

(B) the determination on the amount of incremental increases in tax receipts under Subsection (b) of this section considered the information submitted by a local organizing committee, endorsing municipality, or endorsing county as required under Subsection (b-1) of this section; and

(C) each deadline established under this section was timely met ~~[Subdivision (1) of this subsection].~~

(x) Subsection (w) of this section does not require disclosure of information that is confidential under Chapter 552, Government Code, or confidential or privileged under other law.

(y) After the conclusion of an event, the comptroller shall compare information on the actual attendance figures provided to the comptroller under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance

figures are significantly lower than the estimated attendance numbers, the comptroller may reduce the amount of a disbursement for an endorsing entity under the Major Events trust fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The comptroller by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 2. Section 5C, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by adding Subsections (a-1), (b-1), (k-1), (r), (s), and (t) and amending Subsections (h), (i), and (k) to read as follows:

(a-1) An event is eligible for funding under this section only if:

(1) a site selection organization selects a site for the event located in this state to be held one time or, for an event scheduled to be held each year for a period of years under an event contract, or an events support contract, one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in this state;

(b-1) The number of requests for funding under this section that may be submitted by an endorsing county or endorsing municipality during any 12-month period for an event for which the comptroller determines that the total amount of the incremental increase in tax receipts under Subsection (b) of this section is less than \$200,000 is limited to, during any 12-month period, not more than 10 events, only three of which may be nonsporting events.

(h) The money in the Events trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of this state or an endorsing municipality or endorsing county to a site selection organization under an event support contract. Subject to Subsection (k) of this section, the~~[- which]~~ obligations may include the payment of costs relating to the preparations necessary ~~[or desirable]~~ for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the comptroller to enable the comptroller to fulfill the comptroller's duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state, and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the comptroller, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the comptroller's request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance

figures, including an estimate of the number of people who are not residents of this state who attended the event, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the comptroller considers necessary.

(k) The comptroller may make a disbursement from the Events trust fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or this state is obligated under an event support contract, including an obligation to pay costs incurred in the conduct of the event and costs incurred in making preparations necessary for the event. In considering whether to make a disbursement from the trust fund, the comptroller may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract.

(k-1) A disbursement may not be made from the trust fund that the comptroller determines would be used for the purpose of:

(1) soliciting the relocation of a professional sports franchise located in this state;

(2) constructing an arena, stadium, or convention center; or

(3) conducting usual and customary maintenance of a facility.

(r) The comptroller may adopt a model event support contract and make the contract available on the comptroller's Internet website.

(s) The comptroller may adopt rules necessary to implement this section.

(t) After the conclusion of an event, the comptroller shall compare information on the actual attendance figures provided to the comptroller under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the comptroller may reduce the amount of a disbursement for an endorsing entity under the Events trust fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The comptroller by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 3. Subsections (r), (s), (t), and (u), Section 5A, Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are repealed.

SECTION 4. (a) The comptroller of public accounts shall conduct a study to determine:

(1) the economic impact of the events that qualify for funding through an events trust fund; and

(2) whether the events would likely be held in this state in the absence of the incentives provided through the fund.

(b) The comptroller of public accounts shall prepare a report of the findings from the study conducted under Subsection (a) of this section. Not later than January 1, 2015, the comptroller shall electronically file a copy of the report with the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the senate and house of representatives having primary jurisdiction over fiscal matters or matters related to tourism or recreation.

(c) This section expires September 1, 2015.

SECTION 5. The changes in law made by this Act apply only to a request submitted to the comptroller of public accounts by an endorsing municipality or endorsing county under Section 5A or 5C, Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), on or after the effective date of this Act. A request submitted under Section 5A or 5C before that date is governed by the law in effect on the date the request is submitted, and that law is continued in effect for that purpose.

SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1678** (house committee printing) as follows:

(1) On page 1, lines 10 and 11, strike "(x) and (y)" and substitute "(a-2), (x), and (y)".

(2) On page 2, between lines 11 and 12, insert the following:

(a-2) Subsection (a-1)(1) of this section does not apply to an event that is the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. If an endorsing municipality or endorsing county requests the comptroller to make a determination under Subsection (b) of this section for an event described by this subsection, the provisions of this section apply to that event as if it satisfied the eligibility requirements for an event under Subsection (a-1)(1) of this section.

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

SECTION _____. Section 5A(a)(4), Chapter 1507 (**SB 456**), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(4) "Event" means a Super Bowl, a National Collegiate Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the X Games, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a National Collegiate Athletic Association Bowl Championship Series game, a World Cup Soccer game, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, the Breeders' Cup World Championships, a Formula One

automobile race, the Academy of Country Music Awards, the National Cutting Horse Association Triple Crown, [✱] a national political convention of the Republican National Committee or the Democratic National Committee, or the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. The term includes any activities related to or associated with an event.

Floor Amendment No. 2

Amend **CSSB 1678** (house committee printing) as follows:

- (1) On page 1, line 19, strike "events support" and substitute "event support".
- (2) On page 2, line 5, strike "; or" and substitute "; and".
- (3) On page 2, line 8, strike "million. For" and substitute "million, provided that
for".
- (4) On page 3, line 3, strike "[~~or desirable~~]" and substitute "or desirable".
- (5) On page 4, line 7, between "contract." and "In considering", insert the following:

If an obligation is incurred under a games support contract or event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the trust fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the trust fund, unless the improvement or fixture is for a publicly owned facility.

- (6) On page 6, line 26, between "(k-1), and "(r),", insert "(k-2),".
- (7) On page 7, between lines 9 and 10, insert the following:
 - (2) a site selection organization selects a site in this state as:
 - (A) the sole site for the event; or
 - (B) the sole site for the event in a region composed of this state and one or more adjoining states; and
 - (3) the event is held not more than one time in this state or an adjoining state in any year.
- (8) On page 9, line 4, between "event." and "In considering", insert the following:

If an obligation is incurred under an event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the trust fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the trust fund, unless the improvement or fixture is for a publicly owned facility.

- (9) On page 9, between lines 16 and 17, insert the following:
 - (k-2) Subsection (k-1) of this section does not prohibit:
 - (1) a disbursement from the trust fund for the construction of temporary structures within an arena, stadium, or convention, if those temporary structures are necessary for the conduct of the event; or

(2) temporary maintenance of a facility that is necessary for the preparation for or conduct of the event.

(10) On page 9, line 19, add the following after the underlined period:

The adoption by the comptroller of a model event support contract under this subsection does not require use of the model event support contract for purposes of this section.

Floor Amendment No. 3

Amend **CSSB 1678** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 5A(a)(4), Chapter 1507 (**SB 456**), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(4) "Event" means a Super Bowl, a National Collegiate Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a National Collegiate Athletic Association Bowl Championship Series game, a World Cup Soccer game, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, a mixed martial arts championship, the Breeders' Cup World Championships, a Formula One automobile race, the Academy of Country Music Awards, the National Cutting Horse Association Triple Crown, or a national political convention of the Republican National Committee or the Democratic National Committee. The term includes any activities related to or associated with an event.

The amendments were read.

Senator Deuell submitted a Motion In Writing 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 In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1678** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Deuell, Chair; Watson, Estes, Eltife, and Davis.

HOUSE BILL 1090 ON SECOND READING

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1090** at this time on its second reading:

HB 1090, Relating to the creation of Texas Task Force 1 Type 3 Rio Grande Valley.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1090** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ Chapter 418, Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. TEXAS TASK FORCE 2.

Sec. 418.201. DEFINITIONS. In this subchapter:

(1) "Local government employee member" means a member employed by a local government as defined by Section 102.001, Civil Practice and Remedies Code.

(2) "Member" means an individual who has been officially designated as a member of Texas Task Force 2.

(3) "Nongovernment member" means a member who is not a state employee member or a local government employee member.

(4) "State employee member" means a member employed by an agency of the state.

Sec. 418.202. TEXAS TASK FORCE 2. A municipality with a population of more than 1.18 million and located predominantly in a county that has a total area of less than 1,000 square miles may establish a Texas Task Force 2 program that provides training and responds to assist in search, rescue, and recovery efforts following natural or man-made disasters.

Sec. 418.203. WORKERS' COMPENSATION INSURANCE COVERAGE. (a) Notwithstanding any other law, during any period in which Texas Task Force 2 is activated by the Texas Division of Emergency Management, or during any training session sponsored or sanctioned by Texas Task Force 2, a participating nongovernment member or local government employee member is included in the coverage provided under Chapter 501, Labor Code, in the same manner as an employee, as defined by Section 501.001, Labor Code.

(b) Service with Texas Task Force 2 by a state employee member who is activated is considered to be in the course and scope of the employee's regular employment with the state.

(c) Notwithstanding Section 412.0123, Labor Code, as added by Chapter 1098, Acts of the 75th Legislature, Regular Session, 1997, the Texas Division of Emergency Management shall reimburse the State Office of Risk Management for the actual medical and indemnity benefits paid on behalf of a covered member of Texas Task Force 2 at the beginning of the next state fiscal year occurring after the date the benefits are paid.

Sec. 418.204. LIABILITY. The municipality establishing Texas Task Force 2 or a member or non-governmental member of Texas Task Force 2, who provides labor or assistance to the Texas Division of Emergency Management is not liable for civil

damages, including personal injury, wrongful death, property damages, death, or other loss resulting from any act, error, or omission by the individual in providing that labor or assistance unless the act, error, or omission:

(1) proximately caused the loss; and

(2) was performed with malice or constitutes gross negligence, recklessness, or intentional misconduct.

SECTION ____ . Section 501.001(5), Labor Code, is amended to read as follows:

(5) "Employee" means a person who is:

(A) in the service of the state pursuant to an election, appointment, or express oral or written contract of hire;

(B) paid from state funds but whose duties require that the person work and frequently receive supervision in a political subdivision of the state;

(C) a peace officer employed by a political subdivision, while the peace officer is exercising authority granted under:

(i) Article 2.12, Code of Criminal Procedure; or

(ii) Articles 14.03(d) and (g), Code of Criminal Procedure;

(D) a member of the state military forces, as defined by Section 431.001, Government Code, who is engaged in authorized training or duty; or

(E) a Texas Task Force 1 member, as defined by Section 88.301, Education Code, or a Texas Task Force 2 member, as defined by Section 418.201, Government Code, who is activated by the Texas Division of Emergency Management or is injured during training sponsored or sanctioned by Texas Task Force 1 or Texas Task Force 2, as applicable.

SECTION ____ . Section 418.204, Government Code, as added by this Act, applies only to an act, error, or omission that occurs on or after the effective date of this Act.

The amendment to **HB 1090** was read and was adopted by a viva voce vote.

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

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

HB 1090 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 1090 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1090** be placed on its third reading and final passage.

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

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

HOUSE BILL 3188 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3188** at this time on its second reading:

HB 3188, Relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act; making appropriations.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3188** (senate committee printing) in SECTION 1 of the bill (page 2, between lines 6 and 7) by inserting the following:

To pay Educare Community Living Corporation Texas under the settlement agreement in Educare Community Living Corporation Texas v. Texas Department of Aging and Disability Services, Cause No. 11-0712-K, Appeals Division, Health and Human Services Commission, for a total appropriation of \$280,921.40

The amendment to **HB 3188** was read and was adopted by a viva voce vote.

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

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

HB 3188 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 3188 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3188** be placed on its third reading and final passage.

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

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

HOUSE BILL 3042 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **HB 3042** at this time on its second reading:

HB 3042, Relating to the allocation of state hotel occupancy tax revenue to certain municipalities for cleaning and maintenance of and erosion control for public beaches.

The motion prevailed by the following vote: Yeas 23, Nays 8.

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

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, Schwertner, Williams.

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

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

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, Schwertner, Williams.

HOUSE BILL 2918 ON SECOND READING

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2918** at this time on its second reading:

HB 2918, Relating to statutory durable powers of attorney.

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

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

HOUSE BILL 2918 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2918** be placed on its third reading and final passage.

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

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

HOUSE BILL 3350 ON SECOND READING

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

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

The motion prevailed.

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

The bill was read second time and was passed to third reading by the following vote: Yeas 22, Nays 9.

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

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

HOUSE BILL 3015 ON SECOND READING

Senator Rodríguez moved to suspend the regular order of business to take up for consideration **HB 3015** at this time on its second reading:

HB 3015, Relating to a recall election for officials of certain general-law municipalities.

The motion prevailed.

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

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

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

Nays: Campbell, Hancock, Paxton.

HOUSE BILL 3015 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3015** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

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

Nays: Campbell, Hancock, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 3042 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3042** be placed on its third reading and final passage:

HB 3042, Relating to the allocation of state hotel occupancy tax revenue to certain municipalities for cleaning and maintenance of and erosion control for public beaches.

The motion prevailed by the following vote: Yeas 25, Nays 6.

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

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

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

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

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, Schwertner, Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 1726 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1726** at this time on its second reading:

CSHB 1726, Relating to shipping logistics and coordination services for state agencies.

The bill was read second time.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1726** (Senate committee printing) in SECTION 1 of the bill, in Subsection (e), Section 2171.007, as follows:

- (1) In Subdivision (5) (page 1, line 48), after the semicolon, strike "or".
- (2) In Subdivision (6) (page 1, line 49), strike the period and substitute "; or".
- (3) At the end of Subsection (e), add a new Subdivision (7) to read as follows:

"(7) items by the Texas Department of Transportation if the department determines that, because of the nature of the items or the circumstances related to the shipment, shipment of the items under a procedure established by the department is necessary."

The amendment to **CSHB 1726** was read and was adopted by a viva voce vote.

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

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

CSHB 1726 as amended was passed to third reading by a viva voce vote.

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

COMMITTEE SUBSTITUTE HOUSE BILL 1726 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1726** be placed on its third reading and final passage.

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

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

HOUSE BILL 1846 ON SECOND READING

Senator Paxton moved to suspend the regular order of business to take up for consideration **HB 1846** at this time on its second reading:

HB 1846, Relating to suspension or denial of issuance or renewal of a license for failure to pay child support.

The motion prevailed.

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

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

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

Nays: Campbell.

HOUSE BILL 1846 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1846** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Campbell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 2972 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **HB 2972** at this time on its second reading:

HB 2972, Relating to exempting premiums for certain insurance covering stored or in-transit baled cotton from surplus lines insurance premium taxes.

The motion prevailed.

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

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

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

Nays: Uresti.

HOUSE BILL 2972 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2972** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Uresti.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 1951 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 1951** at this time on its second reading:

HB 1951, Relating to the licensing and regulation of telecommunications; providing a criminal penalty.

The motion prevailed.

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

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1951** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION _____. Section 1956.051(3), Occupations Code, is amended to read as follows:

(3) "Crafted precious metal" means jewelry, silverware, an art object, or another object, made wholly or partly from precious metal, that is selling at less than 105 percent of the scrap value of the object, other than a coin, a bar, or a commemorative medallion~~[-or scrap or a broken item selling at five percent or more than the scrap value of the item].~~

SECTION _____. Section 1956.0613, Occupations Code, is amended to read as follows:

Sec. 1956.0613. INVESTIGATION BY COMMISSIONER; INSPECTION OF RECORDS. (a) The commissioner shall:

(1) monitor the operations of a dealer to ensure compliance with this subchapter ~~[chapter]~~; and

(2) receive and investigate complaints against a dealer or a person acting as a dealer.

(b) If the commissioner receives a written complaint regarding a violation of this subchapter by a person, or has reasonable cause to believe that a person is violating this subchapter, the commissioner or the commissioner's authorized representative may inspect any record, account, paper, book, or correspondence of the person, regardless of whether the person is registered as a dealer.

(c) The commissioner or the commissioner's authorized representative may take statements in an investigation of a matter under this subchapter.

SECTION _____. Section 1956.063, Occupations Code, is amended by amending Subsections (c) and (d) and adding Subsection (c-1) to read as follows:

(c) For each transaction regulated by this subchapter, the dealer shall submit a report on a preprinted and prenumbered form prescribed by the commissioner or in the manner described by Subsection (c-1). The form must include the following:

- (1) the date of the transaction;
- (2) a description of the crafted precious metal purchased by the dealer;
- (3) the name and physical address of the dealer; and
- (4) the name, physical description, and physical address of the seller or transferor.

(c-1) A dealer may submit a list required by Section 1956.062(b) in satisfaction of the reporting requirement of this section if the list contains the information described by Subsection (c).

(d) the dealer shall retain a copy of the report until the later of:

- (1) the second anniversary of the date the dealer sells or otherwise disposes of the crafted precious metal purchased by the dealer; or
- (2) the third anniversary of the date the report is filed.

SECTION _____. Sections 1956.064(b) and (c), Occupations Code, are amended to read as follows:

(b) A peace officer who has reasonable suspicion to believe that an item of crafted precious metal in the possession of a dealer, or in the possession of another person on behalf of the dealer, is stolen may place the item on hold for a period not to exceed 60 days by issuing to the dealer or other person a written notice that:

- (1) specifically identifies the item alleged to be stolen and subject to the hold; and
- (2) informs the dealer or other person of the requirements of Subsection (c).

(c) On receiving the notice, the dealer or other person may not melt, deface, alter, or dispose of the identified crafted precious metal until the hold is released in writing by a peace officer of this state or a court order.

SECTION _____. Section 1956.063(d), Occupations Code, as amended by this Act, applies to a report filed under Section 1956.063, Occupations Code, on or after the effective date of this Act.

The amendment to **HB 1951** was read and was adopted by a viva voce vote.

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

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

HB 1951 as amended was passed to third reading by the following vote: Yeas 21, Nays 10.

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

Nays: Birdwell, Campbell, Deuell, Hancock, Hegar, Nelson, Nichols, Patrick, Paxton, Taylor.

HOUSE BILL 1951 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1951** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

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

Nays: Campbell, Hancock, Nichols, Patrick, Paxton, Taylor.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10.

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

Nays: Birdwell, Campbell, Deuell, Hancock, Hegar, Nelson, Nichols, Patrick, Paxton, Taylor.

COMMITTEE SUBSTITUTE HOUSE BILL 1659 ON SECOND READING

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

CSHB 1659, Relating to certain actions taken by certain licensing authorities regarding a license holder or applicant who received deferred adjudication for certain offenses.

The motion prevailed.

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

The bill was read second time and was passed to third reading by the following vote: Yeas 22, Nays 9.

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

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 1223 ON SECOND READING**

Senator Hegar moved to suspend the regular order of business to take up for consideration **CSHB 1223** at this time on its second reading:

CSHB 1223, Relating to the temporary exemption of certain tangible personal property related to data centers from the sales and use tax.

The motion prevailed.

Senators Davis, Ellis, Garcia, Rodríguez, Watson, West, Whitmire, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by the following vote: Yeas 23, Nays 8.

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

Nays: Davis, Ellis, Garcia, Rodríguez, Watson, West, Whitmire, Zaffirini.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1223 ON THIRD READING**

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1223** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

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

Nays: Ellis, West, Whitmire, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

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

Nays: Davis, Ellis, Garcia, Rodríguez, Watson, West, Whitmire, Zaffirini.

HOUSE BILL 2446 ON SECOND READING

Senator Estes moved to suspend the regular order of business to take up for consideration **HB 2446** at this time on its second reading:

HB 2446, Relating to the definitions of advanced clean energy projects and clean energy projects and to franchise tax credits for certain of those projects.

The motion prevailed.

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

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

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

Nays: Patrick, Schwertner.

HOUSE BILL 2446 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2446** be placed on its third reading and final passage.

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

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

Nays: Patrick, Schwertner.

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

HOUSE BILL 3569 ON SECOND READING

Senator Uresti moved to suspend the regular order of business to take up for consideration **HB 3569** at this time on its second reading:

HB 3569, Relating to activities conducted in connection with a state or federal disease control or eradication program for animals.

The motion prevailed.

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

The bill was read second time.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3569** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION ____ . Section 161.041(c), Agriculture Code, is amended to read as follows:

(c) A person commits an offense if the person knowingly fails to handle, in accordance with rules adopted by the commission, livestock, exotic livestock, domestic fowl, or exotic fowl:

(1) infected with a disease listed in Subsection (a);

(2) exposed, as defined by commission rule, to a disease listed in Subsection (a) if the commission has notified the person that the animal was exposed to the disease; or

(3) subject to a testing requirement due to a risk of exposure, as defined by commission rule, to a specific disease if the commission has notified the person of the testing requirement.

SECTION ____ . The change in law made by this Act by the amendment of Section 161.041(c), Agriculture Code, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

The amendment to **HB 3569** was read and was adopted by a viva voce vote.

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

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

HB 3569 as amended was passed to third reading by a viva voce vote.

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

Nays: Patrick.

HOUSE BILL 3569 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3569** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Patrick.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 697 ON SECOND READING

On motion of Senator Duncan and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 697** at this time on its second reading:

HB 697, Relating to a sales and use tax exemption for certain items sold by school booster clubs and support organizations; authorizing a sales and use tax exemption.

The bill was read second time.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 697** (senate committee report) by striking SECTION 2 of the bill (page 1, line 52, through page 2, line 7) and renumbering subsequent SECTIONS of the bill accordingly.

The amendment to **HB 697** was read and was adopted by a viva voce vote.

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

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

HB 697 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 697 ON THIRD READING

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 697** be placed on its third reading and final passage.

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

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

HOUSE BILL 1790 ON SECOND READING

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

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

The motion prevailed.

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

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1790** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 15(l), Article 42.12, Code of Criminal Procedure, strike all of the language from "A judge who" (page 1, line 23) through "the judge shall" (page 1, line 30), and substitute the following:

On written motion of the defendant after completion of two-thirds of the original community supervision period for a state jail felony with respect to which written consent was obtained under Section 12.44(c), Penal Code, the judge may

(2) In SECTION 1 of the bill, in added Section 15(l), Article 42.12, Code of Criminal Procedure (page 1, line 33), strike "disposition of the case" and substitute "disposition of the community supervision".

(3) In SECTION 1 of the bill, in added Section 15(l)(1)(A), Article 42.12, Code of Criminal Procedure (page 1, line 40), between "under" and "Section 30.04", insert "Section 30.02".

(4) In SECTION 1 of the bill, in added Section 15(l)(1)(B), Article 42.12, Code of Criminal Procedure (page 1, line 42), strike "of this code".

(5) In SECTION 1 of the bill, at the end of added Section 15(m), Article 42.12, Code of Criminal Procedure (page 2, lines 8-9), strike "for any purpose other than the purpose described by Section 20(a)(1)".

(6) Strike SECTION 2 of the bill (page 2, lines 15-19) and substitute the following:

SECTION 2. Section 12.44, Penal Code, is amended by adding Subsection (c) to read as follows:

(c) With the written consent of the prosecuting attorney prior to sentencing, the court may amend the record of conviction to reflect a conviction for a Class A misdemeanor in lieu of a state jail felony as provided by Section 15(l), Article 42.12, Code of Criminal Procedure.

SECTION 3. The change in law made by this Act applies only to a defendant who is placed on community supervision for an offense committed on or after the effective date of this Act. A defendant who is placed on community supervision for an offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

(7) Renumber "SECTION 3" of the bill (page 2, line 20) as "SECTION 4".

The amendment to **HB 1790** was read and was adopted by a viva voce vote.

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

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

HB 1790 as amended was passed to third reading by a viva voce vote.

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

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

(Senator Seliger in Chair)

**COMMITTEE SUBSTITUTE
HOUSE BILL 585 ON SECOND READING**

Senator Eltife moved to suspend the regular order of business to take up for consideration **CSHB 585** at this time on its second reading:

CSHB 585, Relating to ad valorem taxation; creating an offense.

The motion prevailed.

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

The bill was read second time.

Senator Eltife offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 585** as follows:

In SECTION 10 of the bill, in amended Section 13.11, Tax Code (page 6, line 34), strike "may" and substitute "shall".

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

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

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 585** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 41.43, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-3), (a-4), and (a-5) to read as follows:

(a) Except as provided by Subsections (a-1), (a-3), and (d), in a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing. If the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-3) In a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by clear and convincing evidence presented at the hearing if:

(1) the appraised value of the property was lowered under this subtitle in the preceding tax year;

(2) the appraised value of the property in the preceding tax year was not established as a result of a written agreement between the property owner or the owner's agent and the appraisal district under Section 1.111(e); and

(3) not later than the 14th day before the date of the first day of the hearing, the property owner files with the appraisal review board and delivers to the chief appraiser:

(A) information, such as income and expense statements or information regarding comparable sales, that is sufficient to allow for a determination of the appraised or market value of the property if the protest is authorized by Section 41.41(a)(1); or

(B) information that is sufficient to allow for a determination of whether the property was appraised unequally if the protest is authorized by Section 41.41(a)(2).

(a-4) If the appraisal district has the burden of establishing the value of property by clear and convincing evidence presented at the hearing on a protest as provided by Subsection (a-3) and the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-5) Subsection (a-3)(3) does not impose a duty on a property owner to provide any information in a protest authorized by Section 41.41(a)(1) or (2). That subdivision is merely a condition to the applicability of the standard of evidence provided by Subsection (a-3).

(b) The change in law made by this section applies only to a protest filed with an appraisal review board on or after the effective date of this section. A protest filed with an appraisal review board before the effective date of this section is covered by the law in effect at the time the protest was filed, and the former law is continued in effect for that purpose.

(c) Notwithstanding any other provision of this Act, this section takes effect September 1, 2013.

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

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

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 585** (senate committee printing) as follows:

(1) Between SECTION 9 and SECTION 10 of the bill (page 6, between lines 23 and 24) insert the following SECTION 9A to read as follows:

SECTION 9A. Section 23.23, Tax Code, is amended by adding Subsection (g) to read as follows:

(g) In this subsection, "disaster recovery program" means the disaster recovery program administered by the General Land Office that is funded with community development block grant disaster recovery money authorized by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. No. 110-329) and the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112-55). Notwithstanding Subsection (f)(2), and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure described by that subdivision is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that:

(1) the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

(2) Add the following appropriately numbered SECTION to the bill:

SECTION _____. The change in law made by Section 23.23(g), Tax Code, as added by this Act, applies only to the appraisal of a residence homestead for ad valorem tax purposes for a tax year that begins on or after January 1, 2014.

(3) In SECTION 26 of the bill, providing for the effective dates of the Act, strike Subsection (b) (page 10, lines 39-40) and substitute the following:

(b) Sections 1, 2, 4, 5, 8, 9, 9A, 13, 14, and 25 of this Act take effect January 1, 2014.

(4) Renumber the SECTIONS of the bill and cross-references accordingly.

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The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

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

Senator Birdwell offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 585** by adding the appropriately numbered SECTIONS to read as follows:

(1) SECTION _____. Section 23.02, Tax Code, is amended by amending subsections (a) and (d) to read follows:

Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN [~~NATURAL~~] DISASTER AREA. (a) The governing body of a taxing unit that is located partly or entirely inside an area declared to be a [~~natural~~] disaster area by the governor may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster.

(d) If property damaged in a [~~natural~~] disaster is reappraised as provided by this section, the governing body shall provide for prorating the taxes on the property for the year in which the disaster occurred. If the taxes are prorated, taxes due on the property are determined as follows: the taxes on the property based on its value on January 1 of that year are multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days before the date the disaster occurred; the taxes on the property based on its reappraised value are multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days, including the date the disaster occurred, remaining in the year; and the total of the two amounts is the amount of taxes on the property for the year.

(2) SECTION _____. Section 23.129(b), Tax Code, is amended to read as follows:

(b) A chief appraiser or collector may waive a penalty under Subsection (a) only if:

(1) the taxpayer seeking the waiver files a written application for the waiver with the chief appraiser or collector, as applicable, not later than the 30th day after the date the declaration or statement, as applicable, was required to be filed;

(2) the taxpayer's failure to file or failure to timely file the declaration or statement was a result of:

(A) a [~~natural~~] disaster that made it effectively impossible for the taxpayer to comply with the filing requirement; or

(B) an event beyond the control of the taxpayer that destroyed the taxpayer's property or records; and

(3) the taxpayer is otherwise in compliance with this chapter.

(3) SECTION _____. Section 23.02, Tax Code, as amended by this Act, applies to all properties affected by a disaster as defined by Section 418.004, Government Code, that were appraised as of January 1, 2013. Property affected by a disaster and appraised prior to January 1, 2013 is governed by the law in effect at that time.

(4) Renumber remaining SECTIONS accordingly.

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

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

Senator Paxton offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 585** (senate committee printing) as follows:

(1) Between the enacting clause and SECTION 1 of the bill (page 1, between lines 29 and 30) insert the following SECTION 0A to read as follows:

SECTION 0A. Section 1151.1581, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete:

(1) at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and

(2) at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

(2) Between SECTION 3 and SECTION 4 of the bill (page 3, between lines 1 and 2) insert the following SECTION 3A and SECTION 3B to read as follows:

SECTION 3A. Sections 6.05(c) and (d), Tax Code, are amended to read as follows:

(c) The chief appraiser is the chief administrator of the appraisal office. Except as provided by Section 6.0501, the [The] chief appraiser is appointed by and serves at the pleasure of the appraisal district board of directors. If a taxing unit performs the duties of the appraisal office pursuant to a contract, the assessor for the unit is the chief appraiser. To be eligible to be appointed or serve as a chief appraiser, a person must be certified as a registered professional appraiser under Section 1151.160, Occupations Code, possess an MAI professional designation from the Appraisal Institute, or possess an Assessment Administration Specialist (AAS), Certified Assessment Evaluator (CAE), or Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers. A person who is eligible to be appointed or serve as a chief appraiser by having a professional designation described by this subsection must become certified as a registered professional appraiser under Section 1151.160, Occupations Code, not later than the fifth anniversary of the date the person is appointed or begins to serve as chief appraiser. A chief appraiser who is not eligible to be appointed or serve as chief appraiser may not perform an action authorized or required by law to be performed by

a chief appraiser, including the preparation, certification, or submission of any part of the appraisal roll. Not later than January 1 of each year, a chief appraiser shall notify the comptroller in writing that the chief appraiser is either eligible to be appointed or serve as the chief appraiser or not eligible to be appointed or serve as the chief appraiser.

(d) Except as provided by Section 6.0501, the [The] chief appraiser is entitled to compensation as provided by the budget adopted by the board of directors. The chief appraiser's compensation may not be directly or indirectly linked to an increase in the total market, appraised, or taxable value of property in the appraisal district. Except as provided by Section 6.0501, the [The] chief appraiser may employ and compensate professional, clerical, and other personnel as provided by the budget, with the exception of a general counsel to the appraisal district.

SECTION 3B. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.0501 to read as follows:

Sec. 6.0501. APPOINTMENT OF ELIGIBLE CHIEF APPRAISER BY COMPTROLLER. (a) The comptroller shall appoint a person eligible to be a chief appraiser under Section 6.05(c) or a person who has previously been appointed or served as a chief appraiser to perform the duties of chief appraiser for an appraisal district whose chief appraiser is ineligible to serve.

(b) A chief appraiser appointed under this section serves until the earlier of:

(1) the first anniversary of the date the comptroller appoints the chief appraiser; or

(2) the date the board of directors of the appraisal district:

(A) appoints a chief appraiser under Section 6.05(c); or

(B) contracts with an appraisal district or a taxing unit to perform the duties of the appraisal office for the district under Section 6.05(b).

(c) The comptroller shall determine the compensation of a chief appraiser appointed under this section. A chief appraiser appointed under this section shall determine the budget necessary for the adequate operation of the appraisal office, subject to the approval of the comptroller. The board of directors of the appraisal district shall amend the budget as necessary to compensate the appointed chief appraiser and fund the appraisal office as determined under this subsection.

(d) An appraisal district that does not appoint a chief appraiser or contract with an appraisal district or a taxing unit to perform the duties of the appraisal office by the first anniversary of the date the comptroller appoints a chief appraiser shall contract with an appraisal district or a taxing unit to perform the duties of the appraisal office or with a qualified public or private entity to perform the duties of the chief appraiser, subject to the approval of the comptroller.

(3) Add the following appropriately numbered SECTIONS to the bill:

SECTION ____ . The Texas Commission of Licensing and Regulation shall adopt the rules required by Section 1151.1581(f), Occupations Code, as added by this Act, not later than January 1, 2014.

SECTION ____ . A person appointed or serving as a chief appraiser in an appraisal district established in a county with a population of 100,000 or less on the effective date of this Act who is not eligible to be appointed or serve as a chief appraiser under Section 6.05(c), Tax Code, as amended by this Act, but who is

registered with the Texas Department of Licensing and Regulation and classified as a Class III appraiser under the rules of the Texas Commission of Licensing and Regulation may continue to serve as the chief appraiser until January 1, 2016.

(4) In SECTION 26 of the bill, providing for the effective dates of the Act, strike Subsection (b) (page 10, lines 39-40) and substitute the following:

(b) Sections 0A, 1, 2, 3A, 3B, 4, 5, 8, 9, 13, 14, and 25 of this Act take effect January 1, 2014.

(5) Renumber the SECTIONS of the bill and cross-references accordingly.

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 5.

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

CSHB 585 as amended was passed to third reading by a viva voce vote.

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

Nays: Garcia, Van de Putte, Zaffirini.

COMMITTEE SUBSTITUTE HOUSE BILL 585 ON THIRD READING

Senator Eltife moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 585** be placed on its third reading and final passage.

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

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

Nays: Van de Putte, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3.

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

Nays: Garcia, Van de Putte, Zaffirini.

(Senator Eltife in Chair)

HOUSE BILL 3954 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3954** at this time on its second reading:

HB 3954, Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

The bill was read second time.

Senator Huffman offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3954** as follows:

(1) Add the following appropriately numbered SECTIONS to the bill:

SECTION ___. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8446 to read as follows:

CHAPTER 8446. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO.

184

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8446.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Fort Bend County Municipal Utility District No.

184.

Sec. 8446.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8446.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8446.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8446.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8446.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

- (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
- (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8446.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section __ of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section __ of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

- (1) organization, existence, or validity;
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

- (3) right to impose a tax; or
- (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8446.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8446.052, directors serve staggered four-year terms.

