# Summary of Enactments 83rd Legislature

Regular Session

1st, 2nd, and 3rd Called Sessions
2013



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2013

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#### **Foreword**

The Summary of Enactments, 83rd Legislature, provides summaries of all bills enacted and all joint resolutions proposing amendments to the Texas Constitution passed by the legislature during the 2013 Regular Session and 1st, 2nd, and 3rd Called Sessions.

This publication organizes the summaries into chapters based on their primary subject matter, and the Legislative Reference Library made an important contribution by handling this process.

When a measure has been vetoed by the governor, the reason for the veto, as stated in the governor's veto proclamation, is included with the summary.

The Summary of Enactments is intended to be a convenient reference to the main features of enacted measures. A summary of a measure should not be considered a comprehensive or legal analysis, nor should it be used as a source of authority for legal interpretation. For specific, detailed information, the act itself should be examined.



#### Introduction

The regular session of the 83rd Legislature convened on January 8, 2013, and adjourned sine die on May 27, 2013. Of the 1,437 bills enacted during the regular session, 26 bills, as well as several items of appropriation in the General Appropriations Act and in House Bill 1025, were subsequently vetoed by Governor Rick Perry. Lawmakers also passed 10 joint resolutions proposing 9 amendments to the Texas Constitution. (Senate Joint Resolution 54 and House Joint Resolution 147 are identical resolutions that were offered for approval as one proposition on the election ballot.) The proposed amendments were offered for approval on the November 5, 2013, election ballot.

Following sine die adjournment of the regular session, the 83rd Legislature met in three called sessions to consider redistricting, transportation funding, and other issues. Lawmakers passed one joint resolution during the 3rd Called Session that will be offered for approval on the November 4, 2014, election ballot.

		Filed	Passed	Vetoed*
	Regular	5,868	1,437	26
D:II-	1st C.S.	130	3	0
Bills	2nd C.S.	99	2	0
	3rd C.S.	45	1	0
PARTICIPATION CONTRACTOR CONTRACT	Regular	193	10	0
And the second s	1st C.S.	21	0	0
Joint Resolutions	2nd C.S	20	0	0
	3rd C.S.	5	1	0

<sup>\*</sup>The governor also vetoed several items of appropriation in Senate Bill 1, the General Appropriations Act, and in House