Sec. 8446.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8446.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8446.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8446.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8446.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8446.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8446.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8446.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8446.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8446.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8446.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8446.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8446.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8446.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8446.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8446.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8446.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION ____ . The Fort Bend County Municipal Utility District No. 184 initially includes all the territory contained in the following area:

506.74 acres of land situated in the Wiley Martin Survey, Abstract 56, and the E.P. Everett Survey, Abstract 387, Fort Bend County, Texas, being that certain called 376.1612 acre tract of land as described in deed and recorded in Volume 1934, Page 712 of the Deed Records of Fort Bend County, Texas and being that certain called 130.5756 acre tract of land as described in deed and recorded in the Official Public Records of Real Property of Fort Bend County, Texas under County Clerk's File Number 1999107785, said 506.74 acres of land being more particularly described by metes and bounds as follows, bearing orientation is based on the Texas Coordinate System of 1983, South Central Zone:

BEGINNING at a 1/2 inch iron rod found at the intersection of the centerline of Myers Road (based on a width of 60.00 feet) with the northwesterly right-of-way line of Berdette Road (based on a width of 60.00 feet);

Thence, S 21°34'18" W, with the northwesterly right-of-way line of Berdette Road, a distance of 3266.25 feet to a 3/4 inch iron rod with cap set in the northeasterly line of that certain called 607.75 acre tract of land as described in deed and recorded in Volume 64, Page 109 of the Deed Records of Fort Bend County, Texas, being in the northeasterly line of the Henry Wilcox Survey, Abstract 342;

Thence, N 67°27'46" W, with the northeasterly line of said called 607.75 acre tract and the common line of the Wiley Martin and Henry Wilcox Surveys, a distance of 5698.02 feet to an angle point, from which a found T Rail bears N 08°28' W, a distance of 0.35 feet;

Thence, N 67°36'40" W, a distance of 547.46 feet to a 3/4 inch iron rod with cap set for corner;

Thence, S 42°08'14" W, a distance of 2046.63 feet to a 3/4 inch iron rod with cap set in the northeasterly line of Rice Field Road;

Thence, N 47°59'25" W, with the northeasterly line of Rice Field Road, a distance of 344.35 feet to a T Rail found for corner;

Thence, N 42°05'03" E, a distance of 1924.14 feet to an angle point, from which a found 2 inch iron pipe (bent) bears N 79°02' W, a distance of 2.69 feet;

Thence, N 22°20'28" E, at a distance of 3195.31 feet pass a 1/2 inch iron pipe found in the southwesterly right-of-way line of Myers Road, continuing a total distance of 3225.31 feet to a point for corner;

Thence, S 67°49'42" E, with the centerline of Myers Road, a distance of 6569.03 feet to the POINT OF BEGINNING and containing 506.74 acres of land.

SECTION _____. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION _____. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8446, Special District Local Laws Code, as added by this Act, is amended by adding Section 8446.106 to read as follows:

Sec. 8446.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) This section is not intended to be an expression of a legislative interpretation of the requirements of Subsection (c), Section 17, Article I, Texas Constitution.

(2) Renumber the SECTIONS of the bill appropriately.

(3) Correct cross-references in the bill accordingly.

The amendment to **HB 3954** was read and was adopted by a viva voce vote.

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

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3954** (senate committee printing) as follows:

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

SECTION _____. Chapter 7209, Special District Local Laws Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. BONDS

Sec. 7209.101. AUTHORITY TO ISSUE BONDS. (a) The district has the rights, powers, duties, and obligations of an issuer under Chapter 1371, Government Code.

(b) Sections 49.181 and 49.182, Water Code, do not apply to the district.

SECTION _____. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

The amendment to **HB 3954** was read and was adopted by a viva voce vote.

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

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

HB 3954 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 3954 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3954** be placed on its third reading and final passage.

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

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

HOUSE BILL 2612 ON SECOND READING

Senator Duell moved to suspend the regular order of business to take up for consideration **HB 2612** at this time on its second reading:

HB 2612, Relating to prohibitions and restrictions on using county roads in certain circumstances.

The motion prevailed.

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

The bill was read second time.

Senator Duell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2612** (senate committee printing) by striking Section 3(a) (page 2, lines 1-5) and inserting the following:

(a) A commissioners court may identify an alternate route to a road and require heavy vehicles having a gross weight of more than 60,000 pounds to travel the alternate route in order to prevent excessive damage to the road due to the volume of traffic by such heavy vehicles. An alternate route identified under this subsection must be:

The amendment to **HB 2612** was read and was adopted by a viva voce vote.

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

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

HB 2612 as amended was passed to third reading by a viva voce vote.

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

Nays: Uresti.

HOUSE BILL 2612 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2612** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Uresti.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE CONCURRENT RESOLUTION 80 ON SECOND READING

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **HCR 80** at this time on its second reading:

HCR 80, Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study the effects on international trade of wait times at points of entry between the United States and Mexico.

The resolution was read second time and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3438 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3438** at this time on its second reading:

HB 3438, Relating to the eligibility of a person to serve on the appraisal review board of an appraisal district.

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

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

HOUSE BILL 3438 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3438** be placed on its third reading and final passage.

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

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

HOUSE BILL 3439 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3439** at this time on its second reading:

HB 3439, Relating to the representation of a property owner by an agent in a property tax matter.

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

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

HOUSE BILL 3439 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3439** be placed on its third reading and final passage.

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

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

COMMITTEE SUBSTITUTE**HOUSE BILL 2268 ON SECOND READING**

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2268** at this time on its second reading:

CSHB 2268, Relating to search warrants issued in this state and other states for certain customer data, communications, and other related information held in electronic storage in this state and other states by providers of electronic communications services and remote computing services.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2268** (Senate Committee Printing) as follows:

(1) Strike SECTION 6 of the bill (page 2, line 64, through page 3, line 61) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 4, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 4. REQUIREMENTS FOR GOVERNMENT ACCESS TO STORED COMMUNICATIONS. (a) An authorized peace officer may require a provider of an electronic communications service or a provider of a remote computing service to disclose electronic customer data the contents of a wire communication or an electronic communication that is is [has been] in electronic storage [~~for not longer than 180 days~~] by obtaining a warrant under Section 5A.

~~(b) [An authorized peace officer may require a provider of electronic communications service to disclose the contents of a wire communication or an electronic communication that has been in electronic storage for longer than 180 days:~~

~~[(1) if notice is not being given to the subscriber or customer, by obtaining a warrant;~~

~~[(2) if notice is being given to the subscriber or customer, by obtaining:~~

~~[(A) an administrative subpoena authorized by statute;~~

~~[(B) a grand jury subpoena; or~~

~~[(C) a court order issued under Section 5 of this article; or~~

~~[(3) as otherwise permitted by applicable federal law.~~

~~[(e)(1) An authorized peace officer may require a provider of a remote computing service to disclose the contents of a wire communication or an electronic communication as described in Subdivision (2) of this subsection:~~

~~[(A) if notice is not being given to the subscriber or customer, by obtaining a warrant issued under this code;~~

~~[(B) if notice is being given to the subscriber or customer, by:~~

~~[(i) an administrative subpoena authorized by statute;~~

~~[(ii) a grand jury subpoena; or~~

~~[(iii) a court order issued under Section 5 of this article; or~~

~~[(C) as otherwise permitted by applicable federal law.~~

~~[(2) Subdivision (1) of this subsection applies only to a wire communication or an electronic communication that is in electronic storage:~~

~~[(A) on behalf of a subscriber or customer of the service and is received by means of electronic transmission from or created by means of computer processing of communications received by means of electronic transmission from the subscriber or customer; and~~

~~[(B) solely for the purpose of providing storage or computer processing services to the subscriber or customer if the provider of the service is not authorized to obtain access to the contents of those communications for purposes of providing any service other than storage or computer processing.~~

~~[(d)] An authorized peace officer may require a provider of an electronic communications service or a provider of a remote computing service to disclose only the following electronic customer data:~~

~~(i) information revealing the identity of customers of the applicable service;~~

(ii) information about a customer's use of the applicable service; ~~records or other information pertaining to a subscriber or customer of the service, other than communications described in Subsection (e) of~~ this section~~;~~ without giving the subscriber or customer notice:

- (1) by obtaining an administrative subpoena authorized by statute;
- (2) by obtaining a grand jury subpoena;
- (3) by obtaining a warrant under Section 5A;

(4) by obtaining the consent of the subscriber or customer to the disclosure of the data ~~records or information~~;

- (5) by obtaining a court order under Section 5 ~~of this article~~; or
- (6) as otherwise permitted by applicable federal law.

(c) ~~(e)~~ A provider of telephonic communications service shall disclose to an authorized peace officer, without any form of legal process, subscriber listing information, including name, address, and telephone number or similar access code that:

(1) the service provides to others in the course of providing publicly available directory or similar assistance; or

(2) is solely for use in the dispatch of emergency vehicles and personnel responding to a distress call directed to an emergency dispatch system or when the information is reasonably necessary to aid in the dispatching of emergency vehicles and personnel for the immediate prevention of death, personal injury, or destruction of property.

(d) ~~(f)~~ A provider of telephonic communications service shall provide an authorized peace officer with the name of the subscriber of record whose published telephone number is provided to the service by an authorized peace officer.

(2) Strike SECTION 8 of the bill (page 5, line 55, through page 6, line 54) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 6, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 6. BACKUP PRESERVATION. (a) A subpoena or court order for disclosure of certain electronic customer data held ~~the contents of an electronic communication~~ in electronic storage by a provider of an electronic communications service or a provider of a remote computing service under Section 4(b) ~~4(e) of this article~~ may require that ~~the service~~ provider to ~~whom the request is directed~~ create a copy of the customer data ~~contents of the electronic communications~~ sought by the subpoena or court order for the purpose of preserving that data ~~those contents~~. The ~~service~~ provider may not inform the subscriber or customer whose data is ~~communications are~~ being sought that the subpoena or court order has been issued. The ~~service~~ provider shall create the copy within a reasonable time as determined by the court issuing not later than two business days after the date of the receipt by the service provider of the subpoena or court order.

(b) The provider of an electronic communications service or the provider of a remote computing service shall immediately notify the authorized peace officer who presented the subpoena or court order requesting the copy when the copy has been created.

(c) The provider of an electronic communications service or the provider of a remote computing service shall notify the subscriber or customer whose electronic customer data is ~~the subject of the subpoena or court order of the creation of the copy not later than three days after the date of the receipt of the notification from the applicable~~ the subject of the subpoena or court order of the creation of the copy not later than three days after the date of the receipt of the notification from the applicable ~~service~~ provider that the copy was created.

(d) The provider of an electronic communications service or the provider of a remote computing service shall release the copy to the requesting authorized peace officer not earlier than the 14th day after the date of the peace officer's notice to the subscriber or customer if the ~~service~~ provider has not:

(1) initiated proceedings to challenge the request of the peace officer for the copy; or

(2) received notice from the subscriber or customer that the subscriber or customer has initiated proceedings to challenge the request.

(e) The provider of an electronic communications service or the provider of a remote computing service may not destroy or permit the destruction of the copy until the electronic customer data ~~information~~ has been delivered to the applicable ~~designated~~ law enforcement ~~office or~~ agency or until the resolution of any court proceedings, including appeals of any proceedings, relating to the subpoena or court order requesting the creation of the copy, whichever occurs last.

(f) An authorized peace officer who reasonably believes that notification to the subscriber or customer of the subpoena or court order would result in the destruction of or tampering with electronic customer data ~~information~~ sought may request the creation of a copy of the data ~~information~~. The peace officer's belief is not subject to challenge by the subscriber or customer or by a service provider of an electronic communications service or a provider of a remote computing service.

(g)(1) A subscriber or customer who receives notification as described in Subsection (c) ~~of this section~~ may file a written motion to quash the subpoena or vacate the court order in the court that issued the subpoena or court order not later than the 14th day after the date of the receipt of the notice. The motion must contain an affidavit or sworn statement stating ~~that~~:

(A) that the applicant is a subscriber or customer of the provider of an electronic communications service or the provider of a remote computing service from which the electronic customer data held in ~~contents of~~ electronic storage ~~communications stored~~ for the subscriber or customer has ~~have~~ been sought; and

(B) the applicant's reasons for believing that the customer data ~~information~~ sought is not relevant to a legitimate law enforcement inquiry or that there has not been substantial compliance with the provisions of this article in some other respect.

(2) The subscriber or customer shall give written notice to the provider of an electronic communications service or the provider of a remote computing service of the challenge to the subpoena or court order. The authorized peace officer ~~or designated law enforcement office or agency~~ requesting the subpoena or court order must ~~shall~~ be served a copy of the papers filed by personal delivery or by registered or certified mail.

(h)(1) The court shall order the authorized peace officer to file a sworn response to the motion filed by the subscriber or customer if the court determines that the subscriber or customer has complied with the requirements of Subsection (g) ~~[of this section]~~. On request of the peace officer, the court may permit the response to be filed in camera. The court may conduct any additional proceedings the court considers appropriate if the court is unable to make a determination on the motion on the basis of the parties' initial allegations and response.

(2) The court shall rule on the motion as soon after the filing of the officer's response as practicable. The court shall deny the motion if the court finds that the applicant is not the subscriber or customer whose electronic customer data held in electronic storage is ~~[stored communications are]~~ the subject of the subpoena or court order or that there is reason to believe that the peace officer's inquiry is legitimate and that the customer data ~~[communications]~~ sought is ~~[are]~~ relevant to that inquiry. The court shall quash the subpoena and vacate the order if the court finds that the applicant is the subscriber or customer whose data is ~~[stored communications are]~~ the subject of the subpoena or court order and that there is not a reason to believe that the data is ~~[communications sought are]~~ relevant to a legitimate law enforcement inquiry or that there has not been substantial compliance with the provisions of this article.

(3) A court order denying a motion or application under this section is not a final order and no interlocutory appeal may be taken from the denial.

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

SECTION _____. Section 8, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 8. PRECLUSION OF NOTIFICATION. (a) An ~~[When an]~~ authorized peace officer seeking electronic customer data ~~[information]~~ under Section 4 ~~[of this article is not required to give notice to the subscriber or customer or is delaying notification under Section 7 of this article, the peace officer]~~ may apply to the court for an order commanding the service provider to whom a warrant, subpoena, or court order is directed not to disclose to any ~~[other]~~ person the existence of the warrant, subpoena, or court order. The order is effective for the period the court considers appropriate. The court shall enter the order if the court determines that there is reason to believe that notification of the existence of the warrant, subpoena, or court order will have an adverse result ~~[as described in Section 7(c) of this article]~~.

(b) In this section, an "adverse result" means:

- (1) endangering the life or physical safety of an individual;
- (2) flight from prosecution;
- (3) destruction of or tampering with evidence;
- (4) intimidation of a potential witness; or
- (5) otherwise seriously jeopardizing an investigation or unduly delaying a

trial.

SECTION _____. Sections 9(a) and (b), Article 18.21, Code of Criminal Procedure, are amended to read as follows:

(a) Except as provided by Subsection (c) of this section, an authorized peace officer who obtains electronic customer data under Section 4 or other information under this article shall reimburse the person assembling or providing the data or

information for all costs that are reasonably necessary and that have been directly incurred in searching for, assembling, reproducing, or otherwise providing the data or information. These costs include costs arising from necessary disruption of normal operations of a provider of an electronic communications service or a provider of a remote computing service in which the electronic customer data may be held in electronic storage or in which the other information may be stored.

(b) The authorized peace officer and the person providing the electronic customer data or other information may agree on the amount of reimbursement. If there is no agreement, the court that issued the order for production of the data or information shall determine the amount. If no court order was issued for production of the data or information, the court before which the criminal prosecution relating to the data or information would be brought shall determine the amount.

SECTION _____. Section 10, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 10. NO CAUSE OF ACTION. A subscriber or customer of a provider of an [wire or] electronic communications service or a provider of a remote computing service does not have a cause of action against a provider or [wire or electronic communications or remote computing service] its officers, employees, or agents[;] or against other specified persons for providing information, facilities, or assistance as required by a court order, warrant, subpoena, or certification under this article.

SECTION _____. Section 12(a), Article 18.21, Code of Criminal Procedure, is amended to read as follows:

(a) Except as provided by Section 10 of this article, a provider of an electronic communications service or a provider of a remote computing service, or a subscriber or customer of that provider, that is [an electronic communications service] aggrieved by a violation of this article has a civil cause of action if the conduct constituting the violation was committed knowingly or intentionally and is entitled to:

- (1) injunctive relief;
- (2) a reasonable attorney's fee and other litigation costs reasonably incurred;

and

(3) the sum of the actual damages suffered and any profits made by the violator as a result of the violation or \$1,000, whichever is more.

SECTION _____. Section 7, Article 18.21, Code of Criminal Procedure, is repealed.

(3) Strike SECTION 7 of the bill (page 3, line 62, through page 5, line 54) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 4, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 5A. WARRANT ISSUED IN THIS STATE FOR STORED CUSTOMER DATA OR COMMUNICATIONS. (a) This section applies to a warrant required under Section 4 to obtain electronic customer data, including the contents of a wire communication or electronic communication.

(b) On the filing of an application by an authorized peace officer, a district judge may issue a search warrant under this section for electronic customer data held in electronic storage, including the contents of and records and other information related to a wire communication or electronic communication held in electronic storage, by a

provider of an electronic communications service or a provider of a remote computing service described by Subsection (h), regardless of whether the customer data is held at a location in this state or at a location in another state. An application made under this subsection must demonstrate probable cause for the issuance of the warrant and must be supported by the oath or affirmation of the authorized peace officer.

(c) A search warrant may not be issued under this section unless the sworn affidavit required by Article 18.01(b) sets forth sufficient and substantial facts to establish probable cause that:

(1) a specific offense has been committed; and

(2) the electronic customer data sought:

(A) constitutes evidence of that offense or evidence that a particular person committed that offense; and

(B) is held in electronic storage by the service provider on which the warrant is served under Subsection (i).

(d) Only the electronic customer data described in the sworn affidavit required by Article 18.01(b) may be seized under the warrant.

(e) A warrant issued under this section shall run in the name of "The State of Texas."

(f) Article 18.011 applies to an affidavit presented under Article 18.01(b) for the issuance of a warrant under this section, and the affidavit may be sealed in the manner provided by that article.

(g) The peace officer shall execute the warrant not later than the 11th day after the date of issuance, except that the officer shall execute the warrant within a shorter period if so directed in the warrant by the district judge. For purposes of this subsection, a warrant is executed when the warrant is served in the manner described by Subsection (i).

(h) A warrant under this section may be served only on a service provider that is a domestic entity or a company or entity otherwise doing business in this state under a contract or a terms of service agreement with a resident of this state, if any part of that contract or agreement is to be performed in this state. The service provider shall produce all electronic customer data, contents of communications, and other information sought, regardless of where the information is held and within the period allowed for compliance with the warrant, as provided by Subsection (j). A court may find any designated officer, designated director, or designated owner of a company or entity in contempt of court if the person by act or omission is responsible for the failure of the company or entity to comply with the warrant within the period allowed for compliance. The failure of a company or entity to timely deliver the information sought in the warrant does not affect the admissibility of that evidence in a criminal proceeding.

(i) A search warrant issued under this section is served when the authorized peace officer delivers the warrant by hand, by facsimile transmission, or, in a manner allowing proof of delivery, by means of the United States mail or a private delivery service to:

(1) a person specified by Section 5.255, Business Organizations Code;

(2) the secretary of state in the case of a company or entity to which Section 5.251, Business Organizations Code, applies; or

(3) any other person or entity designated to receive the service of process.

(j) The district judge shall indicate in the warrant that the deadline for compliance by the provider of an electronic communications service or the provider of a remote computing service is the 15th business day after the date the warrant is served if the warrant is to be served on a domestic entity or a company or entity otherwise doing business in this state, except that the deadline for compliance with a warrant served in accordance with Section 5.251, Business Organizations Code, may be extended to a date that is not later than the 30th day after the date the warrant is served. The judge may indicate in a warrant that the deadline for compliance is earlier than the 15th business day after the date the warrant is served if the officer makes a showing and the judge finds that failure to comply with the warrant by the earlier deadline would cause serious jeopardy to an investigation, cause undue delay of a trial, or create a material risk of:

- (1) danger to the life or physical safety of any person;
- (2) flight from prosecution;
- (3) the tampering with or destruction of evidence; or
- (4) intimidation of potential witnesses.

(k) If the authorized peace officer serving the warrant under this section also delivers an affidavit form to the provider of an electronic communications service or the provider of a remote computing service responding to the warrant, and the peace officer also notifies the provider in writing that an executed affidavit is required, then the provider shall verify the authenticity of the customer data, contents of communications, and other information produced in compliance with the warrant by including with the information the affidavit form completed and sworn to by a person who is a custodian of the information or a person otherwise qualified to attest to its authenticity that states that the information was stored in the course of regularly conducted business of the provider and specifies whether it is the regular practice of the provider to store that information.

(l) On a service provider's compliance with a warrant under this section, an authorized peace officer shall file a return of the warrant and a copy of the inventory of the seized property as required under Article 18.10.

(m) The district judge shall hear and decide any motion to quash the warrant not later than the fifth business day after the date the service provider files the motion. The judge may allow the service provider to appear at the hearing by teleconference.

(n) A provider of an electronic communications service or a provider of a remote computing service responding to a warrant issued under this section may request an extension of the period for compliance with the warrant if extenuating circumstances exist to justify the extension. The district judge shall grant a request for an extension based on those circumstances if:

- (1) the authorized peace officer who applied for the warrant or another appropriate authorized peace officer agrees to the extension; or
- (2) the district judge finds that the need for the extension outweighs the likelihood that the extension will cause an adverse circumstance described by Subsection (j).

Sec. 5B. WARRANT ISSUED IN ANOTHER STATE FOR STORED CUSTOMER DATA OR COMMUNICATIONS. Any domestic entity that provides electronic communications services or remote computing services to the public shall comply with a warrant issued in another state and seeking information described by Section 5A(b), if the warrant is served on the entity in a manner equivalent to the service of process requirements provided in Section 5A(h).

(3) Strike SECTION 5 of the bill (page 2, line 42, through page 2, line 63) and substitute the following appropriately numbered SECTION:

SECTION ____ . Section 1, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

(3-b) "Domestic entity" has the meaning assigned by Section 1.002, Business Organizations Code.

(3-c) "Electronic customer data" means data or records that:

(A) are in the possession, care, custody or control of a provider of an electronic communications service or a remote computing service; and

(B) contain:

(i) information revealing the identity of customers of the applicable service;

(ii) information about a customer 's use of the applicable service;

(iii) information that identifies the recipient or destination of a wire communication or electronic communication sent to or by the customer;

(iv) the content of a wire communication or electronic communication sent to or by the customer; and

(v) any data stored by or on behalf of the customer with the applicable service provider.

The amendment to **CSHB 2268** was read and was adopted by a viva voce vote.

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

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

CSHB 2268 as amended was passed to third reading by a viva voce vote.

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

COMMITTEE SUBSTITUTE HOUSE BILL 2268 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2268** be placed on its third reading and final passage.

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

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

AT EASE

The Presiding Officer, Senator Eltife in Chair, at 5:25 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

Senator Eltife at 5:50 p.m. called the Senate to order as In Legislative Session.

BILLS AND RESOLUTIONS SIGNED

The Presiding Officer announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

HB 115, HB 339, HB 432, HB 483, HB 561, HB 588, HB 646, HB 677, HB 698, HB 749, HB 843, HB 908, HB 985, HB 1018, HB 1047, HB 1081, HB 1086, HB 1183, HB 1241, HB 1358, HB 1405, HB 1442, HB 1458, HB 1503, HB 1563, HB 1593, HB 1594, HB 1607, HB 1664, HB 1721, HB 1791, HB 1800, HB 1801, HB 1819, HB 1953, HB 1970, HB 1971, HB 1979, HB 2134, HB 2155, HB 2312, HB 2356, HB 2454, HB 2478, HB 2509, HB 2512, HB 2549, HB 2610, HB 2627, HB 2649, HB 2662, HB 2673, HB 2873, HB 3017, HB 3097, HB 3102, HB 3137, HB 3176, HB 3178, HB 3212, HB 3285, HB 3307, HB 3332, HB 3355, HB 3412, HB 3668, HB 3676, HB 3795, HB 3800, HB 3896, HB 3905, HCR 41, HCR 104, HCR 129, HCR 130, HCR 131, HCR 132, HCR 133, HCR 134, HCR 135, HCR 136, HCR 137, HCR 138, HCR 139, HCR 140, HCR 141, HCR 142, HCR 143, HCR 144, HCR 145, HCR 146, HCR 147, HCR 148, HCR 149, HCR 150, HCR 151, HCR 152, HCR 153, HCR 154, HCR 155, HCR 156, HCR 157, HCR 158, HCR 159, HCR 160, HCR 161, HCR 162, HCR 163, HCR 164, HCR 165, HCR 166, HCR 167, HCR 168, HCR 169, HCR 170, HCR 171, HCR 172, HCR 173, HCR 174, HCR 175, HCR 176, HCR 177, HCR 178, HCR 179, HCR 180, HCR 181, HCR 182, HCR 183, HCR 184, HCR 185, HCR 186, HCR 187, HCR 188, HCR 189, HCR 190, HCR 191, HCR 192, HCR 193, HCR 194, HCR 195, HCR 196.

COMMITTEE SUBSTITUTE**HOUSE BILL 1803 ON SECOND READING**

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1803** at this time on its second reading:

CSHB 1803, Relating to the renewal of a controlled substance registration by physicians; changing the payment schedule for a fee.

The bill was read second time.

Senator Huffman, on behalf of Senator Williams, offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1803** by adding the appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION ____ . Section 168.002, Occupations Code, is amended to read as follows:

Sec. 168.002. EXEMPTIONS. This chapter does not apply to:

(1) a medical or dental school or an outpatient clinic associated with a medical or dental school;

(2) a hospital, including any outpatient facility or clinic of a hospital;

(3) a hospice established under 40 T.A.C. Section 97.403 or defined by 42 C.F.R. Section 418.3;

(4) a facility maintained or operated by this state;

(5) a clinic maintained or operated by the United States;

(6) a health organization certified by the board under Section 162.001;

(7) a clinic owned or operated by a physician who treats patients within the physician's area of specialty and who personally uses other forms of treatment, including surgery, with the issuance of a prescription for a majority of the patients; or

(8) a clinic owned or operated by an advanced practice nurse licensed in this state who treats patients in the nurse's area of specialty and who personally uses other forms of treatment with the issuance of a prescription for a majority of the patients.

SECTION _____. Section 168.201, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d) A person who owns or operates a pain management clinic is engaged in the practice of medicine.

The amendment to **CSHB 1803** was read and was adopted by a viva voce vote.

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

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

CSHB 1803 as amended was passed to third reading by a viva voce vote.

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

COMMITTEE SUBSTITUTE HOUSE BILL 1803 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1803** be placed on its third reading and final passage.

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

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

HOUSE BILL 3433 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3433** at this time on its second reading:

HB 3433, Relating to the regulation of certain private security companies and occupations; creating an offense.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3433** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 1702.105, Occupations Code, is amended to read as follows:

Sec. 1702.105. ALARM SYSTEMS COMPANY. (a) A person acts as an alarm systems company for the purposes of this chapter if the person sells, installs, services, monitors, or responds to an alarm system or detection device.

(b) An alarm systems company may sell, install, maintain, or service, or offer to sell, install, maintain, or service, an electronic access control device or a mechanical security device that is capable of activation through a wireless signal. An alarm systems company may not rekey an electronic access control device or mechanical security device that can be activated by a key. This subsection does not apply to a mechanical security device or electronic access control device installed in a motor vehicle.

SECTION _____. Section 1702.223(b), Occupations Code, is amended to read as follows:

(b) An alarm systems installer may sell, install, maintain, ~~or~~ repair, or service an electronic access control device or a mechanical security device that is capable of activation through a wireless signal. An alarm systems installer may not rekey an electronic access control device or mechanical security device that can be activated by a key. This subsection does not apply to a mechanical security device or electronic access control device installed in a motor vehicle.

SECTION _____. Section 1702.324(b), Occupations Code, is amended to read as follows:

(b) This chapter does not apply to:

(1) a manufacturer or a manufacturer's authorized distributor while selling equipment intended for resale;

(2) a person engaged exclusively in the business of obtaining and providing information to:

(A) determine creditworthiness;

(B) collect debts; or

(C) ascertain the reliability of information provided by an applicant for property, life, or disability insurance or an indemnity or surety bond;

(3) a person engaged exclusively in the business of repossessing property that is secured by a mortgage or other security interest;

(4) a person who is engaged in the business of psychological testing or other testing and interviewing services, including services to determine attitudes, honesty, intelligence, personality, and skills, for preemployment purposes;

(5) a person who:

(A) is engaged in obtaining information that is a public record under Chapter 552, Government Code, regardless of whether the person receives compensation;

(B) is not a full-time employee, as defined by Section 61.001, Labor Code, of a person licensed under this chapter; and

(C) does not perform any other act that requires a license under this chapter;

(6) a licensed engineer practicing engineering or directly supervising engineering practice under Chapter 1001, including forensic analysis, burglar alarm system engineering, and necessary data collection;

(7) an employee of a cattle association who inspects livestock brands under the authority granted to the cattle association by the Grain Inspection, Packers and Stockyards Administration of the United States Department of Agriculture;

(8) a landman performing activities in the course and scope of the landman's business;

(9) an attorney while engaged in the practice of law;

(10) a person who obtains a document for use in litigation under an authorization or subpoena issued for a written or oral deposition;

(11) an admitted insurer, insurance adjuster, agent, or insurance broker licensed by the state, performing duties in connection with insurance transacted by that person;

(12) a person who on the person's own property or on property owned or managed by the person's employer:

(A) installs, changes, or repairs a mechanical security device;

(B) repairs an electronic security device; or

(C) cuts or makes a key for a security device;

(13) security personnel, including security contract personnel, working at a commercial nuclear power plant licensed by the United States Nuclear Regulatory Commission;

(14) a person or firm licensed as an accountant or accounting firm under Chapter 901, an owner of an accounting firm, or an employee of an accountant or accounting firm while performing services regulated under Chapter 901;

(15) a retailer, wholesaler, or other person who sells mechanical security devices, including locks and deadbolts, but who does not:

(A) service mechanical security devices for the public outside of the person's premises; or

(B) claim to act as a locksmith;

(16) an employee while performing investigative services that would otherwise be subject to this chapter for an entity regulated by the:

(A) Texas Department of Insurance;

(B) Office of Thrift Supervision;

(C) Securities and Exchange Commission;

(D) Federal Deposit Insurance Corporation; or

(E) Financial Industry Regulatory Authority;

(17) a social worker who holds a license issued under Chapter 505 who is engaged in the practice of social work;

(18) persons licensed under Chapter 1101, Occupations Code, an association thereof, their authorized agents, or a multiple listing service, engaged in the business of selling, maintaining, repairing, programming, or placing lockboxes used for accessing real property; or

(19) an automobile club that holds a certificate of authority under Chapter 722, Transportation Code, its subcontractor, or a business that provides similar services, that unlocks a vehicle at the request of the owner or operator of the vehicle and that does not otherwise perform a locksmith service.

The amendment to **HB 3433** was read and was adopted by a viva voce vote.

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

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3433** (senate committee report) as follows:

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

SECTION _____. Section 1702.288, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) A license holder acting as an alarm systems company does not have to provide the notice required under Subsection (d) if the contact information, including the address and the telephone numbers for the alarm systems company, has not changed.

(2) In SECTION 10 of the bill, in added Section 1702.3841, Occupations Code (page 4, line 16), between "notice" and "and", insert "from the department".

The amendment to **HB 3433** was read and was adopted by a viva voce vote.

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

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 3

Amend **HB 3433** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 1302, Occupations Code, is amended by adding Section 1302.064 to read as follows:

Sec. 1302.064. TECHNOLOGY INTEGRATION. This chapter does not apply to a person licensed under Chapter 1702 of this code or Chapter 6002, Insurance Code, who sells, designs, or offers to sell or design a product or technology, including a burglar alarm or fire alarm, that is integrated with an air conditioning or refrigeration system if the sale, design, or offer does not include the installation of any part of an air conditioning or refrigeration system by that person.

The amendment to **HB 3433** was read and was adopted by a viva voce vote.

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

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

HB 3433 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 3433 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3433** be placed on its third reading and final passage.

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

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

(President in Chair)

HOUSE BILL 2862 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2862** at this time on its second reading:

HB 2862, Relating to procedures related to juvenile cases.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2862** (senate committee printing) as follows:

(1) In the recital to SECTION 4 of the bill (page 2, lines 23-24), strike "adding Subsection (s)" and substitute "adding Subsections (h-1) and (s) and amending Subsections (k) and (l)".

(2) Immediately following the recital to SECTION 4 of the bill (page 2, between lines 24 and 25), insert the following:

(h-1) If the juvenile court orders a person detained in a certified juvenile detention facility under Subsection (h), the juvenile court shall set or deny bond for the person as required by the Code of Criminal Procedure and other law applicable to the pretrial detention of adults accused of criminal offenses.

(k) The petition and notice requirements of Sections 53.04, 53.05, 53.06, and 53.07 of this code must be satisfied, and the summons must state that the hearing is for the purpose of considering waiver of jurisdiction under Subsection (j) [of this section]. The person's parent, custodian, guardian, or guardian ad litem is not considered a party to a proceeding under Subsection (j) and it is not necessary to provide the parent, custodian, guardian, or guardian ad litem with notice.

(l) The juvenile court shall conduct a hearing without a jury to consider waiver of jurisdiction under Subsection (j) [of this section]. Except as otherwise provided by this subsection, a waiver of jurisdiction under Subsection (j) may be made without the

necessity of conducting the diagnostic study or complying with the requirements of discretionary transfer proceedings under Subsection (d). If requested by the attorney for the person at least 10 days before the transfer hearing, the court shall order that the person be examined pursuant to Section 51.20(a) and that the results of the examination be provided to the attorney for the person and the attorney for the state at least five days before the transfer hearing.

(3) In SECTION 14 of the bill (page 5, lines 48-59), add the following appropriately lettered subsections to that SECTION and reletter subsequent subsections accordingly:

() Article 4.19, Code of Criminal Procedure, and Section 51.07, Family Code, as amended by this Act, apply to a juvenile case transfer that occurs on or after the effective date of this Act, regardless of whether the delinquent conduct or conduct indicating a need for supervision that is the basis of the case occurred before, on, or after the effective date of this Act.

() Article 24.011, Code of Criminal Procedure, and Section 52.0151, Family Code, as amended by this Act, apply to the detention of a witness that occurs on or after the effective date of this Act, regardless of whether any prior event connected to the proceeding, action, or decision occurred before the effective date of this Act.

() Section 51.072, Family Code, as amended by this Act, applies to a request for interim supervision that is initiated on or after the effective date of this Act, regardless of whether the child was placed on probation before, on, or after the effective date of this Act.

() Section 243.005, Human Resources Code, as amended by this Act, applies to a child who is committed to the Texas Juvenile Justice Department on or after the effective date of this Act, regardless of whether the delinquent conduct or conduct indicating a need for supervision for which the child was committed occurred before, on, or after the effective date of this Act.

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

SECTION _____. Article 4.19, Code of Criminal Procedure, is amended to read as follows:

Art. 4.19. TRANSFER OF PERSON CERTIFIED TO STAND TRIAL AS AN ADULT [CHILD]. (a) Notwithstanding the order of a juvenile court to detain a person under the age of 17 who has been certified to stand trial as an adult [child] in a certified juvenile detention facility under Section 54.02(h), Family Code, the judge of the criminal court having jurisdiction over the person [child] may order the person [child] to be transferred to an adult [another] facility [and treated as an adult as provided by this code]. A child who is transferred to an adult facility must be detained under conditions meeting the requirements of Section 51.12, Family Code.

(b) On the 17th birthday of a person described by Subsection (a) who is detained in a certified juvenile detention facility under Section 54.02(h), Family Code, the judge of the criminal court having jurisdiction over the person shall order the person to be transferred to an adult facility.

SECTION _____. Article 24.011, Code of Criminal Procedure, is amended by amending Subsection (c) and adding Subsection (d-1) to read as follows:

(c) If the witness is in a placement in the custody of the Texas Juvenile Justice Department [~~Youth Commission~~], a juvenile secure detention facility, or a juvenile secure correctional facility, the court may issue a bench warrant or direct that an attachment issue to require a peace officer or probation officer to secure custody of the person at the placement and produce the person in court. When the person is no longer needed as a witness or the period prescribed by Subsection (d-1) has expired without extension, the court shall order the peace officer or probation officer to return the person to the placement from which the person was released.

(d-1) A witness younger than 17 years of age held in custody under this article may be placed in a certified juvenile detention facility for a period not to exceed 30 days. The length of placement may be extended in increments of 30 days by the court that issued the original bench warrant. If the placement is not extended, the period under this article expires and the witness may be returned as provided by Subsection (c).

SECTION _____. Subsection (f), Article 45.0216, Code of Criminal Procedure, is amended to read as follows:

(f) The court shall order the conviction, together with all complaints, verdicts, sentences, and prosecutorial and law enforcement records, and any other documents relating to the offense, expunged from the person's record if the court finds that:

(1) for a person applying for the expunction of a conviction for an offense described by Section 8.07(a)(4) or (5), Penal Code, the person was not convicted of any other offense described by Section 8.07(a)(4) or (5), Penal Code, while the person was a child; and

(2) for a person applying for the expunction of a conviction for an offense described by Section 43.261, Penal Code, the person was not found to have engaged in conduct indicating a need for supervision described by Section 51.03(b)(8) [~~51.03(b)(7)~~], Family Code, while the person was a child.

SECTION _____. Subsection (b), Section 51.03, Family Code, as amended by Chapters 1150 (H.B. 2015) and 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

(b) Conduct indicating a need for supervision is:

(1) subject to Subsection (f), conduct, other than a traffic offense, that violates:

(A) the penal laws of this state of the grade of misdemeanor that are punishable by fine only; or

(B) the penal ordinances of any political subdivision of this state;

(2) the absence of a child on 10 or more days or parts of days within a six-month period in the same school year or on three or more days or parts of days within a four-week period from school;

(3) the voluntary absence of a child from the child's home without the consent of the child's parent or guardian for a substantial length of time or without intent to return;

(4) conduct prohibited by city ordinance or by state law involving the inhalation of the fumes or vapors of paint and other protective coatings or glue and other adhesives and the volatile chemicals itemized in Section 485.001, Health and Safety Code;

(5) an act that violates a school district's previously communicated written standards of student conduct for which the child has been expelled under Section 37.007(c), Education Code;

(6) conduct that violates a reasonable and lawful order of a court entered under Section 264.305; ~~[or]~~

(7) notwithstanding Subsection (a)(1), conduct described by Section 43.02(a)(1) or (2), Penal Code; or

(8) notwithstanding Subsection (a)(1), ~~[(7)]~~ conduct that violates Section 43.261, Penal Code.

SECTION _____. Section 51.0412, Family Code, is amended to read as follows:

Sec. 51.0412. JURISDICTION OVER INCOMPLETE PROCEEDINGS. The court retains jurisdiction over a person, without regard to the age of the person, who is a respondent in an adjudication proceeding, a disposition proceeding, a proceeding to modify disposition, a proceeding for waiver of jurisdiction and transfer to criminal court under Section 54.02(a), or a motion for transfer of determinate sentence probation to an appropriate district court if:

(1) the petition or motion ~~[to modify]~~ was filed while the respondent was younger than 18 ~~[years of age]~~ or ~~[the motion for transfer was filed while the respondent was younger than]~~ 19 years of age, as applicable;

(2) the proceeding is not complete before the respondent becomes 18 or 19 years of age, as applicable; and

(3) the court enters a finding in the proceeding that the prosecuting attorney exercised due diligence in an attempt to complete the proceeding before the respondent became 18 or 19 years of age, as applicable.

SECTION _____. Section 51.07, Family Code, is amended to read as follows:

Sec. 51.07. TRANSFER TO ANOTHER COUNTY FOR DISPOSITION.

(a) When a child has been found to have engaged in delinquent conduct or conduct indicating a need for supervision under Section 54.03, the juvenile court may transfer the case and transcripts of records and documents to the juvenile court of the county where the child resides for disposition of the case under Section 54.04. Consent by the court of the county where the child resides is not required.

(b) For purposes of Subsection (a), while a child is the subject of a suit under Title 5, the child is considered to reside in the county in which the court of continuing exclusive jurisdiction over the child is located.

SECTION _____. Section 51.072, Family Code, is amended by amending Subsection (f) and adding Subsections (f-2), (j-1), and (j-2) to read as follows:

(f) Not later than 10 business days after a receiving county has agreed to provide interim supervision of a child, the juvenile probation department of the sending county shall provide the juvenile probation department of the receiving county with a copy of the following documents:

(1) the petition and the adjudication and disposition orders for the child, including the child's thumbprint;

(2) the child's conditions of probation;

(3) the social history report for the child;

(4) any psychological or psychiatric reports concerning the child;

(5) the Department of Public Safety CR 43J form or tracking incident number concerning the child;

(6) any law enforcement incident reports concerning the offense for which the child is on probation;

(7) any sex offender registration information concerning the child;

(8) any juvenile probation department progress reports concerning the child and any other pertinent documentation for the child's probation officer;

(9) case plans concerning the child;

(10) the Texas Juvenile Justice Department [~~Probation Commission~~] standard assessment tool results for the child;

(11) the computerized referral and case history for the child, including case disposition;

(12) the child's birth certificate;

(13) the child's social security number or social security card, if available;

(14) the name, address, and telephone number of the contact person in the sending county's juvenile probation department;

(15) Title IV-E eligibility screening information for the child, if available;

(16) the address in the sending county for forwarding funds collected to which the sending county is entitled;

(17) any of the child's school or immunization records that the juvenile probation department of the sending county possesses; [~~and~~]

(18) any victim information concerning the case for which the child is on probation; and

(19) if applicable, documentation that the sending county has required the child to provide a DNA sample to the Department of Public Safety under Section 54.0405 or 54.0409 or under Subchapter G, Chapter 411, Government Code.

(f-2) On initiating a transfer of probation supervision under this section, for a child ordered to submit a DNA sample as a condition of probation, the sending county shall provide to the receiving county documentation of compliance with the requirements of Section 54.0405 or 54.0409 or of Subchapter G, Chapter 411, Government Code, as applicable. If the sending county has not provided the documentation required under this section within the time provided by Subsection (f), the receiving county may refuse to accept interim supervision until the sending county has provided the documentation.

(j-1) Notwithstanding Subsection (j), the sending county may request interim supervision from the receiving county that issued a directive under Subsection (i)(2). Following the conclusion of any judicial proceedings in the sending county or on the completion of any residential placement ordered by the juvenile court of the sending county, the sending and receiving counties may mutually agree to return the child to the receiving county. The sending and receiving counties may take into consideration whether:

(1) the person having legal custody of the child resides in the receiving county;

(2) the child has been ordered by the juvenile court of the sending county to reside with a parent, guardian, or other person who resides in the sending county or any other county; and

(3) the case meets the statutory requirements for collaborative supervision.

(j-2) The period of interim supervision under Subsection (j-1) may not exceed the period under Subsection (m).

SECTION _____. Subsections (d) and (e), Section 51.13, Family Code, are amended to read as follows:

(d) An adjudication under Section 54.03 that a child engaged in conduct that occurred on or after January 1, 1996, and that constitutes a felony offense resulting in commitment to the Texas Juvenile Justice Department [~~Youth Commission~~] under Section 54.04(d)(2), (d)(3), or (m) or 54.05(f) is a final felony conviction only for the purposes of Sections 12.42(a), (b), and (c)(1), [~~and (e),~~] Penal Code.

(e) A finding that a child engaged in conduct indicating a need for supervision as described by Section 51.03(b)(8) [~~51.03(b)(7)~~] is a conviction only for the purposes of Sections 43.261(c) and (d), Penal Code.

SECTION _____. Subsection (c), Section 51.17, Family Code, is amended to read as follows:

(c) Except as otherwise provided by this title, the Texas Rules of Evidence applicable [~~apply~~] to criminal cases and Articles 33.03 and 37.07 and Chapter 38, Code of Criminal Procedure, apply in a judicial proceeding under this title.

SECTION _____. Section 52.0151, Family Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) If a witness is in a placement in the custody of the Texas Juvenile Justice Department [~~Youth Commission~~], a juvenile secure detention facility, or a juvenile secure correctional facility, the court may issue a bench warrant or direct that an attachment issue to require a peace officer or probation officer to secure custody of the person at the placement and produce the person in court. Once the person is no longer needed as a witness or the period prescribed by Subsection (c) has expired without extension, the court shall order the peace officer or probation officer to return the person to the placement from which the person was released.

(c) A witness held in custody under this section may be placed in a certified juvenile detention facility for a period not to exceed 30 days. The length of placement may be extended in 30-day increments by the court that issued the original bench warrant. If the placement is not extended, the period under this section expires and the witness may be returned as provided by Subsection (a).

SECTION _____. The heading to Section 53.045, Family Code, is amended to read as follows:

Sec. 53.045. OFFENSES ELIGIBLE FOR DETERMINATE SENTENCE
[VIOLENT OR HABITUAL OFFENDERS].

SECTION _____. Subsection (e), Section 54.011, Family Code, is amended to read as follows:

(e) A status offender may be detained for a necessary period, not to exceed the period allowed under the Interstate Compact for Juveniles [~~five days~~], to enable the child's return to the child's home in another state under Chapter 60.

SECTION _____. Subsection (a), Section 54.0404, Family Code, is amended to read as follows:

(a) If a child is found to have engaged in conduct indicating a need for supervision described by Section 51.03(b)(8) [~~51.03(b)(7)~~], the juvenile court may enter an order requiring the child to attend and successfully complete an educational program described by Section 37.218, Education Code, or another equivalent educational program.

SECTION _____. The heading to Section 56.03, Family Code, is amended to read as follows:

Sec. 56.03. APPEAL BY STATE IN CASES OF OFFENSES ELIGIBLE FOR DETERMINATE SENTENCE [~~VIOLENT OR HABITUAL OFFENDER~~].

SECTION _____. Subsection (c-3), Section 58.003, Family Code, as added by Chapter 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is redesignated as Subsection (c-5), Section 58.003, Family Code, to read as follows:

(c-5) [~~(c-3)~~] Notwithstanding Subsections (a) and (c) and subject to Subsection (b), a juvenile court may order the sealing of records concerning a child found to have engaged in conduct indicating a need for supervision that violates Section 43.261, Penal Code, or taken into custody to determine whether the child engaged in conduct indicating a need for supervision that violates Section 43.261, Penal Code, if the child attends and successfully completes an educational program described by Section 37.218, Education Code, or another equivalent educational program. The court may:

- (1) order the sealing of the records immediately and without a hearing; or
- (2) hold a hearing to determine whether to seal the records.

SECTION _____. Subsection (c-4), Section 58.003, Family Code, as added by Chapter 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is redesignated as Subsection (c-6), Section 58.003, Family Code, and amended to read as follows:

(c-6) [~~(c-4)~~] A prosecuting attorney or juvenile probation department may maintain until a child's 17th birthday a separate record of the child's name and date of birth and the date on which the child successfully completed the educational program, if the child's records are sealed under Subsection (c-5) [~~(c-3)~~]. The prosecuting attorney or juvenile probation department, as applicable, shall send the record to the court as soon as practicable after the child's 17th birthday to be added to the child's other sealed records.

SECTION _____. Subsection (d), Section 58.003, Family Code, as amended by Chapters 1150 (H.B. 2015) and 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

(d) The court may grant to a child the relief authorized in Subsection (a), (c-1), [~~(c-3)~~] (c-3), or (c-5) at any time after final discharge of the child or after the last official action in the case if there was no adjudication, subject, if applicable, to Subsection (e). If the child is referred to the juvenile court for conduct constituting any offense and at the adjudication hearing the child is found to be not guilty of each offense alleged, the court shall immediately and without any additional hearing order the sealing of all files and records relating to the case.

SECTION _____. Subsection (g-1), Section 58.003, Family Code, is amended to read as follows:

(g-1) Statistical data [~~Any records~~] collected or maintained by the Texas Juvenile Justice Department, including statistical data submitted under Section 221.007, Human Resources Code, is [~~are~~] not subject to a sealing order issued under this section.

SECTION _____. Subsection (a), Section 58.203, Family Code, is amended to read as follows:

(a) The department shall certify to the juvenile probation department to which a referral was made that resulted in information being submitted to the juvenile justice information system that the records relating to a person's juvenile case are subject to automatic restriction of access if:

- (1) the person is at least 17 years of age;
- (2) the juvenile case did not include [~~violent or habitual felony~~] conduct resulting in determinate sentence proceedings in the juvenile court under Section 53.045; and
- (3) the juvenile case was not certified for trial in criminal court under Section 54.02.

SECTION _____. Subsection (b), Section 58.204, Family Code, is amended to read as follows:

(b) On certification of records in a case under Section 58.203, the department may permit access to the information in the juvenile justice information system relating to the case of an individual only:

- (1) by a criminal justice agency for a criminal justice purpose, as those terms are defined by Section 411.082, Government Code; ~~or~~
- (2) for research purposes, by the Texas Juvenile Justice Department;
- (3) by the person who is the subject of the records on an order from the juvenile court granting the petition filed by or on behalf of the person who is the subject of the records;
- (4) with the permission of the juvenile court at the request of the person who is the subject of the records; or
- (5) with the permission of the juvenile court, by a party to a civil suit if the person who is the subject of the records has put facts relating to the person's records at issue in the suit [~~Probation Commission, the Texas Youth Commission, or the Criminal Justice Policy Council~~].

SECTION _____. Section 58.207, Family Code, is amended to read as follows:

Sec. 58.207. JUVENILE COURT ORDERS ON CERTIFICATION. (a) On certification of records in a case under Section 58.203, the juvenile court shall order:

(1) that the following records relating to the case may be accessed only as provided by Section 58.204(b):

(A) if the respondent was committed to the Texas Juvenile Justice Department [~~Youth Commission~~], records maintained by the department [~~commission~~];

- (B) records maintained by the juvenile probation department;
- (C) records maintained by the clerk of the court;
- (D) records maintained by the prosecutor's office; and
- (E) records maintained by a law enforcement agency; and

(2) the juvenile probation department to make a reasonable effort to notify the person who is the subject of records for which access has been restricted of the action restricting access and the legal significance of the action for the person, but only if the person has requested the notification in writing and has provided the juvenile probation department with a current address.

(b) Except as provided by Subsection (c), on ~~[On]~~ receipt of an order under Subsection (a)(1), the agency maintaining the records:

(1) may allow access only as provided by Section 58.204(b); and

(2) shall respond to a request for information about the records by stating that the records do not exist.

(c) Subsection (b) does not apply if:

(1) the subject of an order issued under Subsection (a)(1) is under the jurisdiction of the juvenile court or the Texas Juvenile Justice Department; or

(2) the agency has received notice that the records are not subject to restricted access under Section 58.211.

(d) Notwithstanding Subsection (b) and Section 58.206(b), with the permission of the subject of the records, an agency listed in Subsection (a)(1) may permit the state military forces or the United States military forces to have access to juvenile records held by that agency. On receipt of a request from the state military forces or the United States military forces, an agency may provide access to juvenile records held by that agency in the same manner authorized by law for records that have not been restricted under Subsection (a).

SECTION _____. Section 58.209, Family Code, is amended to read as follows:

Sec. 58.209. INFORMATION TO CHILD BY PROBATION OFFICER OR TEXAS JUVENILE JUSTICE DEPARTMENT ~~[YOUTH COMMISSION]~~.

(a) When a child is placed on probation for an offense that may be eligible for automatic restricted access at age 17 or when a child is received by the Texas Juvenile Justice Department ~~[Youth Commission]~~ on an indeterminate commitment, a probation officer or an official at the Texas Juvenile Justice Department ~~[Youth Commission]~~ reception center, as soon as practicable, shall explain the substance of the following information to the child:

(1) if the child was adjudicated as having committed delinquent conduct for a felony or jailable misdemeanor, that the child probably has a juvenile record with the department and the Federal Bureau of Investigation;

(2) that the child's juvenile record is a permanent record that is not destroyed or erased unless the record is eligible for sealing and the child or the child's family hires a lawyer and files a petition in court to have the record sealed;

(3) that the child's juvenile record, other than treatment records made confidential by law, can be accessed by police, sheriff's officers, prosecutors, probation officers, correctional officers, and other criminal and juvenile justice officials in this state and elsewhere;

(4) that the child's juvenile record, other than treatment records made confidential by law, can be accessed by employers, educational institutions, licensing agencies, and other organizations when the child applies for employment or educational programs;

(5) if the child's juvenile record is placed on restricted access when the child becomes 17 years of age, that access will be denied to employers, educational institutions, and others except for criminal justice agencies; ~~and~~

(6) that restricted access does not require any action by the child or the child's family, including the filing of a petition or hiring of a lawyer, but occurs automatically at age 17; and

(7) that if the child is under the jurisdiction of the juvenile court or the Texas Juvenile Justice Department on or after the child's 17th birthday, the law regarding restricted access will not apply until the person is discharged from the jurisdiction of the court or department, as appropriate.

(b) The probation officer or Texas Juvenile Justice Department ~~Youth Commission~~ official shall:

(1) give the child a written copy of the explanation provided; and

(2) communicate the same information to at least one of the child's parents or, if none can be found, to the child's guardian or custodian.

(c) The Texas Juvenile Justice Department ~~Probation Commission and the Texas Youth Commission~~ shall adopt rules to implement this section and to facilitate the effective explanation of the information required to be communicated by this section.

SECTION _____. Subsection (a), Section 23.101, Government Code, is amended to read as follows:

(a) The trial courts of this state shall regularly and frequently set hearings and trials of pending matters, giving preference to hearings and trials of the following:

(1) temporary injunctions;

(2) criminal actions, with the following actions given preference over other criminal actions:

(A) criminal actions against defendants who are detained in jail pending trial;

(B) criminal actions involving a charge that a person committed an act of family violence, as defined by Section 71.004, Family Code;

(C) an offense under:

(i) Section 21.02 or 21.11, Penal Code;

(ii) Chapter 22, Penal Code, if the victim of the alleged offense is younger than 17 years of age;

(iii) Section 25.02, Penal Code, if the victim of the alleged offense is younger than 17 years of age;

(iv) Section 25.06, Penal Code;

(v) Section 43.25, Penal Code; or

(vi) Section 20A.03, Penal Code;

(D) an offense described by Article 62.001(6)(C) or (D), Code of Criminal Procedure; and

(E) criminal actions against persons ~~children~~ who are detained as provided by Section 51.12, Family Code, after transfer for prosecution in criminal court under Section 54.02, Family Code;

(3) election contests and suits under the Election Code;

(4) orders for the protection of the family under Subtitle B, Title 4, Family Code;

(5) appeals of final rulings and decisions of the division of workers' compensation of the Texas Department of Insurance regarding workers' compensation claims and claims under the Federal Employers' Liability Act and the Jones Act;

(6) appeals of final orders of the commissioner of the General Land Office under Section 51.3021, Natural Resources Code;

(7) actions in which the claimant has been diagnosed with malignant mesothelioma, other malignant asbestos-related cancer, malignant silica-related cancer, or acute silicosis; and

(8) appeals brought under Section 42.01 or 42.015, Tax Code, of orders of appraisal review boards of appraisal districts established for counties with a population of less than 175,000.

SECTION _____. Section 243.005, Human Resources Code, is amended to read as follows:

Sec. 243.005. INFORMATION PROVIDED BY COMMITTING COURT. In addition to the information provided under Section 243.004, a court that commits a child to the department shall provide the department with a copy of the following documents:

(1) the petition and the adjudication and disposition orders for the child, including the child's thumbprint;

(2) if the commitment is a result of revocation of probation, a copy of the conditions of probation and the revocation order;

(3) the social history report for the child;

(4) any psychological or psychiatric reports concerning the child;

(5) the contact information sheet for the child's parents or guardian;

(6) any law enforcement incident reports concerning the offense for which the child is committed;

(7) any sex offender registration information concerning the child;

(8) any juvenile probation department progress reports concerning the child;

(9) any assessment documents concerning the child;

(10) the computerized referral and case history for the child, including case disposition;

(11) the child's birth certificate;

(12) the child's social security number or social security card, if available;

(13) the name, address, and telephone number of the court administrator in the committing county;

(14) Title IV-E eligibility screening information for the child, if available;

(15) the address in the committing county for forwarding funds collected to which the committing county is entitled;

(16) any of the child's school or immunization records that the committing county possesses;

(17) any victim information concerning the case for which the child is committed; ~~and~~

(18) any of the child's pertinent medical records that the committing court possesses;

(19) the Texas Juvenile Justice Department standard assessment tool results for the child;

(20) the Department of Public Safety CR-43J form or tracking incident number concerning the child; and

(21) documentation that the committing court has required the child to provide a DNA sample to the Department of Public Safety.

SECTION _____. The heading to Section 244.014, Human Resources Code, is amended to read as follows:

Sec. 244.014. REFERRAL OF DETERMINATE SENTENCE [~~VIOLENT AND HABITUAL~~] OFFENDERS FOR TRANSFER.

SECTION _____. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

The amendment to **HB 2862** was read and was adopted by a viva voce vote.

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

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

Floor Amendment No. 2

Amend **HB 2862** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 203, Human Resources Code, is amended by adding Section 203.016 to read as follows:

Sec. 203.016. DATA REGARDING PLACEMENT IN DISCIPLINARY SECLUSION. (a) In this section:

(1) "Disciplinary seclusion" means the separation of a resident from other residents for disciplinary reasons and the placement of the resident alone in an area from which egress is prevented for more than 90 minutes.

(2) "Juvenile facility" means a facility that serves juveniles under juvenile court jurisdiction and that is operated as a pre-adjudication secure detention facility, a short-term detention facility, or a post-adjudication secure correctional facility.

(b) The department shall collect the following data during the annual registration of juvenile facilities and make the data publicly available:

(1) the number of placements in disciplinary seclusion lasting at least 90 minutes but less than 24 hours;

(2) the number of placements in disciplinary seclusion lasting 24 hours or more but less than 48 hours; and

(3) the number of placements in disciplinary seclusion lasting 48 hours or more.

The amendment to **HB 2862** was read and was adopted by a viva voce vote.

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

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

HB 2862 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 2862 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2862** be placed on its third reading and final passage.

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

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

SENATE BILL 351 WITH HOUSE AMENDMENT

Senator Hegar called **SB 351** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 351** (house committee report) by striking page 1, lines 18 through 20, and substituting the following:

Sec. 8413.003. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

The amendment was read.

Senator Hegar moved to concur in the House amendment to **SB 351**.

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

SENATE BILL 514 WITH HOUSE AMENDMENT

Senator Davis called **SB 514** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 514** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the installation, maintenance, operation, and relocation of saltwater pipeline facilities.

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

SECTION 1. Chapter 91, Natural Resources Code, is amended by adding Subchapter T to read as follows:

SUBCHAPTER T. SALTWATER PIPELINES

Sec. 91.901. DEFINITIONS. In this subchapter:

(1) "Saltwater pipeline facility" means a pipeline facility that conducts water containing salt and other substances produced during drilling or operating an oil, gas, or other type of well. The term includes a pipeline facility that conducts flowback and produced water from an oil or gas well on which a hydraulic fracturing treatment has been performed to an oil and gas waste disposal well for disposal.

(2) "Saltwater pipeline operator" means a person who owns, installs, manages, operates, leases, or controls a saltwater pipeline facility.

Sec. 91.902. PIPELINE ON PUBLIC ROAD. A saltwater pipeline operator is entitled to install, maintain, and operate a saltwater pipeline facility through, under, along, across, or over a public road only if:

(1) the pipeline facility complies with applicable rules adopted by the Texas Transportation Commission and applicable county and municipal regulations regarding the accommodation of utility facilities on a public road or right-of-way, including regulations relating to the horizontal or vertical placement of the pipeline facility;

(2) the saltwater pipeline operator ensures that the public road and associated facilities are promptly restored to their former condition of usefulness after the installation or maintenance of the pipeline facility is complete; and

(3) the saltwater pipeline operator leases the right-of-way or area in which the pipeline facility is installed and pays to the applicable governmental entity the fair market value of the operator's use of the right-of-way or area, unless the operator is authorized by other law to install, maintain, and operate the pipeline facility through, under, along, across, or over the public road.

Sec. 91.903. RELOCATION OF SALTWATER PIPELINE FACILITY FOR CERTAIN PURPOSES. (a) Except as provided by Section 203.092, Transportation Code, the Texas Transportation Commission, the commissioners court of a county, or the governing body of a municipality, as applicable, may require a saltwater pipeline operator to relocate a saltwater pipeline facility at the cost of the saltwater pipeline operator to accommodate construction or expansion of a public road or for any other public work unless the saltwater pipeline operator has a property interest in the land occupied by the facility to be relocated.

(b) The Texas Transportation Commission, the commissioners court of a county, or the governing body of a municipality, as applicable, shall give to the saltwater pipeline operator 30 days' written notice of the requirement. The notice must identify the pipeline facility to be relocated and indicate the approximate location on the new right-of-way where the saltwater pipeline operator may place the facility.

Sec. 91.904. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to:

(1) limit the authority of a saltwater pipeline facility to use a public right-of-way under any other law;

(2) affect the authority of a municipality to:

(A) regulate the use of a public right-of-way by a saltwater pipeline operator under any other law; or

(B) require payment of any applicable charge under Section 182.025, Tax Code; or

(3) require a county or municipality to:

(A) grant a right to a saltwater pipeline operator that applies to a public road or right-of-way and that is broader than the county's or municipality's legal interest in the public road or right-of-way; or

(B) grant more than a surface right to a saltwater pipeline operator in a right-of-way acquired by prescription.

Sec. 91.905. APPLICATION OF OTHER LAW. Section 212.153(e), Local Government Code, and Sections 203.092, 224.008, and 502.1981(c)(4), Transportation Code, apply to saltwater pipeline operators and saltwater pipeline facilities in the same manner as they apply to utilities and utility facilities.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

The amendment was read.

Senator Davis moved to concur in the House amendment to **SB 514**.

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

SENATE BILL 763 WITH HOUSE AMENDMENT

Senator Watson called **SB 763** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 763** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to motorcycle training, the enforcement of certification standards for motorcycles, and the license requirements for a three-wheeled motorcycle; creating an offense.

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

SECTION 1. Section 521.148(a), Transportation Code, is amended to read as follows:

(a) An applicant for an original Class M license or Class A, B, or C driver's license that includes an authorization to operate a motorcycle must furnish to the department evidence satisfactory to the department that the applicant has successfully completed a [basic] motorcycle operator training course approved by the department under Chapter 662. The department shall issue a Class M license that is restricted to the operation of a three-wheeled motorcycle if the motorcycle operator training course completed by the applicant is specific to the operation of a three-wheeled motorcycle.

SECTION 2. Section 662.002(b), Transportation Code, is amended to read as follows:

(b) The program shall include curricula approved by the state agency administering the program [~~developed by the Motorcycle Safety Foundation~~].

SECTION 3. Section 662.006, Transportation Code, is amended to read as follows:

Sec. 662.006. UNAUTHORIZED TRAINING PROHIBITED. (a) A person may not offer or conduct training in motorcycle operation for ~~a~~ consideration unless the person is licensed by or contracts with the designated state agency.

(b) A person who violates Subsection (a) commits an offense. An offense under this subsection is a Class B misdemeanor, except that the offense is a Class A misdemeanor if it is shown on the trial of the offense that the defendant has been previously convicted of an offense under this section.

SECTION 4. Section 662.008(b), Transportation Code, is amended to read as follows:

(b) Following denial, suspension, or cancellation of [~~Before the designated state agency may deny, suspend, or cancel~~] the approval of a program sponsor or an instructor, notice and opportunity for a hearing must be given as provided by:

- (1) Chapter 2001, Government Code; and
- (2) Chapter 53, Occupations Code.

SECTION 5. Section 521.227, Transportation Code, is repealed.

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

The amendment was read.

Senator Watson moved to concur in the House amendment to **SB 763**.

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

SENATE BILL 946 WITH HOUSE AMENDMENT

Senator Nelson called **SB 946** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SB 946** on page 4, line 6 (senate engrossed version) by striking "September 1, 2013" and substituting "January 1, 2014".

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 946**.

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

SENATE BILL 1237 WITH HOUSE AMENDMENT

Senator Schwertner called **SB 1237** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1237** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to referral of disputes for alternative dispute resolution, including victim-directed referrals; authorizing a fee.

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

SECTION 1. Subsection (b), Section 152.002, Civil Practice and Remedies Code, is amended to read as follows:

(b) The commissioners court may do all necessary acts to make the alternative dispute resolution system effective, including:

(1) contracting with a private nonprofit corporation, a political subdivision, a public corporation, or a combination of these entities for the purpose of administering the system;

(2) making reasonable rules relating to the system, including rules specifying whether criminal cases may be referred to the system; and

(3) vesting management of the system in a committee selected by the county bar association.

SECTION 2. Section 152.003, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 152.003. REFERRAL OF CASES. (a) A judge of a district court, county court, statutory county court, probate court, or justice of the peace court in a county in which an alternative dispute resolution system has been established may, on motion of a party or on the judge's or justice's own motion, refer a civil or, if the system accepts criminal cases and on the request of an attorney representing the state, a criminal case to the system regardless of whether the defendant in the criminal case has been formally charged. Referral under this section does not prejudice the case.

(b) Before requesting a referral of a criminal case under this section, an attorney representing the state must obtain the consent of the victim and the defendant to the referral.

(c) A criminal case may not be referred to the system if the defendant is charged with or convicted of an offense listed in Section 3g(a)(1), Article 42.12, Code of Criminal Procedure, or convicted of an offense, the judgment for which contains an affirmative finding under Section 3g(a)(2), Article 42.12, Code of Criminal Procedure.

SECTION 3. Section 152.006, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 152.006. FEE FOR ALTERNATIVE DISPUTE RESOLUTION CENTERS. An entity described by Section 152.002(a) or (b)(1) [~~152.002(b)(1)~~] that provides services for the resolution of disputes [~~in a county that borders the Gulf of Mexico with a population of 250,000 or more but less than 300,000~~] may collect a reasonable fee [~~in any amount~~] set by the commissioners court [~~from a person who receives the services. This section may not be construed to affect the collection of a fee by any other entity described by Section 152.002(b)(1).~~]

SECTION 4. Chapter 152, Civil Practice and Remedies Code, is amended by adding Section 152.007 to read as follows:

Sec. 152.007. PARTICIPANT FEE FOR CRIMINAL DISPUTE RESOLUTION. (a) An entity that provides services for the resolution of criminal disputes under this chapter may collect a reasonable fee set by the commissioners court from a person who receives the services, not to exceed \$350, except that a fee may not be collected from an alleged victim of the crime.

(b) Fees collected under this section may be paid on a periodic basis or on a deferred payment schedule at the discretion of the judge, magistrate, or program director administering the pretrial victim-offender mediation program. The fees must be based on the defendant's ability to pay.

SECTION 5. (a) The changes in law made by this Act with respect to criminal cases apply only to a criminal case in which the defendant is arrested for or charged with an offense that occurs on or after the effective date of this Act. A criminal case in which the defendant is arrested for or charged with an offense that occurs before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense was committed before that date.

(b) The changes in law made by this Act with respect to civil cases apply only to a civil case referred to a county alternative dispute resolution system on or after the effective date of this Act. A civil case referred before the effective date of this Act is governed by the law applicable to the case immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

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

The amendment was read.

Senator Schwertner moved to concur in the House amendment to **SB 1237**.

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

SENATE BILL 948 WITH HOUSE AMENDMENT

Senator Nelson called **SB 948** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 948** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to management of a coordinated county transportation authority.

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

SECTION 1. Section 431.003(3), Transportation Code, is amended to read as follows:

- (3) "Local government" means:
 - (A) a municipality;
 - (B) a county; or
 - (C) for purposes of Subchapter D:
 - (i) [5] a navigation district, hospital district, or hospital authority;

(ii) ~~[, or]~~ a regional transportation authority governed by Chapter 452; or

(iii) a coordinated county transportation authority governed by Chapter 460 [as described by Section 452.001].

SECTION 2. Section 460.054(b), Transportation Code, is amended to read as follows:

(b) The interim executive committee is composed of:

(1) one member appointed by the governing body of each municipality with a population of 12,000 or more that is located in the county;

(2) three members appointed by the commissioners court, two of whom must reside in the unincorporated area of the county; ~~and~~

(3) three members to be designated by the remaining municipalities with a population of more than 500 but less than 12,000 located in the county; and

(4) one member appointed by the governing body of each municipality in the county with a population of more than 500 but less than 12,000 that:

(A) designates a public transportation financing area under Section 460.603;

(B) enters into an agreement with the authority to provide public transportation services in the public transportation financing area under Subchapter I; and

(C) did not approve the designation of any member designated under Subdivision (3).

SECTION 3. Section 460.105, Transportation Code, is amended by adding Subsection (c) to read as follows:

(c) A private operator who contracts with an authority under this chapter is not a public entity for purposes of any law of this state except that an independent contractor of the authority that performs a function of the authority is liable for damages only to the extent that the authority would be liable if the authority or entity itself were performing the function.

SECTION 4. Section 460.1092(a), Transportation Code, is amended to read as follows:

(a) An authority may employ or contract for persons to serve as fare enforcement officers to enforce the payment of fares for use of the public transportation system by:

(1) requesting and inspecting evidence showing payment of the appropriate fare from a person using the public transportation system; and

(2) issuing a citation to a person described by Section 460.1091(d).

SECTION 5. Section 460.2015(a), Transportation Code, is amended to read as follows:

(a) The board of directors of an authority confirmed under Subchapter B may increase the population amount stated by Section 460.054(b)(1) in increments of up to 5,000. If the board increases that population amount, the board shall also increase each population amount stated by Sections 460.054(b)(3), (b)(4), and (c) [460.054(e)] by the same amount.

SECTION 6. Section 460.202, Transportation Code, is amended to read as follows:

Sec. 460.202. ELIGIBILITY. To be eligible for appointment to the board of directors, a person must:

(1) have professional experience in the field of transportation, business, government, engineering, or law; and

(2) reside:

(A) in the territory of the authority; or

(B) outside the territory of the authority in a municipality that is located partly in the territory of the authority.

SECTION 7. Section 460.406(c), Transportation Code, is amended to read as follows:

(c) The board of directors may authorize the negotiation of a contract without competitive sealed bids or proposals if:

(1) the aggregate amount involved in the contract is \$50,000 or less;

(2) the contract is for construction for which not more than one bid or proposal is received;

(3) the contract is for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition;

(4) the contract is to respond to an emergency for which the public exigency does not permit the delay incident to the competitive process;

(5) the contract is for personal or professional services or services for which competitive bidding is precluded by law;

(6) the contract, without regard to form and which may include bonds, notes, loan agreements, or other obligations, is for the purpose of borrowing money or is a part of a transaction relating to the borrowing of money, including:

(A) a credit support agreement, such as a line or letter of credit or other debt guaranty;

(B) a bond, note, debt sale or purchase, trustee, paying agent, remarketing agent, indexing agent, or similar agreement;

(C) an agreement with a securities dealer, broker, or underwriter; and

(D) any other contract or agreement considered by the board of directors to be appropriate or necessary in support of the authority's financing activities;

(7) the contract is for work that is performed and paid for by the day as the work progresses;

(8) the contract is for the lease or purchase of an interest in land [~~or a right of way~~];

(9) the contract is for the purchase of personal property sold:

(A) at an auction by a state licensed auctioneer;

(B) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or

(C) by a political subdivision of this state, a state agency, or an entity of the federal government;

(10) the contract is for services performed by blind or severely disabled persons;

(11) the contract is for the purchase of electricity; [~~or~~]

(12) the contract is one for an authority project and awarded for alternate project delivery using the procedures under Subchapters E, F, ~~and~~ G, and I, Chapter 2267, Government Code, as added by Chapter 1129 (H.B. 628), Acts of the 82nd Legislature, Regular Session, 2011; or

(13) the contract is for fare enforcement officer services under Section 460.1092.

SECTION 8. Section 460.105(c), Transportation Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 948**.

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

SENATE BILL 503 WITH HOUSE AMENDMENT

Senator West called **SB 503** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 503** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the establishment of the Expanded Learning Opportunities Council to study and make recommendations concerning expanded learning opportunities for public school students.

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

SECTION 1. Chapter 33, Education Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. EXPANDED LEARNING OPPORTUNITIES COUNCIL

Sec. 33.251. DEFINITION. In this chapter, "council" means the Expanded Learning Opportunities Council.

Sec. 33.252. EXPANDED LEARNING OPPORTUNITIES. (a) Expanded learning opportunities may be provided during:

- (1) an extended school day;
- (2) an extended school year; or
- (3) structured learning programs outside of the regular school day, including before- and after-school programs and summer programs.

(b) Expanded learning opportunities may be provided by offering:

- (1) rigorous coursework;
- (2) mentoring;
- (3) tutoring;
- (4) physical activity;

(5) academic support; or

(6) educational enrichment in one or more subjects, including fine arts, civic engagement, science, technology, engineering, and mathematics.

Sec. 33.253. ESTABLISHMENT; PURPOSES. (a) The Expanded Learning Opportunities Council is established to:

(1) study issues concerning expanded learning opportunities for this state's public school students, including:

(A) issues related to creating safe places for children outside of the regular school day, improving the academic success of students who participate in expanded learning opportunities programs, and assisting working families; and

(B) other issues prescribed under Section 33.258; and

(2) make recommendations as provided by Section 33.259 to address issues studied under this subchapter.

(b) In conducting studies under this subchapter, the council shall focus on innovative, hands-on learning approaches that complement rather than replicate the regular school curriculum.

Sec. 33.254. SUNSET PROVISION. The council is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the council is abolished and this subchapter expires September 1, 2017.

Sec. 33.255. COMPOSITION. The council is composed of 13 members appointed by the commissioner as follows:

(1) two members of the public, including one representing the business community and one parent of a public school student participating in an expanded learning opportunities program in this state;

(2) two members who are involved in research-based expanded learning opportunities efforts in this state so that at least one is involved in efforts to extend the school day or school year and at least one is involved in efforts to provide out of school time before or after the regular school day or during the period in which school is recessed for the summer;

(3) one member representing law enforcement;

(4) one member representing the agency;

(5) one member who is an educator, other than a superintendent, at the elementary school level;

(6) one member who is an educator, other than a superintendent, at the middle or junior high school level;

(7) one member who is an educator, other than a superintendent, at the high school level;

(8) one member who is a public school superintendent;

(9) one member representing a foundation that invests in expanded learning opportunities;

(10) one member representing a nonprofit organization that provides programs concerning good nutrition and prevention of or intervention to address childhood obesity; and

(11) one member who is a provider representing summer camps.

Sec. 33.256. MEETINGS. (a) The council shall meet in person at least three times each year and may hold additional meetings by conference call if necessary.

(b) Section 551.125, Government Code, applies to a meeting held by conference call under this section, except that Section 551.125(b), Government Code, does not apply.

Sec. 33.257. COMPENSATION. A member of the council may not receive compensation for service on the council.

Sec. 33.258. POWERS AND DUTIES. (a) The council shall:

(1) study issues related to expanded learning opportunities for public school students;

(2) study current research and best practices related to meaningful expanded learning opportunities;

(3) analyze the availability of and unmet needs for state and local programs for expanded learning opportunities for public school students;

(4) analyze opportunities to create incentives for businesses to support expanded learning opportunities programs for public school students;

(5) analyze opportunities to maximize charitable support for public and private partnerships for expanded learning opportunities programs for public school students;

(6) analyze opportunities to promote science, technology, engineering, and mathematics in expanded learning opportunities programs for public school students;

(7) study the future workforce needs of this state's businesses and other employers; and

(8) perform other duties consistent with this subchapter.

(b) In carrying out its powers and duties under this section, the council may request reports and other information relating to expanded learning opportunities and students in expanded learning opportunities programs from the Texas Education Agency and any other state agency.

Sec. 33.259. STATEWIDE EXPANDED LEARNING OPPORTUNITIES PLAN; REPORT. (a) The council shall develop a comprehensive statewide action plan for the improvement of expanded learning opportunities for public school students in this state, including a timeline for implementation of the plan.

(b) The council shall submit to both houses of the legislature, the governor, and the agency on or before November 1 of each even-numbered year a written report concerning:

(1) the status of the development or implementation of the council's statewide action plan, as applicable;

(2) any action taken to further development or implementation of the plan;

(3) any area that needs improvement in implementing the plan;

(4) any recommended change to the plan; and

(5) programs and services that address expanded learning opportunities outside of the regular school day.

Sec. 33.260. GIFTS, GRANTS, AND DONATIONS. The agency may accept on behalf of the council a gift, grant, or donation from any source to carry out the purposes of this subchapter.

SECTION 2. (a) The Expanded Learning Opportunities Council shall submit the initial report required under Subchapter G, Chapter 33, Education Code, as added by this Act, not later than November 1, 2014.

(b) Not later than December 31, 2013, the commissioner of education shall appoint the members of the Expanded Learning Opportunities Council under Subchapter G, Chapter 33, Education Code, as added by this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 503**.

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

SENATE BILL 1386 WITH HOUSE AMENDMENT

Senator Hancock called **SB 1386** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1386** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the nonforfeiture requirements of certain life insurance policies.

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

SECTION 1. Subchapter A, Chapter 1105, Insurance Code, is amended by adding Section 1105.0015 to read as follows:

Sec. 1105.0015. DEFINITION. In this chapter, "operative date of the valuation manual" means the date, if any, on which the valuation manual described by Subchapter B, Chapter 425 (Standard Valuation Law), becomes operative as provided by that subchapter.

SECTION 2. Section 1105.055, Insurance Code, is amended by amending Subsections (h) and (i) and adding Subsections (j), (k), (l), and (m) to read as follows:

(h) For a policy issued before the operative date of the valuation manual, any [Any] ordinary mortality table adopted after 1980 by the National Association of Insurance Commissioners that is approved by rules adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for:

(1) the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors; or

(2) the Commissioners 1980 Extended Term Insurance Table.

(i) For a policy issued before the operative date of the valuation manual, any [Any] industrial mortality table adopted after 1980 by the National Association of Insurance Commissioners that is approved by rules adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for:

(1) the Commissioners 1961 Standard Industrial Mortality Table; or

(2) the Commissioners 1961 Industrial Extended Term Insurance Table.

(j) Except as provided by Subsection (k), for a policy described by Subsection (h) issued on or after the operative date of the valuation manual, the valuation manual must provide the commissioners' standard ordinary mortality table for use in determining the minimum nonforfeiture standard that may be substituted for:

(1) the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors; or

(2) the Commissioners 1980 Extended Term Insurance Table.

(k) If the commissioner by rule adopts a commissioners' standard ordinary mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, the minimum nonforfeiture standard determined in accordance with that table supersedes the standard provided by the valuation manual.

(l) Except as provided by Subsection (m), for a policy described by Subsection (i) issued on or after the operative date of the valuation manual, the valuation manual must include the commissioners' standard industrial mortality table for use in determining the minimum nonforfeiture standard that may be substituted for:

(1) the 1961 Standard Industrial Mortality Table; or

(2) the Commissioners 1961 Industrial Extended Term Insurance Table.

(m) If the commissioner by rule adopts a commissioners' standard industrial mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, the minimum nonforfeiture standard determined in accordance with that table supersedes the standard provided by the valuation manual.

SECTION 3. Section 1105.056, Insurance Code, is amended to read as follows:

Sec. 1105.056. NONFORFEITURE INTEREST RATE. (a) For a policy issued before the operative date of the valuation manual, the ~~The~~ annual nonforfeiture interest rate for a policy issued in a particular calendar year is equal to 125 percent of the calendar year statutory valuation interest rate for that policy as defined by Subchapter B, Chapter 425, rounded to the nearest one-fourth of one percent, except that the commissioner by rule may adopt a different nonforfeiture interest rate.

(b) For a policy issued on or after the operative date of the valuation manual, the annual nonforfeiture interest rate for any policy issued in a particular calendar year is provided by the valuation manual.

SECTION 4. The commissioner of insurance may not implement this Act before the operative date of the valuation manual described by Section 1105.0015, Insurance Code, as added by this Act.

SECTION 5. This Act takes effect only if an Act of the 83rd Legislature, Regular Session, 2013, that amends Chapter 425, Insurance Code, to authorize the commissioner of insurance to adopt a standard valuation manual and provide an operative date for that manual is enacted and becomes law. If an Act of the 83rd Legislature, Regular Session, 2013, amending Chapter 425, Insurance Code, to authorize the commissioner of insurance to adopt a standard valuation manual and provide an operative date for that manual does not become law, this Act has no effect.

SECTION 6. This Act takes effect January 1, 2014.

The amendment was read.

Senator Hancock moved to concur in the House amendment to **SB 1386**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Nichols.

SENATE BILL 718 WITH HOUSE AMENDMENT

Senator West called **SB 718** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 718** (house committee report) as follows:

(1) On page 1, lines 22 through 23, strike "or provider of outpatient mental health services".

(2) On page 1, line 23, strike "older than".

(3) On page 1, line 24, between "age" and "and", insert "or older".

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

SECTION _____. Chapter 572, Health and Safety Code, is amended by adding Section 572.0051 to read as follows:

Sec. 572.0051. TRANSPORTATION OF PATIENT TO ANOTHER STATE. A person may not transport a patient to a mental health facility in another state for inpatient mental health services under this chapter unless transportation to that facility is authorized by a court order.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 718**.

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

SENATE BILL 939 WITH HOUSE AMENDMENT

Senator West called **SB 939** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 939** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Subchapter A, Chapter 38, Education Code, is amended by adding Section 38.0042 to read as follows:

Sec. 38.0042. POSTING CHILD ABUSE HOTLINE TELEPHONE NUMBER.

(a) Each public school and open-enrollment charter school shall post in a clearly visible location in a public area of the school that is readily accessible to students a sign in English and in Spanish that contains the toll-free telephone number operated by the Department of Family and Protective Services to receive reports of child abuse or neglect.

(b) The commissioner may adopt rules relating to the size and location of the sign required by Subsection (a).

The amendment was read.

Senator West moved to concur in the House amendment to **SB 939**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hegar.

SENATE BILL 869 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 869** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 869** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the regulation of the practice of pharmacy; authorizing fees.

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

SECTION 1. Section 353.204(e), Occupations Code, is amended to read as follows:

(e) The Texas State Board of Pharmacy is responsible for enforcing this chapter with regard to a violation of this chapter by a pharmacist. A violation of this chapter by a pharmacist is considered to be a violation of Subtitle J, ~~other than Chapter 567~~.

SECTION 2. Section 551.001, Occupations Code, is amended to read as follows:

Sec. 551.001. SHORT TITLE. This ~~[The chapters of this] subtitle, other than Chapter 567,~~ may be cited as the Texas Pharmacy Act.

SECTION 3. Section 551.003, Occupations Code, is amended by amending Subdivision (32) and adding Subdivision (32-a) to read as follows:

(32) "Pharmacy technician" means an individual employed by a pharmacy whose responsibility is to provide technical services that do not require professional judgment regarding preparing and distributing drugs and who works under the direct supervision of and is responsible to a pharmacist. The term does not include a pharmacy technician trainee.

(32-a) "Pharmacy technician trainee" means an individual who is registered with the board as a pharmacy technician trainee and is authorized to participate in a pharmacy technician training program.

SECTION 4. Section 554.002, Occupations Code, is amended to read as follows:

Sec. 554.002. REGULATION OF PRACTICE OF PHARMACY. The board shall regulate the practice of pharmacy in this state by:

(1) issuing a license after examination or by reciprocity to an applicant qualified to practice pharmacy and issuing a license to a pharmacy under this subtitle;

(2) renewing a license to practice pharmacy and a license to operate a pharmacy;

(3) determining and issuing standards for recognizing and approving degree requirements of colleges of pharmacy whose graduates are eligible for a license in this state;

(4) specifying and enforcing requirements for practical training, including an internship;

(5) enforcing the provisions of this subtitle relating to:

(A) the conduct or competence of a pharmacist practicing in this state and the conduct of a pharmacy operating in this state; and

(B) the suspension, revocation, retirement, or restriction of a license to practice pharmacy or to operate a pharmacy or the imposition of an administrative penalty or reprimand on a license holder;

(6) regulating the training, qualifications, and employment of a pharmacist-intern, ~~and~~ pharmacy technician, and pharmacy technician trainee; and

(7) determining and issuing standards for recognizing and approving a pharmacy residency program for purposes of Subchapter W, Chapter 61, Education Code.

SECTION 5. Section 554.007(b), Occupations Code, is amended to read as follows:

(b) The board may receive and spend money, or use gifts, grants, and other funds and assets ~~[from a party, other than the state]~~, in addition to money collected under Subsection (a), in accordance with state law.

SECTION 6. The heading to Section 554.053, Occupations Code, is amended to read as follows:

Sec. 554.053. RULEMAKING: PHARMACY TECHNICIAN AND PHARMACY TECHNICIAN TRAINEE.

SECTION 7. Sections 554.053(a) and (b), Occupations Code, are amended to read as follows:

(a) The board shall establish rules for the use and the duties of a pharmacy technician and pharmacy technician trainee in a pharmacy licensed by the board. A pharmacy technician and pharmacy technician trainee shall be responsible to and must be directly supervised by a pharmacist.

(b) The board may not adopt a rule establishing a ratio of pharmacists to pharmacy technicians and pharmacy technician trainees in a Class C pharmacy or limiting the number of pharmacy technicians or pharmacy technician trainees that may be used in a Class C pharmacy.

SECTION 8. Section 557.004, Occupations Code, is amended to read as follows:

Sec. 557.004. LIMITATIONS ON REGISTRATION. (a) The board may:

(1) refuse to issue a registration to an applicant; or

(2) restrict, suspend, or revoke a pharmacist-intern registration for a violation of this subtitle.

(b) The board may take disciplinary action against an applicant for a pharmacist-intern registration or the holder of a current or expired pharmacist-intern registration in the same manner as against an applicant for a license or a license holder by imposing a sanction authorized under Section 565.051 if the board finds that the applicant or registration holder has engaged in conduct described by Section 565.001.

SECTION 9. Section 559.003, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) A person may not renew a license to practice pharmacy if the person holds a license to practice pharmacy in another state that has been suspended, revoked, canceled, or subject to an action that prohibits the person from practicing pharmacy in that state.

SECTION 10. Section 560.052(b), Occupations Code, is amended to read as follows:

(b) To qualify for a pharmacy license, an applicant must submit to the board:

- (1) a license fee set by the board, except as provided by Subsection (d); and
- (2) a completed application that:

(A) is on a form prescribed by the board;

(B) is given under oath; ~~and~~

(C) includes proof that a license held in this state or another state, if applicable, has not been restricted, suspended, revoked, or surrendered for any reason; and

(D) includes a statement of:

(i) the ownership;

(ii) the location of the pharmacy;

(iii) the license number of each pharmacist who is employed by the pharmacy, if the pharmacy is located in this state, or who is licensed to practice pharmacy in this state, if the pharmacy is a Class E pharmacy;

(iv) the license number of the pharmacist-in-charge; and

(v) any other information the board determines necessary.

SECTION 11. Section 561.003, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) A pharmacy may not renew a license under this section if the pharmacy's license to operate in another state has been suspended, revoked, canceled, or subject to an action that prohibits the pharmacy from operating in that state.

SECTION 12. Section 562.012, Occupations Code, is amended to read as follows:

Sec. 562.012. SUBSTITUTION OF DOSAGE FORM PERMITTED. With the patient's consent ~~[and notification to the practitioner]~~, a pharmacist may dispense a dosage form of a drug different from that prescribed, such as a tablet instead of a capsule or a liquid instead of a tablet, if the dosage form dispensed:

(1) contains the identical amount of the active ingredients as the dosage prescribed for the patient;

(2) is not an enteric-coated or timed release product; and

(3) does not alter desired clinical outcomes.

SECTION 13. Section 562.056, Occupations Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) To be a valid prescription, a prescription for a controlled substance must be issued for a legitimate medical purpose by a practitioner acting in the usual course of the practitioner's professional practice. The responsibility for the proper prescribing and dispensing of controlled substances is on the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription.

(b) This section [~~Subsection (a)~~] does not prohibit a pharmacist from dispensing a prescription when a valid practitioner-patient relationship is not present in an emergency.

SECTION 14. Section 562.103, Occupations Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) A Class A or Class C pharmacy that serves the public shall:

(1) display the word "pharmacy" or a similar word or symbol as determined by the board in a prominent place on the front of the pharmacy; and

(2) display in public view the license of the pharmacist-in-charge of [each pharmacist employed in] the pharmacy.

(c) A pharmacy shall maintain and make available to the public on request proof that each pharmacist, pharmacist-intern, pharmacy technician, and pharmacist technician trainee working in the pharmacy holds the appropriate license or registration.

SECTION 15. Section 565.001(a), Occupations Code, is amended to read as follows:

(a) The board may discipline an applicant for or the holder of a current or expired license to practice pharmacy if the board finds that the applicant or license holder has:

(1) violated this subtitle or a board rule adopted under this subtitle;

(2) engaged in unprofessional conduct as defined by board rule;

(3) engaged in gross immorality as defined by board rule;

(4) developed an incapacity that prevents or could prevent the applicant or license holder from practicing pharmacy with reasonable skill, competence, and safety to the public;

(5) engaged in fraud, deceit, or misrepresentation, as defined by board rule, in practicing pharmacy or in seeking a license to practice pharmacy;

(6) been convicted of or placed on deferred adjudication community supervision or deferred disposition or the applicable federal equivalent for:

(A) a misdemeanor:

(i) involving moral turpitude; or

(ii) under Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.); or

(B) a felony;

(7) used alcohol or drugs in an intemperate manner that, in the board's opinion, could endanger a patient's life;

(8) failed to maintain records required by this subtitle or failed to maintain complete and accurate records of purchases or disposals of drugs listed in Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.);

(9) violated any provision of:

(A) Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.), or rules relating to one of those laws; or

(B) Section 485.031, 485.032, 485.033, or 485.034, Health and Safety Code;

(10) aided or abetted an unlicensed person in the practice of pharmacy if the pharmacist knew or reasonably should have known that the person was unlicensed at the time;

(11) refused entry into a pharmacy for an inspection authorized by this subtitle if the pharmacist received notification from which the pharmacist knew or reasonably should have known that the attempted inspection was authorized;

(12) violated any pharmacy or drug statute or rule of this state, another state, or the United States;

(13) been negligent in the practice of pharmacy;

(14) failed to submit to an examination after hearing and being ordered to do so by the board under Section 565.052;

(15) dispensed a prescription drug while acting outside the usual course and scope of professional practice;

(16) been disciplined by a pharmacy board or by another health [the] regulatory board of this state or another state for conduct substantially equivalent to conduct described under this subsection;

(17) violated a disciplinary order, including a confidential order or contract under the program to aid impaired pharmacists and pharmacy students under Chapter 564;

(18) failed to adequately supervise a task delegated to a pharmacy technician or pharmacy technician trainee;

(19) inappropriately delegated a task delegated to a pharmacy technician or pharmacy technician trainee; [or]

(20) been responsible for a drug audit shortage; or

(21) been convicted or adjudicated of a criminal offense that requires registration as a sex offender under Chapter 62, Code of Criminal Procedure.

SECTION 16. Section 565.055(c), Occupations Code, is amended to read as follows:

(c) Notwithstanding Subsection (b), information or material compiled by the board in connection with an investigation may be disclosed:

(1) during any proceeding conducted by the State Office of Administrative Hearings, to the board, or a panel of the board, or in a subsequent trial or appeal of a board action or order;

(2) to a person providing a service to the board, including an expert witness, investigator, or employee of an entity that contracts with the board, related to a disciplinary proceeding against an applicant or license holder, or a subsequent trial or appeal, if the information is necessary for preparation for, or a presentation in, the proceeding;

(3) to an entity in another jurisdiction that:

(A) licenses or disciplines pharmacists or pharmacies; or

(B) registers or disciplines pharmacy technicians or pharmacy technician trainees;

(4) to a pharmaceutical or pharmacy peer review committee as described under Chapter 564;

- (5) to a law enforcement agency;
- (6) to a person engaged in bona fide research, if all information identifying a specific individual has been deleted; or
- (7) to an entity that administers a board-approved pharmacy technician certification examination ~~[under a court order]~~.

SECTION 17. Section 565.101(a), Occupations Code, is amended to read as follows:

(a) A person whose pharmacy license, license to practice pharmacy, ~~[or]~~ pharmacy technician registration, or pharmacy technician trainee registration in this state has been revoked or restricted under this subtitle, whether voluntarily or by board action, may, after the first anniversary of the effective date of the revocation or restriction, petition the board for reinstatement or removal of the restriction of the license or registration.

SECTION 18. The heading to Chapter 568, Occupations Code, is amended to read as follows:

CHAPTER 568. PHARMACY TECHNICIANS AND PHARMACY
TECHNICIAN TRAINEES

SECTION 19. Section 568.001, Occupations Code, is amended to read as follows:

Sec. 568.001. RULES; QUALIFICATIONS ~~[RELATING TO PHARMACY TECHNICIANS]~~. (a) In establishing rules under Section 554.053(c), the board shall require that:

(1) a pharmacy technician:

(A) ~~[(1)]~~ have a high school diploma or a high school equivalency certificate or be working to achieve an equivalent diploma or certificate; and

(B) ~~[(2)]~~ have passed a board-approved pharmacy technician certification examination; and

(2) a pharmacy technician trainee have a high school diploma or a high school equivalency certificate or be working to achieve an equivalent diploma or certificate.

(b) The board shall adopt rules that permit a pharmacy technician and pharmacy technician trainee to perform only nonjudgmental technical duties under the direct supervision of a pharmacist.

SECTION 20. Section 568.002, Occupations Code, is amended to read as follows:

Sec. 568.002. ~~[PHARMACY TECHNICIAN]~~ REGISTRATION REQUIRED. (a) A person must register with the board before beginning work in a pharmacy in this state as a pharmacy technician or a pharmacy technician trainee ~~[pharmacy technician must register with the board annually or biennially, as determined by board rule, on a form prescribed by the board].~~

(b) The board may allow a pharmacy technician to petition the board for a special exemption from the pharmacy technician certification requirement if the pharmacy technician[-

~~[(1)]~~ is in a county with a population of less than 50,000~~[-or~~

~~[(2) on September 1, 2001, has been employed as a pharmacy technician in this state for at least 10 years and the technician's employer approves the petition].~~

(c) An applicant for registration as a pharmacy technician or a pharmacy technician trainee must:

- (1) be of good moral character; and
- (2) submit an application on a form prescribed by the board.

(d) A person's registration as a pharmacy technician or pharmacy technician trainee remains in effect as long as the person meets the qualifications established by board rule.

SECTION 21. Section 568.003(a), Occupations Code, is amended to read as follows:

(a) The board may take disciplinary action under Section 568.0035 against an applicant for or the holder of a current or expired pharmacy technician or pharmacy technician trainee registration if the board determines that the applicant or registrant has:

- (1) violated this subtitle or a rule adopted under this subtitle;
- (2) engaged in gross immorality, as that term is defined by the rules of the board;
- (3) engaged in any fraud, deceit, or misrepresentation, as those terms are defined by the rules of the board, in seeking a registration to act as a pharmacy technician or pharmacy technician trainee;
- (4) been convicted of or placed on deferred adjudication community supervision or deferred disposition or the applicable federal equivalent for:
 - (A) a misdemeanor:
 - (i) involving moral turpitude; or
 - (ii) under Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.); or
 - (B) a felony;
- (5) developed an incapacity that prevents the applicant or registrant from practicing as a pharmacy technician or pharmacy technician trainee with reasonable skill, competence, and safety to the public;
- (6) violated:
 - (A) Chapter 481 or 483, Health and Safety Code, or rules relating to those chapters;
 - (B) Sections 485.031-485.035, Health and Safety Code; or
 - (C) a rule adopted under Section 485.011, Health and Safety Code;
- (7) violated the pharmacy or drug laws or rules of this state, another state, or the United States;
- (8) performed duties in a pharmacy that only a pharmacist may perform, as defined by the rules of the board;
- (9) used alcohol or drugs in an intemperate manner that, in the board's opinion, could endanger a patient's life;
- (10) engaged in negligent, unreasonable, or inappropriate conduct when working in a pharmacy;
- (11) violated a disciplinary order;
- (12) been convicted or adjudicated of a criminal offense that requires registration as a sex offender under Chapter 62, Code of Criminal Procedure; or

(13) been disciplined by a pharmacy or other health regulatory board of this state or another state for conduct substantially equivalent to conduct described by this subsection.

SECTION 22. Section 568.0035(a), Occupations Code, is amended to read as follows:

(a) On a determination that a ground for discipline exists under Section 568.003, the board may:

(1) suspend the person's registration;

(2) revoke the person's registration;

(3) restrict the person's registration to prohibit the person from performing certain acts or from practicing as a pharmacy technician or pharmacy technician trainee in a particular manner for a term and under conditions determined by the board;

(4) impose an administrative penalty under Chapter 566;

(5) refuse to issue or renew the person's registration;

(6) place the offender's registration on probation and supervision by the board for a period determined by the board and impose a requirement that the registrant:

(A) report regularly to the board on matters that are the basis of the probation;

(B) limit practice to the areas prescribed by the board;

(C) continue or review professional education until the registrant attains a degree of skill satisfactory to the board in each area that is the basis of the probation; or

(D) pay the board a probation fee to defray the costs of monitoring the registrant during the period of probation;

(7) reprimand the person;

(8) retire the person's registration as provided by board rule; or

(9) impose more than one of the sanctions listed in this section.

SECTION 23. Section 568.0037(a), Occupations Code, is amended to read as follows:

(a) The president of the board shall appoint a disciplinary panel consisting of three board members to determine whether a registration under this chapter should be temporarily suspended or restricted. If a majority of the panel determines from evidence or information presented to the panel that the registrant by continuation in practice as a pharmacy technician or pharmacy technician trainee would constitute a continuing threat to the public welfare, the panel shall temporarily suspend or restrict the registration as provided by Subsection (b).

SECTION 24. Section 568.004, Occupations Code, is amended to read as follows:

Sec. 568.004. RENEWAL OF REGISTRATION. The board may adopt a system in which the registrations of pharmacy technicians and pharmacy technician trainees expire on various dates during the year.

SECTION 25. Section 568.005, Occupations Code, is amended to read as follows:

Sec. 568.005. FEES. The board may adopt fees as necessary for the registration of pharmacy technicians and pharmacy technician trainees.

SECTION 26. Section 568.006, Occupations Code, is amended to read as follows:

Sec. 568.006. RATIO OF PHARMACISTS TO PHARMACY TECHNICIANS AND PHARMACY TECHNICIAN TRAINEES. The ratio of pharmacists to pharmacy technicians and pharmacy technician trainees in a Class A pharmacy must be at least one pharmacist for every five pharmacy technicians or pharmacy technician trainees if the Class A pharmacy dispenses not more than 20 different prescription drugs and does not produce intravenous or intramuscular drugs on-site.

SECTION 27. The heading to Section 568.008, Occupations Code, is amended to read as follows:

Sec. 568.008. PHARMACY TECHNICIANS IN HOSPITALS WITH CLINICAL PHARMACY PROGRAM.

SECTION 28. Chapter 568, Occupations Code, is amended by adding Section 568.009 to read as follows:

Sec. 568.009. CHANGE OF ADDRESS OR EMPLOYMENT. Not later than the 10th day after the date of a change of address or employment, a pharmacy technician or a pharmacy technician trainee shall notify the board in writing of the change.

SECTION 29. Sections 569.001(a) and (c), Occupations Code, are amended to read as follows:

(a) Every insurer or other entity providing pharmacist's professional liability insurance, pharmacy technician professional and supplemental liability insurance, or druggist's professional liability insurance covering a pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder in this state shall submit to the board the information described in Section 569.002 at the time prescribed.

(c) If a pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy licensed in this state does not carry or is not covered by pharmacist's professional liability insurance, pharmacy technician professional and supplemental liability insurance, or druggist's professional liability insurance and is insured by a nonadmitted carrier or other entity providing pharmacy professional liability insurance that does not report under this subtitle, the duty to report information under Section 569.002 is the responsibility of the pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder.

SECTION 30. Section 569.002(a), Occupations Code, is amended to read as follows:

(a) The following information must be furnished to the board not later than the 30th day after receipt by the insurer of the notice of claim letter or complaint from the insured:

(1) the name of the insured and the insured's state pharmacy technician registration number, pharmacy technician trainee registration number, or pharmacist or pharmacy license number;

(2) the policy number; and

(3) a copy of the notice of claim letter or complaint.

SECTION 31. Section 569.005(b), Occupations Code, is amended to read as follows:

(b) The board shall review the information relating to a pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder against whom at least three professional liability claims have been reported within a five-year period in the same manner as if a complaint against the pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder had been made under Chapter 555.

SECTION 32. Section 411.081(i), Government Code, is amended to read as follows:

(i) A criminal justice agency may disclose criminal history record information that is the subject of an order of nondisclosure under Subsection (d) to the following noncriminal justice agencies or entities only:

(1) the State Board for Educator Certification;
 (2) a school district, charter school, private school, regional education service center, commercial transportation company, or education shared service arrangement;

(3) the Texas Medical Board;
 (4) the Texas School for the Blind and Visually Impaired;
 (5) the Board of Law Examiners;
 (6) the State Bar of Texas;
 (7) a district court regarding a petition for name change under Subchapter B, Chapter 45, Family Code;

(8) the Texas School for the Deaf;
 (9) the Department of Family and Protective Services;
 (10) the Texas Juvenile Justice Department [~~Youth Commission~~];
 (11) the Department of Assistive and Rehabilitative Services;
 (12) the Department of State Health Services, a local mental health service, a local mental retardation authority, or a community center providing services to persons with mental illness or retardation;

(13) the Texas Private Security Board;
 (14) a municipal or volunteer fire department;
 (15) the Texas Board of Nursing;
 (16) a safe house providing shelter to children in harmful situations;
 (17) a public or nonprofit hospital or hospital district;
 (18) [~~the Texas Juvenile Probation Commission~~];
 [(19)] the securities commissioner, the banking commissioner, the savings and mortgage lending commissioner, the consumer credit commissioner, or the credit union commissioner;

(19) [(20)] the Texas State Board of Public Accountancy;
 (20) [(21)] the Texas Department of Licensing and Regulation;
 (21) [(22)] the Health and Human Services Commission;
 (22) [(23)] the Department of Aging and Disability Services;
 (23) [(24)] the Texas Education Agency;
 (24) [(25)] the Guardianship Certification Board;

(25) ~~[(26)]~~ a county clerk's office in relation to a proceeding for the appointment of a guardian under Chapter XIII, Texas Probate Code;

(26) ~~[(27)]~~ the Department of Information Resources but only regarding an employee, applicant for employment, contractor, subcontractor, intern, or volunteer who provides network security services under Chapter 2059 to:

(A) the Department of Information Resources; or

(B) a contractor or subcontractor of the Department of Information Resources;

(27) ~~[(28)]~~ the Court Reporters Certification Board;

(28) ~~[(29)]~~ the Texas Department of Insurance; ~~and~~

(29) ~~[(30)]~~ the Teacher Retirement System of Texas; and

(30) the Texas State Board of Pharmacy.

SECTION 33. The following provisions of the Occupations Code are repealed:

(1) Chapter 567; and

(2) Section 568.007.

SECTION 34. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 869**.

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

SENATE BILL 1074 WITH HOUSE AMENDMENT

Senator Hegar called **SB 1074** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1074** (house committee report) as follows:

(1) On page 2, strike lines 26-27 and substitute the following:

SECTION 2. Chapter 35, Insurance Code, is amended by amending Section 35.004 and adding Section 35.0045 to read as follows:

(2) On page 3, lines 2 through 5, strike the text of Subsection (a) and redesignate subsections and cross-references in the bill to those subsections accordingly.

(3) On page 6, line 6, strike "January 1, 2014" and substitute "September 1, 2013".

(4) On page 6, strike lines 24-25 and substitute the following:
signature or written communication.

Sec. 35.0045. RULES. [(a)] The commissioner shall adopt rules necessary to implement and enforce this chapter.

The amendment was read.

Senator Hegar moved to concur in the House amendment to **SB 1074**.

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

SENATE BILL 1200 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 1200** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1200** (house committee report) as follows:

(1) In SECTION 6 of the bill, in added Section 436.105(a), Government Code (page 7, line 8), strike "may" and substitute "shall".

(2) In SECTION 6 of the bill, in added Section 436.105(b), Government Code (page 7, line 12), strike "A task force" and substitute "The task force".

(3) In SECTION 6 of the bill, in added Section 436.105(c), Government Code (page 7, line 16), strike "A task force" and substitute "The task force".

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 1200**.

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

SENATE BILL 499 WITH HOUSE AMENDMENT

Senator Lucio called **SB 499** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 499** (house committee printing) by striking lines 12-17 and substituting the following:

SECTION 2. The change in law made by this Act applies only to a complaint under Section 1201.406(a), Occupations Code, that is pending on the effective date of this Act or is filed on or after the effective date of this Act. A complaint that is filed before the effective date of this Act and is not pending on the effective date of this Act is covered by the law in effect on the date the complaint was filed, and that law is continued in effect for that purpose.

The amendment was read.

Senator Lucio moved to concur in the House amendment to **SB 499**.

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

SENATE BILL 562 WITH HOUSE AMENDMENT

Senator Carona called **SB 562** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 562** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the license qualifications and continuing education requirements for polygraph examiners.

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

SECTION 1. Subdivision (3), Section 1703.003, Occupations Code, is amended to read as follows:

(3) "Instrument" means a device used to test a subject to detect deception or verify the truth of a statement including by recording visually, permanently, and simultaneously a subject's cardiovascular and respiratory patterns. The term includes a lie detector, polygraph, deceptograph, or any other similar or related device used to detect deception or verify the truth of a statement.

SECTION 2. Subsection (a), Section 1703.201, Occupations Code, is amended to read as follows:

(a) A person may not use or offer to use, for compensation or for a law enforcement purpose, an instrument, including a polygraph, to detect deception or verify the truth of a statement unless the person is licensed under this chapter.

SECTION 3. Subsection (a), Section 1703.203, Occupations Code, is amended to read as follows:

(a) A person is qualified for a polygraph examiner license if the person:

(1) has not been convicted of an offense that directly relates to the duties and responsibilities of a polygraph examiner;

(2) either:

(A) holds a baccalaureate degree from a college or university accredited by an organization designated by the department that the department determines has accreditation standards ensuring a high level of student scholarship; or

(B) has active investigative experience during the five years preceding the date of application;

(3) has completed an acceptable ~~either:~~

~~[(A) is a graduate of a department approved]~~ polygraph examiner ~~[examiners]~~ course of study taught by a school recognized by the department and has satisfactorily completed at least six months of a polygraph examiner internship; ~~or~~

~~[(B) has satisfactorily completed at least 12 months of a polygraph examiner internship;]~~ and

(4) has passed an examination conducted by, under the supervision of, or approved by the department to determine the person's competency for a license.

SECTION 4. Section 1703.207, Occupations Code, is amended to read as follows:

Sec. 1703.207. WAIVER OF LICENSE REQUIREMENTS FOR APPLICANT WITH OUT-OF-STATE LICENSE OR OTHER RECOGNIZED EDUCATION OR EXPERIENCE. The executive director may waive any license requirement for an applicant who:

(1) holds a license from another state that has license requirements substantially equivalent to those of this state;

(2) has verified service, training, or experience in using an instrument to detect deception or verify the truth of a statement while serving in the military;

(3) has verified service, training, or experience in using an instrument to detect deception or verify the truth of a statement while employed by the federal government; or

(4) has a combination of education and experience the executive director determines to be substantially equivalent to that required under Section 1703.203.

SECTION 5. Section 1703.255, Occupations Code, is amended to read as follows:

Sec. 1703.255. CONTINUING EDUCATION. (a) The department may recognize, prepare, or implement continuing education programs for polygraph examiners ~~and trainees~~.

(b) Participation in a continuing education program is mandatory ~~voluntary~~.

(c) The commission by rule shall provide continuing education requirements for license holders.

SECTION 6. Section 1703.305, Occupations Code, is amended to read as follows:

Sec. 1703.305. INSTRUMENTS AND MINIMUM INSTRUMENTATION REQUIREMENTS. (a) An instrument used by a polygraph examiner, in addition to recording visually, permanently, and simultaneously a subject's cardiovascular and respiratory patterns, may also record patterns of other physiological changes. The commission may adopt rules to identify other instruments and instrumentation requirements that are acceptable for use in this state.

(b) A polygraph examiner who uses an instrument that does not comply with the instrumentation requirements of Subsection (a) or commission rule is subject to penalties and may be enjoined in the manner provided by this chapter.

SECTION 7. Not later than January 1, 2014, the Texas Commission of Licensing and Regulation shall adopt rules necessary to implement the changes in law made by this Act.

SECTION 8. (a) Subsection (a), Section 1703.203, Occupations Code, as amended by this Act, applies only to an initial license application that is submitted to the Texas Department of Licensing and Regulation on or after March 1, 2014. An initial license application that is submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

(b) Section 1703.207, Occupations Code, as amended by this Act, applies only to an initial license application that is submitted to the Texas Department of Licensing and Regulation on or after January 1, 2014. An initial license application that is submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

(c) Section 1703.255, Occupations Code, as amended by this Act, and the rules adopted under Subsection (c), Section 1703.255, Occupations Code, as added by this Act, apply only to the renewal of a license that expires on or after December 1, 2014. The renewal of a license that expires before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 562**.

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

SENATE BILL 697 WITH HOUSE AMENDMENT

Senator Carona called **SB 697** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 697** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license.

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

SECTION 1. Section 981.203, Insurance Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a)(1)(B), an individual is not required to obtain a general property and casualty agent license to hold a surplus lines agent license if:

- (1) the home state of each insured is Texas;
- (2) the individual is a nonresident of this state;
- (3) the individual is licensed as a surplus lines agent in the individual's state of residence;
- (4) the individual is not required by the individual's state of residence to hold a general property and casualty agent license to become licensed as a surplus lines agent;
- (5) the individual has provided information acceptable to the commissioner that the individual's state of residence does not require a general property and casualty agent license for a surplus lines agent license;
- (6) the individual's state of residence does not require a surplus lines agent to search for the availability of insurance in the individual's state of residence before the insurance is placed through a surplus lines agent;
- (7) the individual's state of residence allows a licensed general property and casualty agent to search for the availability of insurance in the individual's state of residence;
- (8) the individual has a professional relationship with, and each transaction is conducted through, a person who:
 - (A) is a licensed general property and casualty agent in this state or in the state of each transaction; and
 - (B) searches for the availability of insurance in this state before the insurance is placed through a surplus lines agent; and
- (9) each transaction complies with the laws of the state in which it occurs.

SECTION 2. The change in law made by this Act applies to a license application submitted on or after the effective date of this Act. A license application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect January 1, 2014.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 697**.

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

SENATE BILL 893 WITH HOUSE AMENDMENT

Senator Carona called **SB 893** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 893** (house committee printing) as follows:

(1) On page 6, lines 11 and 12, strike "to the local law enforcement agency" and substitute an underlined comma.

(2) On page 6, line 13, strike "and entered" and substitute the following:

, to:

(A) the victim or, if the victim is deceased, a close relative of the victim; and

(B) the local law enforcement agency for entry

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 893**.

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

SENATE BILL 1035 WITH HOUSE AMENDMENT

Senator Carona called **SB 1035** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1035** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to alcoholic beverage license applications and fees.

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

SECTION 1. Section 61.09, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.09. CHANGE OF LOCATION. If a licensee desires to change the licensee's ~~his~~ place of business, the licensee ~~he~~ may do so by applying to the commission ~~county judge~~ on a form prescribed by the commission and obtaining the

commission's ~~[his]~~ consent. The application may be subject to protest and hearing in the same way as an application for an original license. In the case of a required protest hearing, the ~~[The]~~ county judge may deny the application for any cause for which an original license application may be denied. No additional license fee for the unexpired term of the license shall be required in the case of an application for a change of location.

SECTION 2. Subsections (a), (b), and (c), Section 61.31, Alcoholic Beverage Code, are amended to read as follows:

(a) A person may file an application for a license to manufacture, distribute, store, or sell beer with the commission on forms prescribed by the commission. On receipt of an application, the commission or administrator shall determine whether a protest has been filed against the application. If a protest against the application has been filed, the commission or administrator shall investigate the protest. If the commission or administrator finds that no reasonable grounds exist for the protest, or if no protest has been filed, the commission or administrator shall issue a license if the commission or administrator finds that all facts stated in the application are true and no legal ground to refuse a license exists. If the commission or administrator finds that reasonable grounds exist for the protest, the commission or administrator shall reject the protested application and require the applicant to file the application with the county judge of the county in which the applicant desires to conduct business and submit to a hearing ~~[in termtime or vacation with the county judge of the county in which he desires to conduct business. He shall file the application in duplicate].~~

(b) The county judge shall set a protested ~~[the]~~ application for a hearing to be held not less than 5 nor more than 10 days after the date the county judge receives the protested application ~~[is filed].~~

(c) Each applicant for an original license, other than a branch or temporary license, shall pay a hearing fee of \$25 ~~[\$5]~~ to the county clerk at the time of the hearing. The county clerk shall deposit the fee in the county treasury. The applicant is liable for no other fee except the annual license fee prescribed by this code.

SECTION 3. The heading to Section 61.32, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.32. PROTEST HEARING BY COUNTY JUDGE.

SECTION 4. Subsection (b), Section 61.32, Alcoholic Beverage Code, is amended to read as follows:

(b) If the county judge enters an order favorable to the applicant, the applicant shall present a copy of the order to the commission ~~[assessor and collector of taxes of the county and pay that officer the appropriate license fee. The assessor and collector of taxes then shall report to the commission on a form prescribed by the commission, certifying that the application was approved and that all required fees have been paid and furnishing any other information the commission requires. The assessor and collector of taxes shall attach a copy of the original application to the report].~~

SECTION 5. Section 61.33, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.33. ACTION BY COMMISSION OR ADMINISTRATOR AFTER PROTEST HEARING. (a) On receiving an order ~~[a report]~~ from the county judge ~~[assessor and collector of taxes]~~ under Section 61.32(b) ~~[of this code]~~, the commission

or administrator shall issue the appropriate license if the commission or administrator finds that the applicant is entitled to a license. The license shall show the class of business the applicant is authorized to conduct, the amount of fees paid, the address of the place of business, the date the license is issued and the date it expires, and any other information the commission considers proper.

(b) The commission or administrator may refuse to issue a license after receiving the order from ~~[report of]~~ the county judge ~~[assessor and collector of taxes]~~ if the commission or administrator possesses information from which it is determined that any statement in the license application is false or misleading or that there is other legal reason why a license should not be issued. If the commission or administrator refuses to issue a license, the commission ~~[#]~~ or administrator ~~[he]~~ shall enter an order accordingly and the applicant is entitled to a refund of any license fee the applicant ~~[he]~~ paid ~~[the assessor and collector of taxes]~~ in connection with the application.

SECTION 6. Subsection (b), Section 61.34, Alcoholic Beverage Code, is amended to read as follows:

(b) If the judgment of the district court is in favor of the applicant, regardless of whether an appeal is taken, the applicant shall present a copy of the judgment ~~[shall be presented]~~ to the commission ~~[assessor and collector of taxes of the county where the application was made. The assessor and collector of taxes shall accept the fees required by this code and proceed as provided under Section 61.32 of this code as if the county judge had approved the application].~~

SECTION 7. Section 61.35, Alcoholic Beverage Code, is amended by amending Subsections (b) and (d) and adding Subsection (e) to read as follows:

(b) All license fees, except those for temporary licenses, shall be deposited as provided in Section 205.02 ~~[of this code]~~. Each license application must be accompanied by a cashier's check, a teller's check, a check drawn on the account of a corporation applying for a license or on the account of a corporation that is an agent for the person applying for a license, a money order, or payment by credit card, charge card, or other electronic form of payment approved by commission rule for the amount of the state fee, payable to the order of the comptroller. ~~[The assessor and collector of taxes shall make statements of the amounts collected by him under this code to the commission at the times and in the manner required by the commission or administrator.]~~

(d) The commissioner may not refund a license fee except when the ~~[If a]~~ licensee [engaged in selling beer] is prevented from continuing in business by a local option election or when an application for a license is rejected by the commission or administrator, he is entitled to a refund of a proportionate amount of the license fees he has paid covering the unexpired term of his license. As much of the proceeds from license fees [derived under the provisions of this subtitle] as is necessary may be appropriated for that purpose.

(e) The commission by rule shall establish a method for transmitting five percent of the license fee to the assessor and collector of taxes of the county in which the applicant's business is located.

SECTION 8. Section 61.38, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.38. NOTICE OF APPLICATION. (a) ~~Every original applicant [When an application] for a license to manufacture, [or] distribute, or [beer is filed, the county clerk shall post at the courthouse door a written notice containing the substance of the application and the date set for hearing.~~

~~[(b) When an original application to sell beer at retail at a location previously licensed is filed, the county clerk shall post at the courthouse door a written notice containing the substance of the application and the date set for hearing.~~

~~[(c) When an original application to] sell beer at retail shall give notice of the application by electronic or nonelectronic publication at the applicant's own expense in [at a location not previously licensed is filed, the county clerk shall publish notice for] two consecutive issues of [in] a newspaper of general circulation published in the city or town in which the applicant's place of business is [to be] located. If no newspaper [of general circulation] is published in that city or town, the notice must [shall] be published in a newspaper of general circulation published in the county where the applicant's business is [to be] located. If no newspaper [of general circulation] is published in that county, the notice must [shall] be published in a qualified newspaper [which is] published in the closest neighboring county and [is] circulated in the county where the applicant's business is located [license is sought].~~

~~(b) The notice must [shall] be printed in 10-point boldface type and must include:~~

- ~~(1) [shall set forth] the type of license applied for;~~
- ~~(2) the exact location of the business for which the license is sought;~~
- ~~(3) the name of each [the] owner of the business and, if the business is operated under an assumed name, [or owners,] the trade name together with the name of each owner[, if operating under an assumed name]; and~~
- ~~(4) if [in] the [case of a corporate] applicant is a corporation, the names and titles of all officers [of the corporation].~~

~~(c) An applicant for a renewal license is not required to publish notice. [At the time the application is filed, the applicant shall deposit with the clerk the cost of publishing notice, which the clerk shall use to pay for the publication.]~~

SECTION 9. Subsection (c), Section 61.41, Alcoholic Beverage Code, is amended to read as follows:

(c) If the holder of the existing license has made a declaration required by the commission that the license holder will no longer use the license, the license holder may not manufacture or sell beer or possess it for the purpose of sale until the license has been reinstated. The holder may apply to the commission [county judge] for the reinstatement of the license in the same manner and according to the same procedure as in the case of an original license application. The county judge or the commission or administrator may deny reinstatement of the license for any cause for which an original license application may be denied.

SECTION 10. Section 61.48, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.48. RENEWAL APPLICATION. An application to renew a license shall be filed with the commission [in writing with the assessor and collector of taxes of the county in which the licensed premises are located] no earlier than 30 days before the license expires but not after it expires. The application shall be signed by the applicant

and shall contain complete information required by the commission showing that the applicant is not disqualified from holding a license. The application shall be accompanied by the appropriate license fee ~~[plus a filing fee of \$2. The assessor and collector of taxes shall deposit the \$2 filing fee in the county treasury and shall account for it as a fee of office]~~. No applicant for a renewal may be required to pay any fee other than license fees and the filing fee unless the applicant ~~[he]~~ is required by the commission or administrator to submit to a renewal hearing before the county judge.

SECTION 11. Section 61.49, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.49. ACTION ON RENEWAL APPLICATION BY ~~[TRANSMITTED TO]~~ COMMISSION; REFUND OF FEE. When the renewal application has been filed in accordance with Section 61.48 ~~[of this code, the assessor and collector of taxes shall transmit to the commission the original copy of the application plus a certification that all required fees have been paid for the ensuing license period. On receiving the application and certification]~~, the commission or administrator may in its discretion issue a renewal license or if an application for a renewal is protested, reject the application and require the applicant to file an application with the county judge and submit to a hearing as is required by Section 61.31 ~~[in the case of an original application]~~. ~~[When an application for renewal is rejected, the applicant is entitled to a refund of any license fee that was paid to the assessor and collector of taxes at the time the renewal application was filed.]~~

SECTION 12. Subsection (a), Section 62.03, Alcoholic Beverage Code, is amended to read as follows:

(a) Except as provided by Section 62.14, each applicant for a manufacturer's license shall file with an application a sworn statement that the applicant will be engaged in the business of brewing and packaging beer in this state in quantities sufficient to make the applicant's operation a bona fide brewing manufacturer within three years of the issuance of the original license. If the applicant is a corporation, the statement must be signed by one of its principal officers. The commission, administrator, or county judge may not approve an application unless it is accompanied by the required sworn statement.

SECTION 13. Section 74.05, Alcoholic Beverage Code, is amended to read as follows:

Sec. 74.05. STATEMENT OF INTENT. An applicant for a brewpub license shall file with the application a sworn statement that the applicant shall be engaged in the business of brewing and packaging malt liquor, ale, or beer in this state in quantities sufficient to operate a brewpub not later than six months after the date of issuance of the original license. If the applicant is a corporation, the statement must be signed by a principal corporate officer. The commission, administrator, or ~~[A]~~ county judge may not issue a brewpub license to an applicant who does not submit the required sworn statement with the application for a license.

SECTION 14. The change in law made by this Act applies only to a license application filed on or after the effective date of this Act. A license application filed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 15. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1035**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hancock.

SENATE BILL 1053 WITH HOUSE AMENDMENT

Senator Carona called **SB 1053** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1053** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the notice provided to an owner or lienholder of a vehicle towed to a vehicle storage facility or provided to an owner or operator of a vehicle by a parking facility owner.

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

SECTION 1. Section 2303.153(a), Occupations Code, is amended to read as follows:

(a) A notice by mail provided under Section 2303.151 must include:

- (1) the date the vehicle was accepted for storage;
- (2) the first day for which a storage fee is assessed;
- (3) the daily storage rate;
- (4) the type and amount of any other charge to be paid when the vehicle is

claimed;

(5) the full name, street address, and telephone number of the vehicle storage facility;

(6) the hours during which the owner may claim the vehicle; and

(7) the facility license number preceded by "Texas Department of Licensing and Regulation [~~Transportation~~] Vehicle Storage Facility License Number[-]" or "TDLR VSF Lic. No."

SECTION 2. Section 2308.252(b), Occupations Code, is amended to read as follows:

(b) A parking facility owner is considered to have given notice under Subsection

(a)(3) if:

(1) a conspicuous notice has been attached to the vehicle's front windshield or, if the vehicle has no front windshield, to a conspicuous part of the vehicle stating:

(A) that the vehicle is in a parking space in which the vehicle is not authorized to be parked;

(B) a description of all other unauthorized areas in the parking facility;

(C) that the vehicle will be towed at the expense of the owner or operator of the vehicle if it remains in an unauthorized area of the parking facility; and

(D) a telephone number that is answered 24 hours a day to enable the owner or operator of the vehicle to locate the vehicle; and

(2) a notice is mailed after the notice is attached to the vehicle as provided by Subdivision (1) to the owner of the vehicle by certified mail, return receipt requested, to the last address shown for the owner according to the vehicle registration records of the Texas Department of Motor Vehicles [~~Transportation~~], or if the vehicle is registered in another state, the appropriate agency of that state.

SECTION 3. The changes in law made by this Act apply only to a notice mailed on or after September 1, 2013. A notice mailed before September 1, 2013, is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1053**.

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

HOUSE BILL 2935 ON SECOND READING

On motion of Senator Ellis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2935** at this time on its second reading:

HB 2935, Relating to the interlocutory appeal of a denial of a motion to dismiss in an action involving the exercise of certain constitutional rights.

The bill was read second time.

Senator Whitmire offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2935** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 27.004, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 27.004. HEARING. (a) A hearing on a motion under Section 27.003 must be set not later than the 60th [~~30th~~] day after the date of service of the motion unless the docket conditions of the court require a later hearing, upon a showing of good cause, or by agreement of the parties, but in no event shall the hearing occur more than 90 days after service of the motion under Section 27.003, except as provided by Subsection (c).

(b) In the event that the court cannot hold a hearing in the time required by Subsection (a), the court may take judicial notice that the court's docket conditions required a hearing at a later date, but in no event shall the hearing occur more than 90 days after service of the motion under Section 27.003, except as provided by Subsection (c).

(c) If the court allows discovery under Section 27.006(b), the court may extend the hearing date to allow discovery under that subsection, but in no event shall the hearing occur more than 120 days after the service of the motion under Section 27.003.

SECTION _____. Section 27.005, Civil Practice and Remedies Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding the provisions of Subsection (c), the court shall dismiss a legal action against the moving party if the moving party establishes by a preponderance of the evidence each essential element of a valid defense to the nonmovant's claim.

SECTION _____. Section 27.010, Civil Practice and Remedies Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) This chapter does not apply to a legal action brought against a person primarily engaged in the business of selling or leasing goods or services, if the statement or conduct arises out of the sale or lease of goods, services, or an insurance product, insurance services, or a commercial transaction in which the intended audience is an actual or potential buyer or customer.

(d) This chapter does not apply to a legal action brought under the Insurance Code or arising out of an insurance contract.

WHITMIRE
ELTIFE

The amendment to **HB 2935** was read and was adopted by a viva voce vote.

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

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

HB 2935 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 2935 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2935** be placed on its third reading and final passage.

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

The bill was read third time.

Senator Ellis moved to temporarily postpone further consideration of **HB 2935**.

The motion prevailed.

Question—Shall **HB 2935** be finally passed?

**COMMITTEE SUBSTITUTE
HOUSE BILL 437 ON SECOND READING**

On motion of Senator Seliger and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 437** at this time on its second reading:

CSHB 437, Relating to career and technical education and workforce development grant programs.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 437** (Senate Committee Printing) in SECTION 3 of the bill, on page 3, lines 58 and 59 by striking subsection (c).

The amendment to **CSHB 437** was read and was adopted by a viva voce vote.

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

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

CSHB 437 as amended was passed to engrossment by a viva voce vote.

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 437 ON THIRD READING**

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 437** be placed on its third reading and final passage.

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

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

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Wednesday, May 22, 2013 - 1

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

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

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SB 21 Williams Sponsor: Creighton
Relating to drug screening or testing as a condition for the receipt of unemployment compensation benefits by certain individuals.

(Committee Substitute/Amended)

SB 107 West Sponsor: Johnson
Relating to the disclosure by a court of criminal history record information that is the subject of an order of nondisclosure.

(Amended)

SB 126 Nelson Sponsor: Davis, John
Relating to the creation of a mental health and substance abuse public reporting system.

(Amended)

SB 141 Huffman Sponsor: Davis, Sarah
Relating to the requirements for issuance of a license to practice orthotics and prosthetics.

SB 220 Birdwell Sponsor: Anchia
Relating to the abolition of the office of the fire fighters' pension commissioner and the transfer and disposition of its functions relating to the Texas Emergency Services Retirement System and the Texas local firefighters retirement systems.

SB 347 Seliger Sponsor: Lewis
Relating to funding for the operations of the Texas Low-Level Radioactive Waste Disposal Compact Commission.

(Amended)

SB 460 Deuell Sponsor: Coleman
Relating to inclusion of instruction in the detection and education of students with mental or emotional disorders in the requirements for educator training programs.

(Amended)

SB 485 Ellis Sponsor: Parker
Relating to the sales tax exemption period for clothing and footwear.

SB 492 Lucio Sponsor: Sheffield, J. D.
Relating to the licensing and regulation of prescribed pediatric extended care centers; providing penalties; imposing fees.

(Committee Substitute/Amended)

SB 549 Williams Sponsor: Carter
Relating to penalties for engaging in organized criminal activity.

(Amended)

SB 646 Deuell Sponsor: Naishtat
Relating to court-ordered outpatient mental health services.

(Committee Substitute)

SB 736 Watson Sponsor: Smithee
Relating to insurance rating and underwriting practices and declinations based on certain consumer inquiries.

- SB 976** West Sponsor: Branch
Relating to the temporary approval of an institution to participate in the tuition equalization grant program.
- SB 987** Hegar Sponsor: Harless
Relating to allowing the attorney general to obtain an injunction against a municipality or county that adopts prohibited regulations regarding firearms, ammunition, or firearm supplies.
- SB 993** Deuell Sponsor: King, Susan
Relating to the creation of the Texas Nonprofit Council to assist with faith-based and community-based initiatives.
(Amended)
- SB 1003** Carona Sponsor: Guillen
Relating to a review of and report regarding the use of adult and juvenile administrative segregation in facilities in this state.
(Committee Substitute/Amended)
- SB 1044** Rodríguez Sponsor: Walle
Relating to access to criminal history record information by certain entities, including certain local government corporations, public defender's offices, and the office of capital writs, and to an exemption for those offices from fees imposed for processing inquiries for that information.
- SB 1173** West Sponsor: White
Relating to procedures for the sentencing and placement on community supervision of defendants charged with the commission of a state jail felony.
(Committee Substitute/Amended)
- SB 1216** Eltife Sponsor: Davis, Sarah
Relating to the creation of a standard request form for prior authorization of medical care or health care services.
(Amended)
- SB 1234** Whitmire Sponsor: Price
Relating to the prevention of truancy and the offense of failure to attend school.
(Committee Substitute/Amended)
- SB 1292** Ellis Sponsor: Turner, Sylvester
Relating to DNA testing of biological evidence in certain capital cases.
(Amended)
- SB 1368** Davis Sponsor: Alvarado
Relating to contracts by certain state governmental entities that involve the exchange or creation of public information.
(Amended)
- SB 1388** Carona Sponsor: Bohac
Relating to identity recovery services; imposing a fee.
(Committee Substitute)
- SB 1475** Duncan Sponsor: Zerwas
Relating to a jail-based restoration of competency pilot program.
- SB 1567** Davis Sponsor: Eiland
Relating to coverage of certain persons under an automobile insurance policy.

SB 1643 Williams Sponsor: Alvarado
Relating to the monitoring of prescriptions for certain controlled substances;
providing penalties.

(Committee Substitute/Amended)

SB 1672 Taylor Sponsor: Eiland
Relating to the business of travel insurance; authorizing penalties.

SB 1702 Taylor Sponsor: Bonnen, Dennis
Relating to residential property insured by the Texas Windstorm Insurance
Association.

(Amended)

SB 1705 Campbell Sponsor: Parker
Relating to the administration of certain examinations required to obtain a driver's
license.

SB 1747 Uresti Sponsor: Keffer
Relating to funding and donations for county transportation projects, including
projects of county energy transportation reinvestment zones.

(Committee Substitute/Amended)

SB 1769 Rodríguez Sponsor: White
Relating to the creation of an advisory committee to examine the fingerprinting
practices of juvenile probation departments.

SB 1771 Campbell Sponsor: Kuempel
Relating to the expansion of the boundaries of the Cibolo Creek Municipal Authority.

SB 1795 Watson Sponsor: Guillen
Relating to the regulation of navigators for health benefit exchanges.

(Amended)

SB 1812 Duncan Sponsor: Otto
Relating to the determination of state contributions for participation by certain junior
college employees in the state employees group benefits program, the Teacher
Retirement System of Texas, and the Optional Retirement Program.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

BILLS AND RESOLUTIONS SIGNED

The President announced the signing of the following enrolled bills and
resolutions in the presence of the Senate after the captions had been read:

**HB 4, HB 124, HB 217, HB 343, HB 705, HB 719, HB 724, HB 978, HB 1133,
HB 1228, HB 1294, HB 1297, HB 1318, HB 1494, HB 1712, HB 1752, HB 1775,
HB 1843, HB 2020, HB 2473, HB 2636, HB 2766, HB 2792, HB 2840, HB 3086,
HB 3105, HB 3116, HB 3233, HB 3256, HB 3805, HB 3941, HCR 112, HCR 120,
HCR 125, HCR 126, HJR 87.**

**COMMITTEE SUBSTITUTE
HOUSE BILL 1128 ON SECOND READING**

Senator Garcia moved to suspend the regular order of business to take up for consideration **CSHB 1128** at this time on its second reading:

CSHB 1128, Relating to posting suggestions and ideas on cost-efficiency on certain state agency websites.

The motion prevailed by the following vote: Yeas 25, Nays 6.

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

Nays: Birdwell, Duncan, Nelson, Nichols, Paxton, Williams.

The bill was read second time and was passed to third reading by the following vote: Yeas 23, Nays 8.

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

Nays: Birdwell, Duncan, Hancock, Huffman, Nelson, Nichols, Paxton, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1128 ON THIRD READING**

Senator Garcia moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1128** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

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

Nays: Birdwell, Duncan, Nelson, Nichols, Paxton, Williams.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

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

Nays: Birdwell, Duncan, Hancock, Huffman, Nelson, Nichols, Paxton, Williams.

SENATE BILL 24 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 24** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 24** by adding an appropriately numbered SECTION to the bill, to read as follows:

(1) On page 2, line 5, between "Chapter 74" and ";", insert ", subject to the provisions of that subchapter regarding the location of certain facilities and programs of the health science center".

(2) Strike SECTION 2 of the bill (page 10, lines 10 to 20) and substitute the following SECTION 2:

SECTION 2. CONFORMING AMENDMENT. Section 74.751(a), Education Code, is amended to read as follows:

(a) The board of regents of The University of Texas System may operate The University of Texas Health Science Center–South Texas as provided by Section 79.02 [a component institution of The University of Texas System] with its [main campus and] administrative offices to be located in Hidalgo and Cameron Counties [County]. The health science center shall [may] consist of a medical school, as provided by Section 74.752, other health and health-related degree programs, and related programs and facilities as the board considers appropriate.

(3) SECTION _____. Section 74.752, Education Code, is amended to read as follows:

Sec. 74.752. MEDICAL SCHOOL. (a) The medical school [If The University of Texas Health Science Center–South Texas is established under Section 74.751, The University of Texas Medical School–South Texas may be] established as a component of the health science center and as a component institution of The University of Texas System under the management and control of the board of regents of The University of Texas System is subject to this section. The offices overseeing undergraduate medical education shall be located in Hidalgo County and the offices overseeing graduate medical education shall be located in Cameron County. The board shall ensure that educational programs for first-year and second-year students shall be primarily located in Hidalgo County, and the educational programs for third-year and fourth-year students shall be primarily located in Cameron County; and the educational programs for all medical students shall take full advantage of the existing educational facilities and programs at The University of Texas–Pan American's Edinburg campus or successor campus, The University of Texas at Brownsville campus or successor campus, and the Lower Rio Grande Valley Regional Academic Health Center established under Subchapter L, Chapter 74, in Harlingen and Edinburg. Graduate medical education programs and activities shall be conducted throughout the region.

(4) Strike SECTION 5 of the bill (page 12, line 24, to page 13, line 26) and renumber subsequent SECTION of the bill accordingly.

Floor Amendment No. 2

Amend **SB 24** (house committee report) as follows:

On page 2, between lines 23 and 24, by adding the following:

(f) The board has all the powers and duties provided by prior law, as that law existed at the time the applicable university or other entity was abolished, in regard to:

(1) The University of Texas at Brownsville, The University of Texas–Pan American, and any other institution, college, school, or entity abolished under the Act authorizing creation of the university; and

(2) any facility, operation, or program that is transferred to the university under that Act.

(g) The board may impose and collect any fee authorized by prior law, as that law existed at the time the applicable university was abolished, for The University of Texas at Brownsville or The University of Texas–Pan American, as determined by the board and subject to the limitations provided by the prior law authorizing the fee. The abolition of The University of Texas at Brownsville and The University of Texas–Pan American does not affect any pledge of revenue from a fee made by or on behalf of either of those universities to pay obligations issued in connection with facilities for which the fee was imposed and the obligations were issued.

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 24**.

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

REMARKS ORDERED PRINTED

On motion of Senator Lucio and by unanimous consent, the remarks by Senators Hinojosa, Lucio, and Zaffirini regarding **SB 24** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Hinojosa: Thank you, Mr. President and Members. Senate Bill 24 is the bill that merged and created a new university in South Texas by merging The University of Texas–Pan American and The University of Texas Brownsville. And the amendments that we have is the amendment that reflects the agreements reached by the Rio Grande Valley delegation which sets up a medical school in South Texas. The amendment adds language that now states a specific location for the offices and educational programs of the medical school. And at this time, I would like to yield to my good friend, Senator Eddie Lucio, who worked very closely with the Valley delegation to make this a reality. Senator Lucio.

Senator Lucio: Thank you, Mr. President. Thank you, Senator Hinojosa. Members, I want to say I'm extremely delighted to rise and join my colleagues today in concurring on House changes to Senate Bill 24. As you all know, the creation of a new, first-class university in the Rio Grande Valley has been our biggest priority this session. We started this session with a goal of creating a new university that will span the entire Rio Grande Valley. Along the way, we had some contentious details to work out, but we resolved them. I need to commend our Rio Grande Valley delegation for working so hard through the legislative process to resolve any differences. In particular, I want to thank my colleagues in the House for forging today's compromise language. The passage of Senate Bill 24, Members, will mark a historic day for the Rio Grande Valley. The Rio Grande Valley will soon become a center for multinational education, medicine, and industry. This legislation is the first step toward creating the Valley's only Tier One research university. The UT system and our delegation envision a university with state-of-the-art resources and the ability to attract top-notch faculty. The impact this legislation will have in creating educational

opportunities in the Valley cannot be overstated. Currently, no UT system emerging research university has a medical school integrated into its campus. I expect that this new school will quickly become eligible for national research grant dollars. This school will also be eligible for the Permanent University Fund money, which can be applied to building new lecture space and cutting-edge research facilities. All of these factors will make this new campus highly sought after by research faculty from all over the globe. This legislation, Members, may also mark the start of emerging industry related to the university. The Rio Grande Valley is already one of the largest and fastest growing areas of the state. I fully expect the new university will attract students and professionals interested in international and bicultural programs. From this, for example, a vibrant health care industry or port industry may be strengthened. The inclusion of the future South Texas School of Medicine as part of this new university marks the culmination of decades of work expanding higher education and, in particular, medical education in the Rio Grande Valley. I take great pride in the fact that the bill to create The University of Texas at Brownsville was one of the first bills I passed when I took office in the Senate. To improve access to quality health care in the Valley, I also was very fortunate to author legislation to create the Regional Academic Health Center in Harlingen. Finally, during the 81st session, I authored legislation to transition to RAHC, the Regional Academic Health Center, into a standalone medical school and health science center, with your help. Today, I'm proud to join Senator Hinojosa and Senator Seliger, Zaffirini, as a joint author on Senate Bill 24. Today also marks a culmination of an entire session's worth of hard work from the UT system and members of the Valley's legislative delegation. I would like to thank Chairman Gene Powell, Chancellor Francisco Cigarroa, and the UT system for setting us a bold new vision of the Valley and for pledging to support the new university with a \$100 million investment over the next 10 years to accelerate the pace of creating the future South Texas School of Medicine. I want to thank UT Brownsville President Juliet Garcia and UT Pan American President Robert Nelsen for their tireless advocacy on behalf of the new university. I'd also like to thank our local government and business leaders for supporting this legislation. There's so many to list right now, but they know who they are and I hope to God they're listening. I'm grateful to our leadership, Governor Perry, Governor Dewhurst, Speaker Straus, Chairmen Seliger and Branch, for their assistance. I also need to thank my good friend, Senator Chuy Hinojosa, as well as State Representative René Oliveira, the Dean of the Valley delegation in the House, Ryan Guillen, Armando Martinez, Sergio Muñoz, Jr., Terry Canales, Bobby Guerra, and Oscar Longoria for their hard work and leadership. Finally, Members, I'm thankful to my son, Representative Eddie Lucio III, who in the darkest and most challenging moments of this development demonstrated incredible leadership by bringing stakeholders together to achieve consensus. I'm humble that the next generation of leaders have become the torchbearers of higher education. Building the medical school and expanding the RAHC was always intended to be a regional project. I'm so happy that we stand united as a delegation today. Again, Members, passage of Senate Bill 24 will mark the beginning of a new day for the Rio Grande Valley. Today, people come to the Valley because of our history. Tomorrow they will come, be coming to the Valley to watch us make history. Thank you, Mr. President and Members. Thank you, and I yield to Senator Zaffirini.

Senator Zaffirini: Thank you, Mr. President. Mr. President and Members, it is with great joy that I rise to join Senator Hinojosa and Senator Lucio in thanking all of you, Governor Dewhurst, and every Member of this body for your support in passing this historic legislation. This is really about Texas. The focus is on South Texas, but what is good for South Texas is good for our great state. And while the focus has been on Cameron and Hidalgo counties, I'm proud that it also includes Starr County, which is in my district, and we'll have an academic center as part of this effort and, of course, our campus in Laredo that's affiliated with the UT Health Science Center at San Antonio. It's a great day for South Texas. It's a great day for the State of Texas. I thank each of you from the bottom of our hearts for your role in making this day a reality. Thank you, Mr. President and Members.

Senator Hinojosa: Today, May 22nd, 2013, I am making a formal motion to concur with the changes made to Senate Bill 24 in the House of Representatives in support of a compromised plan that merges UT Pan American and UT Brownsville and creates a freestanding medical school. SB 24 was amended last week to reflect the negotiated plan reached by the Valley delegation that specifies the medical school educational programs for first-year and second-year programs shall be primarily located in Hidalgo County, and the educational programs for third-year and fourth-year students shall be primarily located in Cameron County. Also, offices overseeing undergraduate medical education should be located in Hidalgo County, and offices overseeing the graduates' residency programs should be located in Cameron County. Finally, the language ensures that educational programs for all medical students will take full advantage of the existing educational facilities at UT Pan American, UT Brownsville, and the Lower Rio Grande Valley Regional Academic Health Center. Senate Bill 24 has been our priority all session long. I thank Chairman Kel Seliger for letting me manage this bill through the legislative process. I thank my colleagues, Senator Eddie Lucio, Jr., and Senator Judith Zaffirini, who are my joint-authors, for their counsel and guidance. I express sincere thanks to Chairman Powell and Chancellor Cigarroa of The University of Texas System. I also express gratitude to Governor Rick Perry and Lieutenant Governor David Dewhurst for their support throughout the entire process. I am proud of the tremendous bipartisan support we had in both the House and the Senate; legislators have come together to invest in education and in the people of South Texas. Although there were contentious issues, it was no different than other legislation that is complicated with various moving parts. Negotiating, the "give and take," is part of the process when various stakeholders are involved. In the end, we all came together on an agreement that takes a regional approach and maximizes the RAHC, UT Brownsville in Cameron County, and UT Pan American in Hidalgo County to the benefit of not only South Texas but the whole State of Texas. I thank the entire Valley delegation, especially the Hidalgo County legislators for advocating and supporting this legislation. Representatives Mando Martinez, Sergio Muñoz, Terry Canales, Bobby Guerra, and Oscar Longoria proved themselves through their hard work, perseverance, and leadership. I also thank Chairman René Oliveira and Representative Eddie Lucio III for their leadership and willingness to negotiate and compromise by doing what is best for all of South Texas. The expansion of educational opportunities will create greater access to health care, and the related health care businesses that the medical school will attract will be a

great boost to our quality of life in the Valley. There will be more jobs, lower poverty levels, higher educational levels, more health care services, more doctors, more access to those doctors, and more resources to serve the unique and critical needs of the people of the Valley. I am proud that we stand united as a delegation embracing a regional mindset. The vision of a new university and a medical school has united our Valley community proving that we can transform a dream into a reality.

HOUSE BILL 2935 ON THIRD READING

The President laid before the Senate **HB 2935** by Senator Ellis on its third reading. The bill had been read third time and further consideration temporarily postponed:

HB 2935, Relating to the interlocutory appeal of a denial of a motion to dismiss in an action involving the exercise of certain constitutional rights.

Question—Shall **HB 2935** be finally passed?

HB 2935 was finally passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 1025 ON SECOND READING

Senator Williams moved to suspend the regular order of business to take up for consideration **CSHB 1025** at this time on its second reading:

CSHB 1025, Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

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

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

Nays: Patrick, Paxton.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1025** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. APPROPRIATION REDUCTION: TEXAS PUBLIC FINANCE AUTHORITY. The unencumbered appropriations from undedicated or dedicated portions of the general revenue fund to the Texas Public Finance Authority for use during the state fiscal biennium ending August 31, 2013, for bond debt service payments made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), including appropriations authorized under Rider 2 to the bill pattern of the appropriations to the authority, are reduced by a

total aggregate reduction of \$22,601,012. The Texas Public Finance Authority shall identify the strategies and objectives out of which the indicated reduction is to be made.

SECTION 2. APPROPRIATION REDUCTION: TEXAS DEPARTMENT OF TRANSPORTATION. The unencumbered appropriations from the general revenue fund to the Texas Department of Transportation for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy G.1.1, General Obligation Bonds, are reduced by the amount of \$110,000,000.

SECTION 3. APPROPRIATION REDUCTION: DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING GENERAL OBLIGATION WATER BONDS. The unencumbered appropriations from the general revenue fund to the Water Development Board for Debt Service Payments for Non-Self Supporting G.O. Water Bonds for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are reduced by the following amounts:

- (1) \$2,263,813 from Strategy A.1.1, EDAP Debt Service; and
- (2) \$5,271,541 from Strategy A.1.3, WIF Debt Service.

SECTION 4. APPROPRIATION REDUCTION: DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. The unencumbered appropriations from the general revenue fund to the Department of Family and Protective Services for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy B.1.11, Foster Care Payments, are reduced by the amount of \$2,365,481.

SECTION 5. APPROPRIATION REDUCTION: HEALTH AND HUMAN SERVICES COMMISSION. The unencumbered appropriations from the general revenue fund to the Health and Human Services Commission for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy D.1.1, TANF (Cash Assistance) Grants, are reduced by the amount of \$2,671,850.

SECTION 6. APPROPRIATION REDUCTION: HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS. The unencumbered appropriations from the general revenue fund to the Higher Education Employees Group Insurance Contributions for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.11, UT Medical - Galveston, are reduced by the amount of \$1,400,437.

SECTION 7. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT AUSTIN. The unencumbered appropriations from the general revenue fund to the University of Texas at Austin for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy C.4.1, Institutional Enhancement, are reduced by the amount of \$2,000,000.

SECTION 8. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT DALLAS. The unencumbered appropriations from the general revenue fund to the University of Texas at Dallas for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.1, Operations Support, are reduced by the amount of \$890,622.

SECTION 9. APPROPRIATION REDUCTION: TEXAS A&M AGRILIFE RESEARCH. The unencumbered appropriations from general revenue account number 151, Clean Air, to Texas A&M AgriLife Research for use during the state fiscal biennium ending August 31, 2013, by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.1, Agricultural/Life Sciences Research, are reduced by the amount of \$12,500.

SECTION 10. FACILITIES COMMISSION: UTILITY COSTS. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,400,000 is appropriated out of the general revenue fund to the Facilities Commission for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act for the purpose of providing for payment of increased utility costs as a result of an increase in utility rates.

(b) Money appropriated by this section may not be used by the commission for a purpose other than payment of utility expenses without the prior written approval of the Legislative Budget Board.

SECTION 11. VETERANS COMMISSION: STRIKE FORCE TEAMS; REPAYMENT OF DEFICIENCY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,546,003 is appropriated out of the general revenue fund to the Veterans Commission for the state fiscal year ending August 31, 2013, for the purpose of creating two state strike force teams to address the backlog of claims in Houston and Waco and to hire additional counselors to be located in hospitals and clinics operated by the United States Department of Veterans Affairs.

(b) In addition to the number of full-time equivalent employees (FTEs) the Veterans Commission is authorized by other law to employ during the state fiscal year ending August 31, 2013, the commission may employ an additional 16.0 FTEs during that state fiscal year.

(c) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of the general revenue fund to the Veterans Commission for the state fiscal year ending August 31, 2013, for the purpose of repaying a deficiency grant made under Section 403.075, Government Code.

SECTION 12. UNIVERSITY OF HOUSTON - CLEAR LAKE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the University of Houston - Clear Lake for Strategy A.1.4, Workers' Compensation

Insurance, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 13. TEXAS A&M ENGINEERING EXTENSION SERVICE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,678,703 is appropriated out of the economic stabilization fund to the Texas A&M Engineering Extension Service for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for state-directed deployments for natural disasters.

SECTION 14. TEXAS A&M AGRILIFE RESEARCH. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$162,500 is appropriated out of the general revenue fund to Texas A&M AgriLife Research for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 15. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$475,000 is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy D.1.8, Juror Pay, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for a transfer to Strategy D.1.10, Indigent Inmate Defense, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), to cover costs of providing legal representation for an inmate in a capital murder trial.

SECTION 16. TEXAS DEPARTMENT OF CRIMINAL JUSTICE: CERTAIN RIDERS. Rider 62 to the bill pattern of the appropriations to the Department of Criminal Justice in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), is repealed, and the department is not required to comply with that rider on and after the effective date of this Act.

SECTION 17. COMMISSION ON ENVIRONMENTAL QUALITY: ELEPHANT BUTTE LITIGATION EXPENSES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of general revenue account number 153, Water Resource Management, to the Commission on Environmental Quality for the two-year period beginning on the effective date of this Act for the purpose of paying for Elephant Butte litigation expenses.

SECTION 18. PARKS AND WILDLIFE DEPARTMENT: REVENUE SHORTFALL. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$889,000 is appropriated out of the economic stabilization fund to the Parks and Wildlife Department for the two-year period beginning on the effective date of this Act for the purpose of providing for state park operations as a result of a revenue shortfall.

SECTION 19. LIBRARY AND ARCHIVES COMMISSION: DIRECTOR-LIBRARIAN SALARY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of

\$35,500 is appropriated out of the general revenue fund to the Library and Archives Commission for the fiscal year ending August 31, 2013, for the purpose of providing a salary rate increase for the Director-Librarian.

(b) Notwithstanding the rate of salary in the bill pattern of the Library and Archives Commission in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), the rate of salary for the Director-Librarian is \$140,000 for the state fiscal year ending August 31, 2013.

SECTION 20. TEXAS A&M FOREST SERVICE: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$161,065,711 is appropriated out of the economic stabilization fund to the Texas A&M Forest Service for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Texas A&M Forest Service associated with wildfires.

SECTION 21. DEPARTMENT OF PUBLIC SAFETY: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$2,700,000 is appropriated out of the economic stabilization fund to the Department of Public Safety for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Department of Public Safety associated with wildfires.

SECTION 22. PARKS AND WILDLIFE DEPARTMENT: APPROPRIATIONS FOR COSTS CAUSED BY WILDFIRES AT THE BASTROP STATE PARK AND BASTROP REGIONAL PARK OFFICE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,892,440 is appropriated out of the economic stabilization fund to the Parks and Wildlife Department for the two-year period beginning on the effective date of this Act for the purpose of paying for, or reimbursing payments made for, costs incurred by the Parks and Wildlife Department associated with wildfires that occurred at the Bastrop State Park and Bastrop regional park office.

SECTION 23. RAILROAD COMMISSION: INFORMATION TECHNOLOGY MODERNIZATION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$16,711,989 is appropriated out of general revenue dedicated account number 5155, Oil and Gas Regulation and Cleanup Account, to the Railroad Commission for the two-year period beginning on the effective date of this Act for the purpose of modernization of information technology.

(b) In addition to the number of full-time equivalent employees (FTEs) the Railroad Commission is authorized by other law to employ during the two-year period beginning on the effective date of this Act, the commission may employ an additional 11.0 FTEs in each of those years.

SECTION 24. DEPARTMENT OF STATE HEALTH SERVICES: DISPROPORTIONATE SHARE HOSPITAL PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$137,860,100 is appropriated out of general revenue dedicated account number 5111, Trauma Facility and EMS Account, to the Department of State Health

Services for the state fiscal year ending August 31, 2013, for the purpose of entering into an interagency contract to transfer money from that account from that department to the Health and Human Services Commission to provide for the non-federal share for the Medicaid disproportionate share hospital program.

SECTION 25. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: DISASTER RECOVERY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$15,000,000 is appropriated out of the economic stabilization fund to the Trusteed Programs within the Office of the Governor for the two-year period beginning on the effective date of this Act for purposes of:

(1) wildfire recovery, remediation, and mitigation activities related to wildfires in Bastrop, Cass, and Marion Counties;

(2) addressing the needed repair and rehabilitation of roads, bridges, culverts, and parks, and to complete hazardous debris removal and fire risk-mitigation activities in Bastrop County;

(3) recovery activities related to the plant explosion in West; and

(4) other disaster-related expenses.

(b) Money appropriated by this section shall be allocated to specific projects to maximize the receipt of federal money available for similar purposes. Money appropriated by this section may be spent on activities conducted on private property, with the consent of the property owner, only for a public purpose.

SECTION 26. APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION: HAZLEWOOD EXEMPTION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$30,000,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of funding the proportionate share of the total cost to each institution for the Hazlewood exemption.

(b) The Higher Education Coordinating Board shall allocate the appropriations made in subsection (a) according to the proportion of each institution's respective share of the aggregate cost of the exemption for students under the Legacy Program in Education Code, Section 54.341 subject to input by institutions for their respective share and present a plan for allocation to the Legislative Budget Board no later than August 1, 2013.

(c) Appropriations made in subsection (a) may not be expended without the prior written approval of the Legislative Budget Board.

SECTION 27. HEALTH AND HUMAN SERVICES COMMISSION: CERTAIN RIDERS. Rider 26 to the bill pattern of the appropriations to the Health and Human Services Commission in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), is repealed, and the commission is not required to comply with that rider on and after the effective date of this Act.

SECTION 28. BENEFITS PAID PROPORTIONAL BY FUND. (a) This section applies to each item of appropriation made by this Act.

(b) In order to maximize balances in the general revenue fund, payment for benefits paid from funds appropriated by this Act, including "local funds" and "educational and general funds," as those terms are defined by Sections 51.009(a) and (c), Education Code, must be proportional to the source of the funds except for payments for higher education employees group insurance contributions for public community or junior colleges.

(c) Money appropriated by this Act out of the general revenue fund may not be used to pay employee benefit costs or other indirect costs associated with the payment of salaries or wages of employees if the salaries or wages are paid from a source other than the general revenue fund. A public community or junior college may spend money appropriated by this Act for employee benefit costs for any employee who is eligible to participate in an offered group benefits program and is an instructional or administrative employee whose entire salary may be paid from money appropriated by this Act, regardless of whether the salary is actually paid by that money. Payments for employee benefit costs associated with salaries and wages paid from sources other than the general revenue fund, including payments received under interagency agreement or as contract receipts, must be made in proportion to the source of the funds from which the salary or wage is paid. If the comptroller of public accounts determines that achieving proportionality as required by this section at the time a payment is made is impractical or inefficient, then the general revenue fund shall be reimbursed for any payment of employee benefit costs made out of the general revenue fund.

(d) A state agency or institution of higher education that receives an appropriation by this Act from the general revenue fund or any other source of financing shall file with the comptroller of public accounts and the state auditor a report demonstrating proportionality. The report is due on November 20th of each year and must cover the state fiscal year ending on August 31st of the year in which the report is due. The report shall be in the format prescribed by the comptroller, the Legislative Budget Board, and the State Auditor's Office. The state auditor may audit a state agency's or institution's compliance with this section if the agency or institution is appropriated money by this Act. The state auditor shall notify the comptroller of any amount disproportionately paid from general revenue fund appropriations. On receipt of that notice, the comptroller shall reduce the state agency's or institution's current year general revenue fund appropriations until the general revenue fund is reimbursed for the amounts disproportionately paid out of that fund.

(e) Contingent on SB 1812 or similar legislation relating to the determination of state contributions for participation by certain junior college employees in the state employees group benefits program, the Teacher Retirement System of Texas, and the Optional Retirement Program and limiting General Revenue related funds for benefit contributions to 50 percent of the state contributions for Public Community/Junior Colleges, not being enacted by the Eighty-third Legislature, Regular Session, 2013, this section shall apply to Public Community/Junior Colleges.

SECTION 29. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT: REVENUE SHORTFALL. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, an amount (estimated to be \$7,495,137)

is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy A.1.1, District Judges, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of paying salaries for district judges and prosecuting attorneys.

SECTION 30. TEXAS EDUCATION AGENCY: DATA CENTER SERVICES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$517,000 is appropriated out of the general revenue fund to the Texas Education Agency for Strategy B.3.5, Information Systems - Technology, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of costs related to data center services.

SECTION 31. ADJUTANT GENERAL'S DEPARTMENT: MENTAL HEALTH COUNSELING. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the Adjutant General's Department for the two year period beginning on the effective date of this Act for the purpose of providing mental health counseling.

(b) In addition to the number of full-time equivalent employees (FTEs) the Adjutant General's Department is authorized by other law to employ during the two year period beginning on the effective date of this Act, the commission may employ an additional 2.0 FTEs in each fiscal year.

SECTION 32. TEXAS EDUCATION AGENCY: CERTAIN APPROPRIATIONS. (a) Section 5 of HB 10, Acts of the 83rd Legislature, Regular Session, 2013 is repealed and shall not take effect.

(b) Contingent on the enactment and becoming law of H.B. S.B 758 or similar legislation of the 83rd Legislature, Regular Session, 2013, relating to the established schedule of payments from the foundation school fund of the yearly entitlement of certain school districts:

(1) there is appropriated to the Texas Education Agency from the economic stabilization fund, \$1,750,000,000 for the state fiscal year ending August 31, 2013, for payment of the installment to be paid on or before August 30, 2013, as provided by Sections 42.259(c-1) and (d-1), Education Code, as added by that legislation; and

(2) notwithstanding Rider 3 to the bill pattern of the appropriations to the Texas Education Agency in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), the sum certain appropriation to the Foundation School Program for the state fiscal year ending August 31, 2013, is increased by the amount of \$1,750,000,000 in addition to the amount by which that sum certain appropriation is increased in accordance with Section 4(c) of House Bill 10, Eighty Third Legislature, Regular Session, 2013.

SECTION 33. CONTINGENCY FOR SJR1 AND HB4. (a) Contingent on passage and adoption by an election of the voters of SJR1, or similar legislation relating to proposing constitutional amendments creating the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas by the 83rd Legislature, Regular Session, 2013 and also contingent on the enactment of HB4 or similar legislation relating to the administration and functions of

the Texas Water Development Board and establishment of the state water implementation fund, by the 83rd Legislature, Regular Session, 2013, \$2,000,000,000 is appropriated out of the economic stabilization fund to the state water implementation fund of Texas to implement the provisions of the legislation.

(b) Appropriations made in this section shall be available to the Water Development Board for the purposes described in HB 4, or similar legislation to finance projects in the state water plan according to the provisions of the legislation.

SECTION 34. HEALTH AND HUMAN SERVICES COMMISSION: CHILDRENS HEALTH INSURANCE. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,109,935 is appropriated out of the general revenue fund for the state fiscal year ending August 31, 2013, to the Health and Human Services Commission under Goal C, CHIP, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing services under the CHIP program.

(b) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$10,351,951 is appropriated out of federal funds for the state fiscal year ending August 31, 2013, to the Health and Human Services Commission under Goal C, CHIP, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing services under the CHIP program.

SECTION 35. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: ADOPTION SUBSIDIES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$394,675 is appropriated out of the general revenue fund for the state fiscal year ending August 31, 2013, to the Department of Family and Protective Services under Strategy B.1.12. Adoption/PCA Payments, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing adoption subsidies.

SECTION 36. PARKS AND WILDLIFE DEPARTMENT: CEDAR BAYOU RESTORATION. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013 and contingent on the Parks and Wildlife Department receiving funds from units of local government for the purpose described in this section, the amount of \$3,000,000 is appropriated out of general revenue dedicated account number 9, Game, Fish, and Water Safety, to the Parks and Wildlife Department for Strategy A.2.3, Coastal Fisheries Management, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of the Cedar Bayou Restoration Project in Aransas County.

SECTION 37. TEXAS EDUCATION AGENCY: FOUNDATION SCHOOL PROGRAM. (a) Contingent on the enactment of HB7 or similar legislation relating to returning money from general revenue dedicated account number 5100, System Benefit Fund, to payers of the fee imposed under Section 39.903 of the Utilities Code, by the 83rd Legislature, Regular Session, 2013, and also contingent of the passage of SJR1, or similar legislation relating to proposing constitutional amendments providing for the transfer of existing money from the economic stabilization fund to assist in the

financing of priority water infrastructure projects by the 83rd Legislature, Regular Session, 2013, the Texas Education Agency is appropriated \$101,346,715 from the Foundation School Fund No. 193 in the fiscal year ending August 31, 2014 and \$100,387,174 is appropriated from Foundation School Fund No. 193 in the fiscal year ending August 31, 2015 for the purpose of funding the Foundation School Program. Appropriations made in SB1, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act) to the Texas Education Agency in Strategy A.1.1, FSP - Equalized Operations, out of Appropriated Receipts are reduced by \$8,586,715 in the fiscal year ending August 31, 2014 and by \$8,227,174 in the fiscal year ending August 31, 2015.

(b) Notwithstanding Rider 3 to the bill pattern of the appropriations to the Texas Education Agency in SB1, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act), the sum certain appropriation to the Foundation School Program is \$19,909,737,000 in the fiscal year ending August 31, 2014 and \$20,489,435,000 in the fiscal year ending August 31, 2015.

(c) For purposes of distributing the Foundation School Program basic tier state aid appropriated in this Act and in SB1, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act) in accordance with §42.101 of the Texas Education Code, the Basic Allotment is established at \$4,950 in fiscal year 2014 and \$5,040 in fiscal year 2015. If this Section conflicts with provisions in other legislation enacted by the Eighty-third Legislature, Regular Session, 2013, this Section prevails.

SECTION 38. HIGHER EDUCATING COORDINATING BOARD: GRADUATE MEDICAL EDUCATION EXPANSION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$9,250,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of expansion of first-year residency positions. Money appropriated by this section must be allocated as provided by this section.

(b) \$1,875,000 of the money appropriated under this section must be used to provide funding for one-time planning grants of \$150,000 each to entities that do not currently operate, and have not previously operated, a graduate medical education (GME) program and are therefore eligible for Medicare GME funding. The grants described by this subsection are intended to provide support for those entities to establish GME programs in order to increase the number of first-year residency positions in this state. The application for a grant described by this subsection must be submitted to the Higher Education Coordinating Board on or before November 15 of each year, and the board must determine the grant recipients on or before December 15 of each year. The grants must be awarded based on a competitive application process. Unless additional money is made available as provided by Subsection (f) of this section, not more than 12 planning grants may be awarded. An entity that receives a grant under this subsection, becomes accredited, and fills residency positions is eligible to apply for the grants provided under Subsections (c) and (d) of this section, but may not receive more than \$35,000 per resident.

(c) A portion of the money appropriated under this section must be used to provide grants of \$65,000 per resident to currently accredited GME programs for the purpose of filling currently accredited but unfilled first-year residency positions. The

grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. An application for a grant described by this subsection must be made by submitting to the Higher Education Coordinating Board proof of the number of accredited but unfilled positions in the applicant's program on or before October 1 of each year, and the board must determine the grant recipients on or before January 1 of the following year. The board may disburse the money to the applicant only after the applicant verifies with the board that the residency position has been filled. An applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, shall receive an equivalent grant in the state fiscal year ending August 31, 2015.

(d) A portion of the money appropriated under this section must be used to provide grants of \$65,000 per resident to currently accredited GME programs to provide support to expand existing or establish new GME programs with first-year residency positions. The grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. An application for a grant described by this subsection must be made by submitting a plan for receiving accreditation for the expanded or new GME program to the Higher Education Coordinating Board on or before October 1 of each year, and the board must determine the grant recipients on or before January 1 of the following year. The board may disburse the money to the applicant only after the applicant verifies with the board that a residency position created by the expanded or new GME program has been filled. An applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, shall receive an equivalent grant in the state fiscal year ending August 31, 2015.

(e) The Higher Education Coordinating Board may award not more than 25 grants described by Subsections (c) and (d) of this section in the state fiscal year ending August 31, 2014. The number of grants to be awarded in the fiscal year ending August 31, 2015 is based on available appropriations in this section. If in either state fiscal year the number of applications for grants described by Subsections (c) and (d) of this section exceeds the limitation on the number of awards established by this subsection, the board may give priority for up to 50 percent to be awarded to first-year positions in primary care and other critical shortage areas in this state. The board may not reduce the amount of a grant under this section, but may reduce the number of first-year positions funded to each grant recipient on a pro rata basis.

(f) If the Higher Education Coordinating Board determines, based on the number of applications for grants described by Subsections (c) and (d) of this section received by the board by October 2014, that the entire appropriation made by Subsection (a) of this section will not be used, the board may adjust the number of planning grants authorized under Subsection (b) of this section so that the entire appropriation to the board is spent.

SECTION 39. HIGHER EDUCATING COORDINATING BOARD: FAMILY PRACTICE RESIDENCY PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$7,750,000 is appropriated out of the general revenue fund to the Higher Education Coordinating

Board for the two-year period beginning on the effective date of this Act for Strategy D.1.3 Family Practice Residency Program for the purpose of awarding grants to family practice residency programs.

SECTION 40. TEXAS DEPARTMENT OF TRANSPORTATION: ROAD REPAIRS IN ENERGY SECTORS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to State Highway Fund 6 for the purposes for which amounts appropriated by that Act to the department for Strategy C.1.2, New Maintenance Contracts, may be used for maintenance and safety, including repairs to roadways and bridges within the state highway system for damage caused by oversize vehicles or overweight loads used in the development and production of energy or by above normal usage of roadways and bridges within the state highway system by vehicles used in the development and production of energy. It is the intent of the legislature that projects be prioritized by according to safety issues, traffic volumes, pavement widths and pavement conditions.

SECTION 41. CONTINGENCY FOR SB 16: TUITION REVENUE BOND DEBT SERVICE. (a) Contingent upon enactment of SB16 or similar legislation relating to tuition revenue bonds for institutions of higher education by the Eighty-third Legislature, Regular Session, \$175,000,000, is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the fiscal year ending August 31, 2015 for distribution to university systems for debt service on tuition revenue bonds for their component institutions.

(b) The Higher Education Coordinating Board shall present a plan for allocation of the appropriations made in subsection (a) to the Legislative Budget Board.

(c) Appropriations made in subsection (a) may not be expended without the prior written approval of the Legislative Budget Board.

(d) The Higher Education Coordinating Board may not expend appropriations made in subsection (a) for administrative expenses.

SECTION 42. FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS: APPROPRIATION FOR ENDANGERED SPECIES RESEARCH. (a) The Fiscal Programs - Comptroller of Public Accounts is appropriated \$5,000,000 out of the general revenue fund for transfer to the Habitat Protection and Research Fund, as established in Government Code, Section 490F.004 by H.B. 3509, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act), for the purposes of threatened or endangered species research.

(b) The money appropriated in this section shall be held by the Comptroller for the use of the Task Force on Economic Growth and Endangered Species as described in Government Code, Chapter 490E.

SECTION 43. TEXAS EDUCATION AGENCY: STUDENT SUCCESS INITIATIVE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013 to the Texas Education Agency, \$10,000,000 is appropriated out of the general revenue fund to the Texas Education Agency for the two year period beginning on the effective date of this Act for the purpose of funding the Student Success Initiative.

SECTION 44. HIGHER EDUCATION COORDINATING BOARD: TEXAS RESEARCH INCENTIVE PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$34,400,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for Strategy B.1.16, Texas Research Incentive Program, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of distributing money to emerging research universities based on a match for certain private donations.

SECTION 45. TEXAS FACILITIES COMMISSION: HEALTH AND SAFETY PROJECTS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$20,000,000 is appropriated out of the general revenue fund to the Facilities Commission for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding health and safety repairs.

SECTION 46. DEPARTMENT OF AGING AND DISABILITY SERVICES: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$23,000,000 is appropriated out of the general revenue fund to the Department of Aging and Disability Services for Strategy A. 9.1, Capital Repairs and Renovations, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at State Supported Living Centers.

SECTION 47. DEPARTMENT OF STATE HEALTH SERVICES: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$20,000,000 is appropriated out of the general revenue fund to the Department of State Health Services for Strategy F.1.2, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at state hospitals.

SECTION 48. DEPARTMENT OF CRIMINAL JUSTICE: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$5,000,000 is appropriated out of the general revenue fund to the Department of Criminal Justice for Strategy D.1.1, Facilities Construction, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs and renovation.

SECTION 49. PARKS AND WILDLIFE DEPARTMENT: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$5,000,000 is appropriated out of the general revenue fund to the Parks and Wildlife Department for Strategy D.1.1, Facilities, Improvements and Major Repairs, as listed in Chapter 1355 (H.B. 1), Acts

of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at state parks.

SECTION 50. SECRETARY OF STATE. CAPITAL BUDGET AUTHORITY. Notwithstanding the limitations of Section 14.03 in Article IX, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), and in addition to existing capital budget authority authorized in the bill pattern of the Secretary of State, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), \$5,000,000 may be expended by the Secretary of State for capital outlay for the two year period beginning on the effective date of this Act for the purpose of transitioning the information technology supporting statewide voter registration.

SECTION 51. UNIVERSITY OF NORTH TEXAS AT DALLAS: NEW UNIVERSITY MODEL START-UP. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$1,000,000 is appropriated out of the general revenue fund to the University of North Texas at Dallas for Strategy C.1.1, Transitional Funding, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act ending August 31, 2013, for the purpose of new university innovation.

SECTION 52. CONSTRUCTION OF FACILITIES FOR STATE AGENCIES. (a) In accordance with Government Code Chapters 1232 and 2166, the Texas Public Finance Authority (TFPA) shall issue revenue bonds on behalf of the Texas Facilities Commission (TFC) in an amount not to exceed \$325,586,000 for the purpose of constructing one office building in the Capitol Complex, as defined by Government Code, Chapter 443.0071(b), and one office building and one parking structure in the North Austin Complex, as described in the Facilities Master Plan. The Facilities Commission is appropriated an amount not to exceed \$325,586,000 out of Revenue Bond Proceeds in Strategy A.2.1, Facilities Design and Construction, for the fiscal biennium ending August 31, 2015, for the construction of facilities for state agencies, pursuant to Government Code, Section 2166.453.

(b) The Facilities Commission is appropriated \$5,193,445 out of the general revenue fund the fiscal biennium ending August 31, 2015 for lease payments (debt service) to the Texas Public Finance Authority for any revenue bonds issued under subsection (a).

SECTION 53. CERTAIN AUTHORITY AT THE TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR. (a) All unexpended and unobligated balances, estimated unexpended and unobligated balances, interest earnings and other revenues from funds appropriated to the Office of the Governor or the Trusteed Programs within the Office of the Governor for the fiscal year ending August 31, 2013 in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are appropriated for the biennium ending August 31, 2015.

(b) The Office of the Governor and the Trusteed Programs within the Office of the Governor may, notwithstanding any other provision of this Act, transfer from any item of appropriation to any other item of appropriation except that no transfers may be made between the Texas Emerging Technology Fund and the Texas Enterprise Fund without approval of Legislative Budget Board.

SECTION 54. WATER DEVELOPMENT BOARD: WATER ASSISTANCE FUND. (a) Any unencumbered and unobligated balances from the general revenue fund from Goal A, Water Resource Planning and Goal B, Water Project Financing in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), in excess of the amounts described in Section 3 of this Act and in amount not to exceed \$10,000,000 are appropriated to the Water Development Board for Strategy B.1.1, State and Federal Financial Assistance, for the two year period beginning on the effective date of this Act, for transfer to Water Assistance Fund Account Number 480.

(b) Funds appropriated in subsection (a) shall be used by the Water Development to issue 0 percent interest loans to be repaid by the loan recipient over a period not to exceed 40 years, or for the purpose of a grant, if the political subdivision can provide \$10,000,000 in matching local money, or has expended \$10,000,000 on the proposed project.

(c) The Water Development Board shall provide the loan or grant to political subdivisions for the acquisition, construction, improvements, or expansion of the water, drainage, or wastewater systems of a political subdivision or for refunding debt issued for such purposes.

(d) Political subdivisions eligible to receive money in this section must be located on a Texas border county that has expended a minimum of \$50,000,000 on a border security or levee project.

(e) Projects eligible to receive money in this section must be an authorized and designated a flood control project by the U.S. Army Corps of Engineers; have a regional impact; and include components related to regional storm water management, flood mitigation, water re-use, reclamation, or water conservation.

SECTION 55. DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS: COMMUNITY-BASED PREVENTION AND INTERVENTION PROGRAMS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the Department of Housing and Community Affairs is appropriated \$1,000,000 from the general revenue fund for the two year period beginning on the effective date of this Act for the purpose of providing one-time facility start-up funds for a settlement house in northeast Houston. Funds appropriated in this section are contingent on Harris County providing the operating costs for the facility and also contingent on the land for the facility being donated.

SECTION 56. PRAIRIE VIEW A&M UNIVERSITY: COMMUNITY DEVELOPMENT PROJECT. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$150,000 is appropriated out of the general revenue fund to Prairie View A&M University for Strategy C.3.3, Community Development Project, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature,

Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding community development projects.

SECTION 57. PRAIRIE VIEW A&M UNIVERSITY: OFFICE OF INTERNATIONAL AFFAIRS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$350,000 is appropriated out of the general revenue fund to Prairie View A&M University for the two year period beginning on the effective date of this Act, for the purpose of funding the Office of International Affairs.

SECTION 58. UNIVERSITY OF HOUSTON - DOWNTOWN: COMMUNITY DEVELOPMENT PROJECT. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$150,000 is appropriated out of the general revenue fund to the University of Houston - Downtown for Strategy C.1.1, Community Development Project, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding community development projects.

SECTION 59. UNIVERSITY OF HOUSTON: SCHOOL OF PUBLIC AFFAIRS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$100,000 is appropriated out of the general revenue fund to the University of Houston for Strategy C.2.3, William P. Hobby Jr. School of Public Affairs, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding the William P. Hobby Jr. School of Public Affairs.

SECTION 60. UNIVERSITY OF TEXAS AT AUSTIN: DEPARTMENT OF MEXICAN-AMERICAN STUDIES. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$1,500,000 is appropriated out of the general revenue fund to the University of Texas at Austin for the two year period beginning on the effective date of this Act for the purpose of funding the Department of Mexican-American Studies.

SECTION 61. TEXAS A&M INTERNATIONAL UNIVERSITY: PETROLEUM ENGINEERING. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$2,000,000 is appropriated out of the general revenue fund to the Texas A&M International University for the two year period beginning on the effective date of this Act for the purpose of providing a one-time start-up costs to match local funds for the petroleum engineering program.

SECTION 62. DEPARTMENT OF PUBLIC SAFETY: METHOD OF FINANCE CHANGE. The unencumbered appropriations from the state highway fund 006 to the Department of Public Safety for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are reduced by the amount of \$134,750,000.

(b) In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$134,750,000 is appropriated out of the general revenue fund to the Department of Public Safety for the two year period beginning on the effective date of this Act, for the purpose of changing the method of finance of certain funds.

SECTION 63. EFFECTIVE DATE. (a) This Act takes effect immediately as provided for a general appropriations act under Section 39, Article III, Texas Constitution.

(b) Sections 13, 18, 20, 21, 22, 25, 32 and 33 of this Act take effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

The amendment to **CSHB 1025** was read.

Senator Williams offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 by Williams to **CSHB 1025** (senate committee printing) by striking SECTION 40 of the amendment (page 20, line 15, through page 21, line 1 of the amendment) and substituting the following:

SECTION 40. TEXAS DEPARTMENT OF TRANSPORTATION: ROAD REPAIRS IN ENERGY SECTORS; CONTINGENCY. (a) Contingent on the enactment of SB1670 and SB1671 or similar legislation relating to oversize and overweight vehicles, and in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to State Highway Fund 6 for the purposes for which amounts appropriated by that Act to the department for Strategy C.1.2, New Maintenance Contracts, may be used for maintenance and safety, including repairs to roadways and bridges within the state highway system for damage caused by oversize vehicles or overweight loads used in the development and production of energy or by above normal usage of roadways and bridges within the state highway system by vehicles used in the development and production of energy. It is the intent of the legislature that projects be prioritized by according to safety issues, traffic volumes, pavement widths and pavement conditions.

(b) If SB1670 and SB1671 or similar legislation relating to oversize and overweight vehicles are not enacted, then, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Health and Human Services Commission for the two-year period beginning on the effective date of this Act for the purposes for which amounts appropriated to the commission for Strategy B.1.5, Children, may be used.

The amendment to Floor Amendment No. 1 to **CSHB 1025** was read and was adopted by a viva voce vote.

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

Question recurring on the adoption of Floor Amendment No. 1 to **CSHB 1025**, the amendment as amended was adopted by a viva voce vote.

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

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

CSHB 1025 as amended was passed to third reading by the following vote: Yeas 29, Nays 2.

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

Nays: Patrick, Paxton.

SENATE BILL 16 WITH HOUSE AMENDMENTS

Senator Zaffirini called **SB 16** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 16** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education.

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

SECTION 1. Subchapter B, Chapter 55, Education Code, is amended by adding Sections 55.1781, 55.1782, 55.1783, 55.1784, 55.1785, 55.1786, 55.1787, 55.1788, 55.1789, 55.17891, and 55.17892 to read as follows:

Sec. 55.1781. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The Texas A&M University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas A&M University–Commerce, \$40 million for a library and technology center;

(2) Texas A&M University–Corpus Christi, \$60 million for a life sciences research building;

(3) Texas A&M University–Kingsville, \$33.6 million for music building expansion and renovation of Jones Auditorium;

(4) Texas A&M University–Texarkana, \$36.8 million for an academic and laboratory learning center;

(5) West Texas A&M University, \$12 million for the Amarillo Center;

(6) The Texas A&M University System Health Science Center:

(A) \$7.2 million for facilities in Round Rock, Texas;

(B) \$36 million for a research building in Temple, Texas; and

(C) \$64 million for an education center and research building in Dallas,

Texas;

(7) Texas A&M International University, \$41.6 million for library renovation, additional instructional spaces, and a support services building;

(8) Prairie View A&M University, \$6.4 million for critical deferred maintenance;

(9) Tarleton State University:

(A) \$52 million for the Gates Agriculture and Business Building; and

(B) \$12 million for the Midlothian Higher Education Center;

(10) Texas A&M University, \$88 million for a biocontainment research facility and construction of a music facility;

(11) Texas A&M University at Galveston, \$36.8 million for an academic building;

(12) Texas A&M University–Central Texas, \$40 million for a science, health science, and wellness building; and

(13) Texas A&M University–San Antonio, \$56 million for a science and technology building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The Texas A&M University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1782. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) The University of Texas at Austin, \$95 million for an engineering education and research center;

(2) The University of Texas at Brownsville or its successor university, \$100 million for a new campus in Brownsville;

(3) The University of Texas—Pan American, \$78.4 million for Science Building II;

(4) The University of Texas Southwestern Medical Center at Dallas, \$60 million for north campus Phase VI vivarium and research facilities;

(5) The University of Texas Health Science Center at San Antonio, \$11.2 million for a South Texas diabetes institute and for an enhanced performance laboratory of the Barshop Institute for Longevity and Aging Studies;

(6) The University of Texas M. D. Anderson Cancer Center, \$50 million for a personalized cancer care building;

(7) The University of Texas Medical Branch at Galveston, \$40 million for a health education center;

(8) The University of Texas at Arlington, \$64.3 million for renovation of and addition to a life science building;

(9) The University of Texas at Dallas, \$76 million for an engineering building;

(10) The University of Texas at El Paso, \$88 million for an interdisciplinary research facility;

(11) The University of Texas at San Antonio, \$74.2 million for an experimental science instructional building;

(12) The University of Texas at Tyler, \$38.8 million for a STEM and business complex and renovation of the business building;

(13) The University of Texas Health Science Center at Houston, \$100 million for the renovation and modernization of educational and research facilities;

(14) The University of Texas Health Science Center at Tyler, \$4,804,000 for the Riter Center Primary Care Training Center renovation; and

(15) The University of Texas of the Permian Basin, \$48 million for an engineering building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The University of Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) The bonds for the project specified by Subsection (a)(2) may be issued only if the 83rd Legislature enacts legislation that becomes law creating or authorizing creation of a new component university of The University of Texas System that incorporates the facilities and programs of The University of Texas at Brownsville.

Sec. 55.1783. UNIVERSITY OF HOUSTON SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of Houston, \$70 million for a pharmacy and biomedical sciences building;

(2) the University of Houston–Clear Lake, \$67.2 million for a science and academic support building;

(3) the University of Houston–Downtown, \$37.2 million for a science and technology building; and

(4) the University of Houston–Victoria, \$78,356,800 for campus expansion.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of Houston System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the University of Houston System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1784. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas State University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Lamar University, \$32 million for a science building;

(2) Lamar State College–Orange, \$14,222,400 for a multipurpose education building;

(3) Lamar State College–Port Arthur, \$2,180,000 for an addition to the allied health building;

(4) Lamar Institute of Technology, \$12 million for renovation and replacement of the technical arts buildings;

(5) Texas State University–San Marcos:

(A) \$44.8 million for a medical education and research building in Round Rock, Texas; and

(B) \$73,265,729 for an engineering and science building;

(6) Sam Houston State University, \$31,720,000 for a biology, nursing, and allied health building; and

(7) Sul Ross State University, \$3.4 million for renovation and modernization of educational and related facilities and infrastructure.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas State University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1785. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the University of North Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of North Texas System, \$56 million for college of law building renovations;

(2) the University of North Texas, \$73.6 million for a college of visual arts and design facility;

(3) the University of North Texas at Dallas, \$56 million for a library and student success center; and

(4) the University of North Texas Health Science Center at Fort Worth, \$66,600,000 for an interdisciplinary research building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of North Texas System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the University of North Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1786. TEXAS WOMAN'S UNIVERSITY. (a) In addition to the other authority granted by this subchapter, the board of regents of Texas Woman's University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science and technology learning center, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$37,996,928.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Woman's University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1787. MIDWESTERN STATE UNIVERSITY; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of Midwestern State University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for library, College of Education, and information technology facilities at Midwestern State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$23,992,000.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Midwestern State University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1788. STEPHEN F. AUSTIN STATE UNIVERSITY. (a) In addition to the other authority granted by this subchapter, the board of regents of Stephen F. Austin State University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science, technology, engineering, and mathematics research building at Stephen F. Austin State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$40 million.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Stephen F. Austin State University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1789. TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas Tech University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas Tech University Health Sciences Center:

(A) \$36 million for Lubbock education, research, and technology facilities;

(B) \$79.2 million for the El Paso Medical Science Building II; and

(C) \$15,120,000 for the Permian Basin academic facility;

(2) Texas Tech University, \$70.2 million for a research building; and

(3) Angelo State University, \$14,896,000 for a health and human services building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas Tech University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas Tech University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) The bonds for the project specified by Subsection (a)(1)(B) may be issued only if the 83rd Legislature enacts legislation that becomes law authorizing creation of a health sciences center in El Paso as a component of the Texas Tech University System.

Sec. 55.17891. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL BONDS.

(a) In addition to the other authority granted by this subchapter, the board of regents of Texas Southern University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for the Robert J. Terry Library at Texas Southern University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$52,814,129.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Southern University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.17892. TEXAS STATE TECHNICAL COLLEGE SYSTEM. (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas State Technical College System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas State Technical College System, \$35 million for the Ellis County Extension Center;

(2) Texas State Technical College—Harlingen, \$2.4 million for Phase II of the Engineering Technology Center renovation;

(3) Texas State Technical College—Marshall, \$1.2 million for renovation of aviation technology facilities; and

(4) Texas State Technical College—Waco, \$5 million for water system infrastructure replacement.

(b) The board may pledge irrevocably to the payment of those bonds all or any part of the revenue funds of an institution, branch, or entity of the Texas State Technical College System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State Technical College System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) The bonds for the project specified by Subsection (a)(1) may be issued only if the 83rd Legislature enacts legislation that becomes law authorizing an extension center of the Texas State Technical College System in Ellis County.

SECTION 2. Subsection (e), Section 61.0572, Education Code, is amended to read as follows:

(e) Approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, ~~55.17721~~, or 55.1781-55.17892, except that the board shall review all real property to be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost, efficiency, and space use. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 3. Subsection (b), Section 61.058, Education Code, is amended to read as follows:

(b) This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, ~~55.17721~~, or 55.1781-55.17892, except that the board shall review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 4. This Act does not affect any authority or restriction regarding the activities that a public institution of higher education may conduct in connection with a facility financed by bonds authorized by this Act.

SECTION 5. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

(b) This Act takes effect only if:

(1) S.B. No. 1, 83rd Legislature, Regular Session, 2013, is enacted and becomes law;

(2) H.B. No. 1025, 83rd Legislature, Regular Session, 2013, is enacted and becomes law; and

(3) S.J.R. No. 1, 83rd Legislature, Regular Session, 2013, is approved by the legislature as necessary for any constitutional amendment proposed by that resolution to be submitted to the voters of this state.

Floor Amendment No. 1

Amend **CSSB 16** as follows: On page 2, line 16, strike "6.4" and substitute "12.8".

Floor Amendment No. 2

Amend **CSSB 16** (house committee printing) on page 7, between lines 5 and 6, by inserting the following:

(d) The board may not issue bonds under Subsection (a) until the board establishes the Hobby School of Public Affairs in a manner consistent with the highest standards of other public policy graduate programs in this state.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 16** on third reading as follows:

(1) In SECTION 1 of the bill, in added Section 55.1781(a)(12), Education Code, strike "\$40 million" and substitute "\$45 million".

(2) In SECTION 1 of the bill, in added Section 55.1781(a)(13), Education Code, strike "\$56 million" and substitute "\$63 million".

(3) In SECTION 1 of the bill, in added Section 55.1785(a)(3), Education Code, strike "\$56 million" and substitute "\$63 million".

Floor Amendment No. 2 on Third Reading

Amend **CSSB 16** on third reading by striking the text of second reading Floor Amendment No. 2 by Coleman which added Section 55.1783(d), Education Code, to SECTION 1 of the bill.

The amendments were read.

Senator Zaffirini moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The President asked if there were any motions to instruct the conference committee on **SB 16** before appointment.

There were no motions offered.

The President announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Eltife, Seliger, Ellis, and Carona.

HOUSE BILL 2550 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2550** at this time on its second reading:

HB 2550, Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education.

The bill was read second time.

Senator Nelson offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2550** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 61, Education Code, is amended by adding Section 61.511 to read as follows:

Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

(a) The board shall administer the Resident Physician Expansion Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions through community collaboration and innovative funding. The board shall award grants to physician residency programs at teaching hospitals and other appropriate health care entities according to the program criteria established under Subsections (b) and (i).

(b) The board shall establish criteria for the grant program in consultation with the executive commissioner of the Health and Human Services Commission, with one or more physicians, teaching hospitals, medical schools, independent physician residency programs, and with other persons considered appropriate by the board. The program criteria must:

(1) take into account the following factors:

(A) the characteristics of existing residency positions that receive state funding;

(B) current and projected physician workforce demographics; and

(C) state population trends and projections; and

(2) support the following goals:

(A) creating new residency positions, with an emphasis on creating new first-year residency positions, without adversely affecting existing residency positions;

(B) maximizing local or federal matching funds;

(C) developing accredited physician residency programs at hospitals that have not previously offered residency programs; and

(D) increasing residency positions with respect to:

(i) medical specialties having shortages in this state; and

(ii) medically underserved areas in this state.

(c) The board may provide grants only to support a residency position that:

(1) is created and accredited on or after January 1, 2014; or

(2) was created and accredited before January 1, 2013, but as of that date had not yet been filled.

(d) A grant award may be used only to pay direct costs associated with the position, including the salary of the resident physician.

(e) Each grant application must specify:

(1) the number of residency positions expected to be created with the grant money; and

(2) the grant amount requested for each year.

(f) The board shall award grants for all residency positions awarded a grant under this section in the preceding year before awarding a grant for a residency position that did not receive a grant in the preceding year, provided that the applicable grant recipient from the preceding year complies with all conditions of the grant as described by Subsection (g).

(g) The board shall monitor physician residency programs receiving grants as necessary to ensure compliance with the grant program and shall require the return of any unused grant money by, or shall decline to award additional grants to, a residency program that receives a grant but fails to:

(1) create and fill, within a reasonable period, the number of residency positions proposed in the program's grant application; or

(2) satisfy any other conditions of the grant imposed by the board.

(h) The board shall use money forfeited under Subsection (g) to award grants to other eligible applicants. With respect to the physician residency program forfeiting the grant, the board may restore grant money or award additional grants, as applicable, to the program as soon as practicable after the program satisfies all conditions of the grant.

(i) The board shall adopt rules for the administration of the grant program. The rules must include:

(1) administrative provisions governing:

(A) eligibility criteria for grant applicants;

(B) grant application procedures;

(C) guidelines relating to grant amounts;

(D) guidelines relating to the number of grants to be awarded each year,

subject to available funds;

(E) procedures for evaluating grant applications; and

(F) procedures for monitoring the use of grants;

(2) methods for tracking the effectiveness of grants; and

(3) any conditions relating to the receipt and use of a grant as considered appropriate by the board.

(j) Not later than January 1 of each year, the board shall prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, the standing committees of the senate and house of representatives with responsibility for oversight of health and human services issues, and the Legislative Budget Board a report that:

(1) specifies each of the following with respect to the preceding program year:

(A) the number of grants awarded under the program;

(B) the amount of each grant awarded under the program;

(C) the number of residency positions created with the support of grant

money;

(D) the medical specialty of the residency positions created; and

(E) whether physicians who complete their training through residency positions created under the program choose to practice in this state and which medical specialties they choose for their practices; and

(2) makes appropriate recommendations for legislative changes as necessary.

SECTION _____. Subtitle A, Title 3, Education Code, is amended by adding Chapter 58A to read as follows:

CHAPTER 58A. PROGRAMS SUPPORTING GRADUATE MEDICAL
EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 58A.001. DEFINITION. In this chapter, "board" means the Texas Higher Education Coordinating Board.

SUBCHAPTER B. GRADUATE MEDICAL EDUCATION
RESIDENCY EXPANSION

Sec. 58A.021. ADMINISTRATION. The board shall allocate funds appropriated for purposes of this subchapter and may adopt necessary rules regarding the allocation of those funds.

Sec. 58A.022. PLANNING GRANTS. (a) The board shall award one-time planning grants to entities located in this state that:

(1) have never had a graduate medical education program; and

(2) are eligible for Medicare funding of graduate medical education.

(b) The board shall award planning grants on a competitive basis according to criteria adopted by the board. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation. A grant received under this section must be used for the purpose of planning additional first-year residency positions.

(c) An application for a planning grant for a state fiscal year must be submitted to the board not later than July 15 preceding that fiscal year. Not later than August 15, the board shall make decisions about grant awards for the following state fiscal year.

(d) An entity that is awarded a planning grant and establishes new first-year residency positions after receipt of the grant is eligible for additional funds for each such position established, as provided by appropriation.

Sec. 58A.023. GRANTS FOR UNFILLED RESIDENCY POSITIONS. (a) The board shall award grants to graduate medical education programs to enable those programs to fill accredited but unfilled first-year residency positions. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation.

(b) A grant received under this section must be expended to support the direct resident costs to the program, including the resident stipend and benefits.

(c) A grant application must include proof of the accredited but unfilled positions to which the application applies. An application for a grant must be submitted to the board not later than October 1 preceding the period for which the grant is made. The board shall make decisions about grant awards not later than January 1 preceding the grant period.

(d) The board may distribute a grant amount for a residency position only on receiving verification that the applicable residency position has been filled.

(e) Grant amounts are awarded under this section for two consecutive state fiscal years. For each first-year residency position for which a program receives an initial grant amount in a fiscal year, the board shall award the program an equal grant amount for the following fiscal year.

Sec. 58A.024. GRANTS FOR PROGRAM EXPANSION OR NEW PROGRAM. (a) The board shall award grants to enable existing graduate medical education programs to increase the number of first-year residency positions or to provide for the establishment of new graduate medical education programs with first-year residency positions. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation.

(b) A grant received under this section must be expended to support the direct resident costs to the program, including the resident stipend and benefits.

(c) A grant application must include a plan for receiving accreditation for the increased number of positions or for the new program, as applicable. An application for a grant must be submitted to the board not later than October 1 preceding the period for which the grant is made. The board shall make decisions about grant awards not later than January 1 preceding the grant period.

(d) The board may distribute a grant amount for a residency position only on receiving verification that the applicable residency position has been filled.

(e) Grant amounts are awarded under this section for three consecutive state fiscal years. For each first-year residency position for which a program receives an initial grant amount in a fiscal year, the board shall award the program an equal grant amount for the following two fiscal years.

Sec. 58A.025. PRIORITY GRANTS; ADJUSTMENT OF AMOUNTS. (a) If the board determines that the number of first-year residency positions proposed by eligible applicants under Sections 58A.023 and 58A.024 exceeds the number authorized by appropriation, in awarding grants the board:

(1) may give priority for up to 50 percent of the funded first-year residency positions to be in primary care or other critical shortage areas in this state; and

(2) may not reduce grant amounts awarded per resident position, but may proportionately reduce the number of positions funded for each program.

(b) If the board determines that, based on applications received, the entire appropriation will not be awarded for that year for graduate medical education residency expansion under Sections 58A.023 and 58A.024, the board may transfer and use the funds for the purposes of Section 58A.022 and may adjust the number of grants awarded under that section accordingly.

Sec. 58A.026. GRANTS FOR ADDITIONAL YEARS OF RESIDENCY. (a) If the board determines that funds appropriated for purposes of this subchapter are available after all eligible grant applications under Sections 58A.022, 58A.023, and 58A.024 have been funded, the board shall award grants from excess funds to support residents:

(1) who have completed at least three years of residency; and

(2) whose residency program is in a field in which this state has less than 80 percent of the national average of physicians per 100,000 population, as determined by the board.

(b) Grants shall be awarded under this section in amounts, in the number, and in the residency fields determined by the board, subject to any conditions provided by legislative appropriation. A grant received under this section must be expended to support the direct resident costs to the program, including the resident stipend and benefits.

(c) The board may distribute grant amounts only on receiving verification that the applicable residency position has been filled.

(d) The board may award grants under this section only from funds appropriated for the state fiscal year beginning September 1, 2016, or for a subsequent state fiscal year.

SUBCHAPTER C. PRIMARY CARE INNOVATION PROGRAM

Sec. 58A.051. PRIMARY CARE INNOVATION PROGRAM. Subject to available funds, the board shall establish a grant program under which the board awards incentive payments to medical schools that administer innovative programs designed to increase the number of primary care physicians in this state.

Sec. 58A.052. GIFTS, GRANTS, AND DONATIONS. In addition to other money appropriated by the legislature, the board may solicit, accept, and spend gifts, grants, and donations from any public or private source for the purposes of the program established under this subchapter.

Sec. 58A.053. RULES. In consultation with each medical school in this state, the board shall adopt rules for the administration of the program established under this subchapter. The rules must include:

(1) administrative provisions relating to the awarding of grants under this subchapter, such as:

(A) eligibility criteria for medical schools;

(B) grant application procedures;

(C) guidelines relating to grant amounts;

(D) procedures for evaluating grant applications; and

(E) procedures for monitoring the use of grants; and

(2) methods for tracking the effectiveness of grants that:

(A) using data reasonably available to the board, consider relevant information regarding the career paths of medical school graduates during the four-year period following their graduation; and

(B) evaluate whether and for how long those graduates work in primary care in this state.

Sec. 58A.054. ADMINISTRATIVE COSTS. A reasonable amount, not to exceed three percent, of any money appropriated for purposes of this subchapter may be used by the board to pay the costs of administering this subchapter.

SECTION _____. Section 61.532, Education Code, is amended to read as follows:

Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive repayment assistance, a physician must:

(1) apply to the coordinating board;

(2) at the time of application, be licensed to practice medicine under Subtitle B, Title 3, Occupations Code;

(3) have completed one, two, three, or four consecutive years of practice;

(A) in a health professional shortage area designated by the Department of State Health Services; or

(B) in accordance with Subsection (b), after funds have been fully allocated for the program year to physicians qualifying under Paragraph (A); and

(4) provide health care services to:

(A) recipients under the medical assistance program authorized by Chapter 32, Human Resources Code;

(B) enrollees under the child health plan program authorized by Chapter 62, Health and Safety Code; or

(C) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department [~~Youth Commission~~] or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice.

(b) A physician may complete one or more years of practice required by Subsection (a)(3) in a location other than a health professional shortage area designated by the Department of State Health Services if, during the applicable year or years, the physician provides health care services to a designated number of patients who are recipients under the medical assistance program authorized by Chapter 32, Human Resources Code, or the Texas Women's Health Program according to criteria established by the board in consultation with the Health and Human Services Commission. The Health and Human Services Commission shall verify a physician's compliance with this subsection, and the board and the commission shall enter into a memorandum of understanding for that purpose.

(c) The board annually shall solicit and collect information regarding the specific number of patients described by Subsection (a)(4)(A) who are treated by each physician receiving loan repayment assistance under this subchapter.

SECTION _____. Section 61.5391, Education Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The physician education loan repayment program account is an account in the general revenue fund. The account is composed of:

- (1) gifts and grants contributed to the account;
- (2) earnings on the principal of the account; and
- (3) other amounts deposited to the credit of the account, including:
 - (A) money deposited under Section 61.539(b) or 61.5392;
 - (B) legislative appropriations; and
 - (C) money deposited under Section 155.2415, Tax Code.

(c) Money deposited to the credit of the account under Section 61.5392 may be used only to provide loan repayment assistance to physicians who establish eligibility for the assistance under Section 61.532(a)(4)(A) or (b).

SECTION _____. Subchapter J, Chapter 61, Education Code, is amended by adding Section 61.5392 to read as follows:

Sec. 61.5392. FEDERAL MATCHING FUNDS. (a) For the purposes of this subchapter, the Health and Human Services Commission shall seek any federal matching funds that are available for the purposes of this section.

(b) Any amount received under Subsection (a) shall be transferred to the comptroller to be deposited in the physician education loan repayment program account established under Section 61.5391. Section 403.095, Government Code, does not apply to any amount deposited under this section.

SECTION _____. (a) As soon as practicable after the effective date of this Act, the Texas Higher Education Coordinating Board shall adopt rules for the implementation and administration of the programs established under Chapter 58A, Education Code, as added by this Act. The coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

(b) Not later than October 1, 2013, the Texas Higher Education Coordinating Board and the Health and Human Services Commission shall enter into the memorandum of understanding required by Subsection (b), Section 61.532, Education Code, as added by this Act. As soon as practicable after the date of the memorandum, the coordinating board shall begin awarding loan repayment assistance to physicians who establish eligibility under that subsection.

The amendment to **HB 2550** was read and was adopted by a viva voce vote.

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

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

HB 2550 as amended was passed to third reading by a viva voce vote.

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

HOUSE BILL 2550 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2550** be placed on its third reading and final passage.

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

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

MOTION TO PLACE COMMITTEE SUBSTITUTE HOUSE BILL 1926 ON SECOND READING

Senator Hegar moved to suspend the regular order of business to take up for consideration **CSHB 1926** at this time on its second reading:

CSHB 1926, Relating to the operation of the state virtual school network and courses provided through other distance learning arrangements.

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

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Wednesday, May 22, 2013 - 2

(Revised Message)

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

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

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

- HB 326** (145 Yeas, 0 Nays, 2 Present, not voting)
- HB 367** (146 Yeas, 1 Nays, 2 Present, not voting)
- HB 642** (143 Yeas, 4 Nays, 2 Present, not voting)
- HB 674** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 753** (127 Yeas, 14 Nays, 4 Present, not voting)
- HB 842** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 897** (121 Yeas, 26 Nays, 2 Present, not voting)
- HB 1093** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 1097** (143 Yeas, 3 Nays, 3 Present, not voting)
- HB 1349** (140 Yeas, 5 Nays, 2 Present, not voting)
- HB 1545** (145 Yeas, 2 Nays, 2 Present, not voting)
- HB 1724** (148 Yeas, 0 Nays, 2 Present, not voting)
- HB 1759** (148 Yeas, 0 Nays, 2 Present, not voting)
- HB 1965** (141 Yeas, 2 Nays, 2 Present, not voting)
- HB 2049** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 2138** (144 Yeas, 3 Nays, 2 Present, not voting)
- HB 2276** (141 Yeas, 1 Nays, 2 Present, not voting)
- HB 2447** (83 Yeas, 65 Nays, 2 Present, not voting)
- HB 2585** (123 Yeas, 19 Nays, 2 Present, not voting)
- HB 2688** (148 Yeas, 0 Nays, 2 Present, not voting)
- HB 2874** (131 Yeas, 0 Nays, 2 Present, not voting)
- HB 2911** (116 Yeas, 29 Nays, 2 Present, not voting)

HB 3068 (139 Yeas, 3 Nays, 2 Present, not voting)

HB 3567 (144 Yeas, 3 Nays, 2 Present, not voting)

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 2 (non-record vote)

House Conferees: Aycok - Chair/Farney/Harless/Otto/Villarreal

SB 211 (non-record vote)

House Conferees: Dutton - Chair/Anchia/Bonnen, Dennis/Cook/Price

SB 217 (non-record vote)

House Conferees: Anchia - Chair/Bonnen, Dennis/Orr/Simmons/Strama

SB 270 (non-record vote)

House Conferees: Herrero - Chair/Canales/Carter/González, Mary/Price

SB 281 (non-record vote)

House Conferees: Frank - Chair/King, Tracy O./Larson/Lavender/Springer

SB 359 (non-record vote)

House Conferees: Eiland - Chair/Bohac/Button/Gonzalez, Naomi/Martinez Fischer

SB 690 (non-record vote)

House Conferees: Dutton - Chair/Branch/Leach/Miles/Sanford

SB 700 (non-record vote)

House Conferees: Kacal - Chair/Clardy/González, Mary/Larson/Lewis

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

VOTES RECONSIDERED ON COMMITTEE SUBSTITUTE HOUSE BILL 2836

On motion of Senator Patrick and by unanimous consent, the vote by which **CSHB 2836** was finally passed was reconsidered:

CSHB 2836, Relating to the administration of certain state assessment instruments to public school students and to a study of the essential knowledge and skills of the required public school curriculum and of certain state assessment instruments.

Question—Shall **CSHB 2836** be finally passed?

On motion of Senator Patrick and by unanimous consent, the vote by which **CSHB 2836** was passed to third reading was reconsidered.

Question—Shall **CSHB 2836** be passed to third reading?

On motion of Senator West and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question—Shall Floor Amendment No. 1 to **CSHB 2836** be adopted?

Senator West withdrew Floor Amendment No. 1.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 2836** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in the recital (page 1, line 27), strike "and (a-5)" and substitute "(a-5), (b-1), and (b-2)".

(2) In SECTION 1 of the bill, in amended Section 39.023, Education Code (page 1, between lines 40 and 41), insert the following:

(b-1) The agency, in conjunction with appropriate interested persons, shall redevelop assessment instruments adopted or developed under Subsection (b) for administration to significantly cognitively disabled students in a manner consistent with federal law. An assessment instrument under this subsection may not require a teacher to prepare tasks or materials for a student who will be administered such an assessment instrument.

(b-2) Assessment instruments redeveloped under Subsection (b-1) shall be administered beginning not later than the 2014-2015 school year. This subsection expires September 1, 2015.

The amendment to **CSHB 2836** was read and was adopted by a viva voce vote.

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

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 2836** (senate committee printing) by inserting into the bill the following appropriately numbered new SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.038 to read as follows:

Sec. 39.038. AUDITING AND MONITORING PERFORMANCE UNDER CONTRACTS FOR ASSESSMENT INSTRUMENTS. (a) The agency by rule shall develop a comprehensive methodology for auditing and monitoring performance under contracts for services to develop or administer assessment instruments required by Section 39.023 to verify compliance with contractual obligations.

(b) The agency shall ensure that all new and renewed contracts described by Subsection (a) include a provision that the agency or a designee of the agency may conduct periodic contract compliance reviews, without advance notice, to monitor vendor performance.

(c) The agency shall adopt rules to administer this section.

The amendment to **CSHB 2836** was read and was adopted by a viva voce vote.

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

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

CSHB 2836 as amended was again passed to third reading by a viva voce vote. All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2836 ON THIRD READING**

Senator Patrick again moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2836** be placed on its third reading and final passage.

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

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

**MOTION TO PLACE
COMMITTEE SUBSTITUTE
HOUSE BILL 2962 ON SECOND READING**

Senator Carona moved to suspend the regular order of business to take up for consideration **CSHB 2962** at this time on its second reading:

CSHB 2962, Relating to the use of a credit or charge card by certain state agencies to make certain purchases.

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

**COMMITTEE SUBSTITUTE
HOUSE BILL 3793 ON SECOND READING**

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3793** at this time on its second reading:

CSHB 3793, Relating to powers, duties, and services of entities serving counties.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3793** (senate committee printing) by striking SECTION 1 (page 1, line 20) through SECTION 20 (page 5, line 17) of the bill and renumbering subsequent SECTIONS of the bill accordingly.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

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

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 3793** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle A, Title 3, Special District Local Laws Code, is amended by adding Chapter 1122 to read as follows:

CHAPTER 1122. HIDALGO COUNTY HOSPITAL DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1122.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the Hidalgo County Hospital District.

Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County Hospital District may be created and, if created, operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hidalgo County.

Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION. (a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Hidalgo County Commissioners Court shall order an election for the registered voters of Hidalgo County on the question of creation of the Hidalgo County Hospital District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of Hidalgo County.

(c) The order calling an election under this section must state:

- (1) the nature of the election, including the proposition that is to appear on the ballot;
- (2) the date of the election;
- (3) the hours during which the polls will be open; and
- (4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

(e) The Hidalgo County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Hidalgo County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date set for the election.

(f) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Hidalgo County Hospital District, providing for the imposition of an ad valorem tax at a rate not to exceed 75 cents on each \$100 valuation on all taxable property in the district."

(g) The Hidalgo County Commissioners Court shall find that the Hidalgo County Hospital District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

Sec. 1122.022. TEMPORARY DIRECTORS. (a) If the creation of the district is approved at the election held under Section 1122.021, the Hidalgo County Commissioners Court shall appoint five temporary directors to represent the district at large.

(b) Temporary directors serve until the date of the next regular election of directors that occurs after the date of the election held under Section 1122.021 and that allows sufficient time to comply with other requirements of law.

(c) A vacancy on the temporary board of directors shall be filled by appointment by the Hidalgo County Commissioners Court.

(d) A person must be a qualified voter of the district to serve as a temporary director.

(e) An employee of the district may not serve as a temporary director.

Sec. 1122.023. TEMPORARY OFFICERS. (a) The temporary board shall elect a president and a vice president from among the temporary directors.

(b) The temporary board shall appoint a secretary, who need not be a temporary director.

(c) The temporary board shall fill a vacancy in a board office for the remainder of the unexpired term.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1122.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected at large.

(b) An election shall be held each year on an authorized uniform election date to elect the appropriate number of directors.

(c) Directors serve staggered two-year terms.

Sec. 1122.052. NOTICE. Notice of the directors' election shall be published at least once in a newspaper with general circulation in the district in accordance with Section 4.003(a), Election Code.

Sec. 1122.053. QUALIFICATION FOR OFFICE. (a) To be eligible to hold office on the board, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) An administrator or an employee of the district may not serve as a director.

Sec. 1122.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of \$5,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond shall be kept in the permanent records of the district.

(c) The board may pay for a director's bond with district money.

Sec. 1122.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 1122.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves a one-year term.

(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Sec. 1122.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Sec. 1122.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Sec. 1122.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.

(a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than \$5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

(e) The board may pay for the bond with district money.

Sec. 1122.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Sec. 1122.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

(a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Sec. 1122.062. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Sec. 1122.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

- (1) advertising and marketing;
- (2) paying travel, recruitment, and relocation expenses;
- (3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or
- (4) contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Sec. 1122.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

- (1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;
- (2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and
- (3) make temporary appointments to the medical staff as the board considers necessary.

Sec. 1122.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

- (1) establishing or administering a retirement program; or
- (2) participating in:
 - (A) the Texas County and District Retirement System; or
 - (B) another statewide retirement system in which the district is eligible to participate.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Sec. 1122.103. RULES. The board may adopt rules governing:

- (1) the operation of the hospital and hospital system; and
- (2) the duties, functions, and responsibilities of district staff and employees.

Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

- (1) the method of making purchases and expenditures by and for the district;
- and
- (2) accounting and control procedures for the district.

Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

- (b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.

(a) The board shall determine:

(1) the type, number, and location of buildings required to maintain an adequate hospital system; and

(2) the type of equipment necessary for hospital care.

(b) The board may:

(1) acquire property, facilities, and equipment for the district for use in the hospital system;

(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;

(3) sell or otherwise dispose of property, facilities, or equipment for the district; or

(4) lease hospital facilities for the district.

Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Sec. 1122.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Sec. 1122.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Sec. 1122.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in any county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Hidalgo County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Hidalgo County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Sec. 1122.114. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation created under this section may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT PURPOSES. Under the authority granted by Section 52-a, Article III, Texas Constitution, the district may loan or grant money to any person for the development of medical education and research in the district.

Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1122.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;
(2) the amount of cash on hand to the credit of each fund of the district;
(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

(5) the amount of the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated amount of revenues and balances available to cover the proposed budget; and

(7) the estimated tax rate required.

Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Sec. 1122.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding;

or

(2) more than once in a 24-month period.

Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Sec. 1122.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Sec. 1122.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Sec. 1122.159. DEBT LIMITATION. Except as provided by this chapter and Chapter 1207, Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Sec. 1122.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1122.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

SUBCHAPTER E. BONDS

Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1122.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

- (1) the nature and date of the election;
- (2) the hours during which the polls will be open;
- (3) the location of polling places;
- (4) the amounts of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Sec. 1122.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

- (1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;
- (2) acquire sites to be used for hospital purposes; or
- (3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Sec. 1122.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Sec. 1122.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

- (1) bonds issued by the district;
- (2) any transaction relating to the bonds; and
- (3) profits made in the sale of the bonds.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.

(b) The tax may be used to pay:

- (1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Sec. 1122.252. TAX RATE. (a) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each \$100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(b) In setting the tax rate, the board shall consider district income from sources other than taxation.

Sec. 1122.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

SUBCHAPTER G. DISSOLUTION

Sec. 1122.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Sec. 1122.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Sec. 1122.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hidalgo County Hospital District."

Sec. 1122.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Hidalgo County or another governmental entity in Hidalgo County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

(a) After the board determines that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the tax assessor-collector for Hidalgo County.

Sec. 1122.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Hidalgo County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Hidalgo County Commissioners Court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

SECTION 2. (a) The members of the board of directors of the Hidalgo County Hospital District elected at the first election held under Section 1122.051, Special District Local Laws Code, as added by this Act, shall draw lots to determine which three directors serve a two-year term and which two directors serve a one-year term.

(b) Successor directors shall serve two-year terms.

SECTION 3. Proof of publication of the notice required in the enactment of this Act under the provisions of Section 9, Article IX, Texas Constitution, has been made in the manner and form provided by law pertaining to the enactment of local and special laws, and the notice is found and declared proper and sufficient to satisfy the requirement.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

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

(Senator Eltife in Chair)

Senator Garcia offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 3793** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

- (1) major depressive disorder, including single episode or recurrent major depressive disorder;
- (2) post-traumatic stress disorder;
- (3) schizoaffective disorder, including bipolar and depressive types;
- (4) obsessive compulsive disorder;
- (5) anxiety disorder;
- (6) attention deficit disorder;
- (7) delusional disorder;
- (8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or
- (9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

- (1) post-traumatic stress disorder;
- (2) schizoaffective disorder, including bipolar and depressive types;
- (3) anxiety disorder; or
- (4) delusional disorder.

(b) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014.

The amendment to **CSHB 3793** was read.

Senator Garcia temporarily withdrew Floor Amendment No. 3.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 3793** (Senate Committee Printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 61.036, Health and Safety Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) Regardless of the application, documentation, and verification procedures or eligibility standards established by the department under Subchapter A, a county may credit an intergovernmental transfer to the state toward eligibility for state assistance if the transfer was made to provide health care services as part of the Texas Healthcare Transformation and Quality Improvement Program waiver issued under 42 U.S.C. Section 1315.

(e) A county may credit toward eligibility for state assistance intergovernmental transfers made under Subsection (d) that in the aggregate do not exceed four percent of the county's general revenue levy in any state fiscal year, provided:

(1) The commissioners court determines that the expenditure fulfills the county's obligations to provide indigent health care under this chapter;

(2) The commissioners court determines that the amount of care available through participation in the waiver is sufficient in type and amount to meet the requirements of this chapter; and

(3) The county receives periodic reports from health care providers that receive supplemental or incentive payments under the Texas Healthcare Transformation and Quality Improvement Program waiver that document the number and types of services provided to persons who are eligible to receive services under this chapter.

SECTION ____ . Not later than December 1, 2014, the Department of State Health Services shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives on the effects of the provisions of this Act on services rendered to eligible residents under Chapter 61, Health and Safety Code.

SECTION ____ . (a) The change in law made by this Act to Section 61.036, Health and Safety Code, applies only to state assistance for health care services under Chapter 61, Health and Safety Code, as amended by this Act, that are delivered on or after the effective date of this Act.

(b) State assistance for health care services under Chapter 61, Health and Safety Code, that are delivered before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

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

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 3793** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Sections 533.051 and 533.052 to read as follows:

Sec. 533.051. DEVELOPMENT OF A PLAN FOR THE ALLOCATION OF OUTPATIENT MENTAL HEALTH SERVICES AND BEDS IN STATE HOSPITALS. (a) The department, in conjunction with the commission, shall develop a plan for the proper and separate allocation of outpatient or community-based mental health services provided by secure and nonsecure outpatient facilities that provide residential care alternatives and mental health services and for the proper and separate allocation of beds in the state hospitals for the following two groups of patients:

(1) patients who are voluntarily receiving outpatient or community-based mental health services, voluntarily admitted to a state hospital under Chapter 572, admitted to a state hospital for emergency detention under Chapter 573, or ordered by a court under Chapter 574 to receive inpatient mental health services at a state hospital or outpatient mental health services from an outpatient facility that provides residential care alternatives and mental health services; and

(2) patients who are ordered to participate in an outpatient treatment program to attain competency to stand trial under Chapter 46B, Code of Criminal Procedure, or committed to a state hospital or other facility to attain competency to stand trial under Chapter 46B, Code of Criminal Procedure, or to receive inpatient mental health services following an acquittal by reason of insanity under Chapter 46C, Code of Criminal Procedure.

(b) The plan developed by the department under Subsection (a) must include:

(1) a determination of the needs for outpatient mental health services of the two groups of patients described by Subsection (a);

(2) a determination of the minimum number of beds that the state hospital system must maintain to adequately serve the two groups of patients;

(3) a statewide plan for the allocation of sufficient funds for meeting the outpatient mental health service needs of and for the maintenance of beds by the state hospitals for the two groups of patients;

(4) a process to address and develop, without adverse impact to local service areas, the accessibility and availability of sufficient outpatient mental health services provided to and beds provided by the state hospitals to the two groups of patients based on the success of contractual outcomes with a broad base of local community outpatient mental health service providers and inpatient mental health facilities; and

(5) guidelines for use by the department and mental health service providers who contract with the department in determining what constitutes the timely delivery of services.

(c) To assist in the development of the plan under Subsection (a), the department shall establish and meet at least monthly with an advisory panel composed of the following persons:

(1) one representative designated by the Texas Department of Criminal Justice;

(2) one representative designated by the Texas Association of Counties;
(3) two representatives designated by the Texas Council of Community Centers, including one representative of an urban local service area and one representative of a rural local service area;

(4) two representatives designated by the County Judges and Commissioners Association of Texas, including one representative who is the presiding judge of a court with jurisdiction over mental health matters;

(5) one representative designated by the Sheriffs' Association of Texas;

(6) two representatives designated by the Texas Municipal League, including one representative who is a municipal law enforcement official;

(7) one representative designated by the Texas Conference of Urban Counties;

(8) two representatives designated by the Texas Hospital Association, including one representative who is a physician;

(9) one representative designated by the Texas Catalyst for Empowerment;
and

(10) four representatives designated by the Department of State Health Services' Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, including:

(A) the chair of the council;

(B) one representative of the council's members who is a consumer of or advocate for mental health services;

(C) one representative of the council's members who is a consumer of or advocate for substance abuse treatment; and

(D) one representative of the council's members who is a family member of or advocate for persons with mental health and substance abuse disorders.

(d) In developing the plan under Subsection (a), the department and advisory panel shall consider:

(1) needs for outpatient mental health services of the two groups of patients described by Subsection (a);

(2) the frequency of use of beds and the historical patterns of use of beds in the state hospitals and other facilities by the two groups of patients;

(3) local needs and demands for outpatient mental health services by the two groups of patients;

(4) local needs and demands for beds in the state hospitals and other facilities for the two groups of patients;

(5) the availability of outpatient mental health service providers and inpatient mental health facilities that may be contracted with to provide outpatient mental health services and beds for the two groups of patients;

(6) the differences between the two groups of patients with regard to:

(A) admission to and discharge from a state hospital or outpatient facility;

(B) rapid stabilization and discharge to the community;

(C) length of stay in a state hospital or outpatient facility;

(D) disputes arising from the determination of a patient's length of stay in a state hospital by a health maintenance organization or a managed care organization;

(E) third-party billing; and

(F) legal challenges or requirements related to the examination and treatment of the patients; and

(7) public input provided to the department or advisory panel in a form and at a time and place that is effective and appropriate and in a manner that complies with any applicable laws, including administrative rules.

(e) The department shall update the plan biennially, or more frequently if determined necessary by the executive commissioner or the advisory panel.

(f) Not later than June 1, 2014, the department, in conjunction with the advisory panel, shall develop the initial version of the plan required by Subsection (a).

Sec. 533.052. INFORMING COURTS OF COMMITMENT OPTIONS. The department shall develop and implement a procedure through which a court that has the authority to commit a person who is incompetent to stand trial or who has been acquitted by reason of insanity under Chapters 46B and 46C, Code of Criminal Procedure, is aware of all of the commitment options for the person, including jail diversion and community-based programs.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 5.

Senator Hinojosa moved to temporarily postpone further consideration of **CSHB 3793**.

The motion prevailed.

Question—Shall **CSHB 3793** as amended be passed to third reading?

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Wednesday, May 22, 2013 - 3

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

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

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SJR 1 Williams Sponsor: Pitts
Proposing a constitutional amendment providing for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund

for Texas to assist in the financing of priority projects in the state water plan.
(Committee Substitute/Amended)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**COMMITTEE SUBSTITUTE
HOUSE BILL 1025 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1025** be placed on its third reading and final passage:

CSHB 1025, Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

The motion prevailed by the following vote: Yeas 28, Nays 3.

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

Nays: Campbell, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

**MOTION TO PLACE
HOUSE JOINT RESOLUTION 24 ON SECOND READING**

Senator Van de Putte moved to suspend the regular order of business to take up for consideration **HJR 24** at this time on its second reading:

HJR 24, Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.

Senator Van de Putte withdrew the motion to suspend the regular order of business.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3793 ON SECOND READING**

The Presiding Officer laid before the Senate **CSHB 3793** by Senator Hinojosa on its second reading. The bill had been read second time, amended, and further consideration temporarily postponed:

CSHB 3793, Relating to powers, duties, and services of entities serving counties.

Question—Shall **CSHB 3793** as amended be passed to third reading?

Senator Garcia again offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 3793** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

(1) major depressive disorder, including single episode or recurrent major depressive disorder;

(2) post-traumatic stress disorder;

(3) schizoaffective disorder, including bipolar and depressive types;

(4) obsessive compulsive disorder;

(5) anxiety disorder;

(6) attention deficit disorder;

(7) delusional disorder;

(8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or

(9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

(1) post-traumatic stress disorder;

(2) schizoaffective disorder, including bipolar and depressive types;

(3) anxiety disorder; or

(4) delusional disorder.

(b) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014.

The amendment to **CSHB 3793** was read and was adopted by the following vote: Yeas 17, Nays 14.

Yeas: Davis, Duncan, Ellis, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodriguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Carona, Deuell, Eltife, Estes, Fraser, Hancock, Nichols, Patrick, Paxton, Schwertner, Taylor, Williams.

Senator Schwertner offered the following amendment to the bill:

Floor Amendment No. 6

Amend **CSHB 3793** (Senate Committee Printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ Chapter 1001, Health and Safety Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. MENTAL HEALTH FIRST AID TRAINING

Sec. 1001.201. DEFINITIONS. In this subchapter:

(1) "Educator" means a person who is required to hold a certificate issued under Subchapter B, Chapter 21, Education Code.

(2) "Local mental health authority" has the meaning assigned by Section 531.002 and includes the local behavioral health authority for the NorthSTAR Behavioral Health Program.

(3) "Regional education service center" means a regional education service center established under Chapter 8, Education Code.

Sec. 1001.202. GRANTS FOR TRAINING OF MENTAL HEALTH FIRST AID TRAINERS. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to local mental health authorities to contract with persons approved by the department to train employees or contractors of the authorities as mental health first aid trainers.

(b) Except as provided by Subsection (c), the department shall make each grant to a local mental health authority under this section in an amount equal to \$1,000 times the number of employees or contractors of the authority whose training as mental health first aid trainers will be paid by the grant.

(c) For each state fiscal year, the total amount the department may grant to a local mental health authority under this section may not exceed the lesser of \$30,000 or three percent of the funds appropriated to the department for making grants under this section.

(d) The executive commissioner shall adopt rules to establish the requirements for a person to be approved by the department to train employees or contractors of a local mental health authority as mental health first aid trainers. The rules must ensure that a person who is approved by the department is qualified to provide training in:

(1) the potential risk factors and warning signs for various mental illnesses, including depression, anxiety, trauma, psychosis, eating disorders, substance abuse disorders, and self-injury;

(2) the prevalence of various mental illnesses in the United States and the need to reduce the stigma associated with mental illness;

(3) an action plan for use by the employees or contractors that involves the use of skills, resources, and knowledge to assess a situation and develop and implement an appropriate intervention to help an individual experiencing a mental health crisis obtain appropriate professional care; and

(4) the evidence-based professional, peer, social, and self-help resources available to help individuals with mental illness.

(e) Two or more local mental health authorities may collaborate and share resources to provide training for employees or contractors of the authorities under this section.

Sec. 1001.203. GRANTS FOR TRAINING CERTAIN EDUCATORS IN MENTAL HEALTH FIRST AID. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to local mental health authorities to provide an approved mental health first aid training program, administered by mental health first aid trainers, at no cost to educators.

(b) For each state fiscal year, the total amount the department may grant to a local mental health authority under this section may not exceed the lesser of \$40,000 or three percent of the funds appropriated to the department for making grants under this section.

(c) Subject to the limit provided by Subsection (b), out of the funds appropriated to the department for making grants under this section, the department shall grant \$100 to a local mental health authority for each educator who successfully completes a mental health first aid training program provided by the authority under this section.

(d) A mental health first aid training program provided by a local mental health authority under this section must:

(1) be conducted by a person trained as a mental health first aid trainer;
(2) provide participants with the skills necessary to help an individual experiencing a mental health crisis until the individual is able to obtain appropriate professional care; and

(3) include:

(A) instruction in a five-step strategy for helping an individual experiencing a mental health crisis, including assessing risk, listening respectfully to and supporting the individual, and identifying professional help and other supports for the individual;

(B) an introduction to the risk factors and warning signs for mental illness and substance abuse problems;

(C) experiential activities to increase participants' understanding of the impact of mental illness on individuals and families; and

(D) a presentation of evidence-supported treatment and self-help strategies.

(e) A local mental health authority may contract with a regional education service center to provide a mental health first aid training program to educators under this section.

(f) Two or more local mental health authorities may collaborate and share resources to develop and operate a mental health first aid training program under this section.

Sec. 1001.204. PLANS FOR MENTAL HEALTH FIRST AID TRAINING PROGRAMS. (a) Not later than October 1 of each state fiscal year for which a local mental health authority will seek a grant from the department under Section 1001.203, the authority shall submit to the department a plan demonstrating the manner in which grants made to the authority under that section will be used:

(1) to train individuals in mental health first aid throughout the authority's local service area to maximize the number of children who have direct contact with an individual who has successfully completed a mental health first aid training program provided by the authority;

(2) to meet the greatest needs of the authority's local service area, as identified by the authority; and

(3) to complement existing resources and not duplicate established mental health first aid training efforts.

(b) The department may not make a grant to a local mental health authority under Section 1001.203 unless the department has evaluated a plan submitted by the authority under this section.

Sec. 1001.205. REPORTS. (a) Not later than July 1 of each year, a local mental health authority shall provide to the department the number of:

(1) employees and contractors of the authority who were trained as mental health first aid trainers under Section 1001.202;

(2) educators who completed a mental health first aid training program offered by the authority under Section 1001.203 during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid training program offered by the authority during the preceding calendar year.

(b) Not later than August 1 of each year, the department shall compile the information submitted by local mental health authorities as required by Subsection (a) and submit a report to the legislature containing the number of:

(1) authority employees and contractors trained as mental health first aid trainers;

(2) educators who completed a mental health first aid training program provided by an authority during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid training program provided by an authority during the preceding calendar year.

Sec. 1001.206. LIABILITY. A person who has completed a mental health first aid training program offered by a local mental health authority under this subchapter and who in good faith attempts to assist an individual experiencing a mental health crisis is not liable in civil damages for an act performed in attempting to assist the individual unless the act is wilfully or wantonly negligent.

SECTION ____ . Section 21.054, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board shall adopt rules that allow an educator to fulfill up to 12 hours of continuing education by participating in a mental health first aid training program offered by a local mental health authority under Section 1001.203, Health and Safety Code. The number of hours of continuing education an educator may fulfill under this subsection may not exceed the number of hours the educator actually spends participating in a mental health first aid training program.

SECTION _____. The change in law made by this Act to added Section 1001.206, Health and Safety Code, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 6.

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

CSHB 3793 as amended was passed to third reading by the following vote: Yeas 19, Nays 11.

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

Nays: Birdwell, Campbell, Carona, Eltife, Estes, Fraser, Hancock, Nichols, Patrick, Paxton, Taylor.

Absent: Williams.

VOTES RECONSIDERED

On motion of Senator Hinojosa and by unanimous consent, the vote by which **CSHB 3793** was passed to third reading was reconsidered.

Question—Shall **CSHB 3793** as amended be passed to third reading?

On motion of Senator Garcia and by unanimous consent, the vote by which Floor Amendment No. 3 was adopted was reconsidered.

Question—Shall Floor Amendment No. 3 to **CSHB 3793** be adopted?

Senator Garcia withdrew Floor Amendment No. 3.

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

CSHB 3793 as amended was again passed to third reading by a viva voce vote.

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

Nays: Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 3793 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3793** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 971**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas
May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 971** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

WILLIAMS
NICHOLS
HINOJOSA
TAYLOR
ELLIS

On the part of the Senate

DESHOTEL
COLLIER
EILAND
HUNTER
RITTER

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the purposes, designation, and funding of a transportation reinvestment zone for port projects; providing authority to issue bonds; authorizing an assessment.

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

SECTION 1. Subchapter E, Chapter 222, Transportation Code, is amended by adding Section 222.1075 to read as follows:

Sec. 222.1075. PORT AUTHORITY TRANSPORTATION REINVESTMENT ZONE. (a) In this section:

(1) "Port authority" means a port authority or navigation district created or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(2) "Port commission" means the governing body of a port authority or navigation district.

(3) "Port project" means a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal, and other projects.

(b) In this section:

(1) the amount of a port authority's tax increment for a year is the amount of ad valorem taxes levied and collected by the port authority or by the commissioners court on behalf of the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a transportation reinvestment zone under this section;

(2) the captured appraised value of real property taxable by a port authority for a year is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for that year less the tax increment base of the port authority; and

(3) the tax increment base of a port authority is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for the year in which the zone was designated under this section.

(c) The port commission of the port authority, after determining that an area is unproductive or underdeveloped and that action under this section would improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, by order or resolution may designate a contiguous geographic area in the jurisdiction of the port authority to be a transportation reinvestment zone to promote a port project and for the purpose of abating ad valorem taxes or granting other relief from taxes imposed by the county on real property located in the zone.

(d) The port commission must comply with all applicable laws in the application of this chapter.

(e) Not later than the 30th day before the date the port commission proposes to designate an area as a transportation reinvestment zone under this section, the port commission must hold a public hearing on the creation of the zone, its benefits to the port authority and to property in the proposed zone, and the abatement of ad valorem taxes or the grant of other relief from ad valorem taxes imposed by the port authority on real property located in the zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, or the abatement of or other relief from port authority taxes on real property in the zone. Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone must be published in a newspaper having general circulation in the county in which the zone is proposed to be located.

(f) The order or resolution designating an area as a transportation reinvestment zone must:

(1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;

(2) provide that the zone takes effect immediately on adoption of the order or resolution and that the base year shall be the year of passage of the order or resolution or some year in the future;

(3) assign a name to the zone for identification, with the first zone designated by a county designated as "Transportation Reinvestment Zone Number One, (name of port authority)," and subsequently designated zones assigned names in the same form numbered consecutively in the order of their designation;

(4) designate the base year for purposes of establishing the tax increment base of the port authority;

(5) establish an ad valorem tax increment account for the zone; and

(6) contain findings that promotion of a port project will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade.

(g) Compliance with the requirements of this section constitutes designation of an area as a transportation reinvestment zone without further hearings or other procedural requirements.

(h) The port commission may:

(1) from taxes collected on property in a zone, including maintenance and operation taxes, pay into a tax increment account for the zone an amount equal to the tax increment produced by the port authority less any amounts allocated under previous agreements, including agreements under Chapter 312, Tax Code;

(2) from a tax increment account for the zone, repay any loan or other debt incurred to finance a port project under this section;

(3) by order or resolution enter into an agreement with the owner of any real property located in the transportation reinvestment zone to abate all or a portion of the ad valorem taxes or to grant other relief from the taxes imposed by the port authority on the owner's property in an amount not to exceed the amount calculated under Subsection (b)(1) for that year;

(4) by order or resolution elect to abate all or a portion of the ad valorem taxes imposed by the port authority on all real property in a zone; or

(5) grant other relief from ad valorem taxes on property in a zone.

(i) All abatements or other relief granted by the port commission in a transportation reinvestment zone must be equal in rate. In any ad valorem tax year, the total amount of the taxes abated or the total amount of other relief granted under this section may not exceed the amount calculated under Subsection (b)(1) for that year, less any amounts allocated under previous agreements, including agreements under Chapter 312, Tax Code.

(j) To further the development of the port project for which the transportation reinvestment zone was designated, a port authority may assess all or part of the cost of the port project against property within the zone. The assessment against each property in the zone may be levied and payable in installments in the same manner as provided for municipal and county public improvement districts under Sections 372.016-372.018, Local Government Code, provided that the installments do not exceed the total amount of the tax abatement or other relief granted under Subsection (h). The port authority has the powers provided to municipalities and counties under Sections 372.015-372.020 and 372.023, Local Government Code, for the assessment of costs and Sections 372.024-372.030, Local Government Code, for the issuance of bonds by the port authority to pay the cost of a port project. The port commission of the port authority may contract with a public or private entity to develop, redevelop, or improve a port project in the transportation reinvestment zone, including aesthetic improvements, and may pledge and assign to that entity all or a specified amount of the revenue the port authority receives from installment payments of the assessments for the payment of the costs of that port project. After a pledge or assignment is made, if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the port project, the port commission of the port authority may not rescind its pledge

or assignment until the bonds or other obligations secured by the pledge or assignment have been paid or discharged. Any amount received from installment payments of the assessments not pledged or assigned in connection with the port project may be used for other purposes associated with the port project or in the zone.

(k) To accommodate changes in the limits of the project for which a reinvestment zone was designated, the boundaries of a zone may be amended at any time, except that property may not be removed or excluded from a designated zone if any part of the assessment has been assigned or pledged directly by the port authority or through another entity to secure bonds or other obligations issued to obtain funding of the project, and property may not be added to a designated zone unless the port commission of the port authority complies with Subsections (e) and (f).

(l) Except as provided by Subsection (m), a tax abatement agreement entered into under Subsection (h), or an order or resolution on the abatement of taxes or the grant of other relief from taxes under that subsection, terminates on December 31 of the year in which the port authority completes any contractual requirement that included the pledge or assignment of assessments collected under this section.

(m) A transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated, if before that date the port authority has not used the zone for the purpose for which it was designated.

SECTION 2. Section 222.108(d), Transportation Code, is amended to read as follows:

(d) In this section, "transportation project" includes:

(1) transportation projects described ~~[has the meaning assigned]~~ by Section 370.003; and

(2) port security, transportation, or facility projects described by Section 55.001(5).

SECTION 3. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 971** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 429

Senator Zaffirini submitted the following Conference Committee Report:

Austin, Texas
May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 429** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ZAFFIRINI

GUILLEN

HINOJOSA
NICHOLS
TAYLOR
CARONA

On the part of the Senate

LOZANO
MUÑOZ, JR.
FLYNN
LARSON

On the part of the House

The Conference Committee Report on **HB 429** was filed with the Secretary of the Senate.

CO-SPONSOR OF HOUSE BILL 78

On motion of Senator Eltife, Senator Schwertner will be shown as Co-sponsor of **HB 78**.

CO-SPONSOR OF HOUSE BILL 950

On motion of Senator Davis, Senator Hinojosa will be shown as Co-sponsor of **HB 950**.

CO-SPONSOR OF HOUSE BILL 1223

On motion of Senator Hegar, Senator Uresti will be shown as Co-sponsor of **HB 1223**.

CO-SPONSOR OF HOUSE BILL 1960

On motion of Senator Campbell, Senator Garcia will be shown as Co-sponsor of **HB 1960**.

CO-SPONSOR OF HOUSE BILL 2036

On motion of Senator Watson, Senator Garcia will be shown as Co-sponsor of **HB 2036**.

CO-SPONSOR OF HOUSE BILL 2233

On motion of Senator Estes, Senator Campbell will be shown as Co-sponsor of **HB 2233**.

CO-SPONSOR OF HOUSE BILL 2918

On motion of Senator Lucio, Senator Schwertner will be shown as Co-sponsor of **HB 2918**.

CO-SPONSOR OF HOUSE CONCURRENT RESOLUTION 121

On motion of Senator Hinojosa, Senator Van de Putte will be shown as Co-sponsor of **HCR 121**.

CO-SPONSORS OF HOUSE JOINT RESOLUTION 24

On motion of Senator Van de Putte, Senators Hinojosa and Patrick will be shown as Co-sponsors of **HJR 24**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1033 by Williams, In memory of Victor Lovelady.

SR 1035 by Whitmire, In memory of Jack Hinton Havis.

SR 1042 by Schwertner, In memory of Brian Keith Lundy, Jr.

Congratulatory Resolutions

SR 1031 by Duncan, Recognizing Mike Motheral for his contributions to the Sundown Independent School District.

SR 1032 by Williams, Recognizing Joyce Lavergne Stewart Smith on the occasion of her 80th birthday.

SR 1034 by Williams, Recognizing Trey Tomlin for his service to his country.

SR 1036 by West, Recognizing the Children's Medical Center on the occasion of its 100th anniversary.

SR 1038 by Garcia, Recognizing David Webb on the occasion of his retirement.

SR 1039 by Uresti, Recognizing Jason Andrew Hassay and Erika Leigh Pierson on their marriage.

SR 1040 by Schwertner, Recognizing Neva and Edwin LeBreton on the occasion of their 70th wedding anniversary.

SR 1041 by Schwertner, Recognizing Bill Shaffer on the occasion of his retirement.

SR 1043 by Paxton, Recognizing Phil Dyer for his contributions to the City of Plano.

Official Designation Resolution

HCR 121 (Hinojosa), Declaring May 15, 2013, as Ramon Ayala Day at the State Capitol.

ADJOURNMENT

On motion of Senator Whitmire, the Senate at 9:54 p.m. adjourned until 10:00 p.m. today.





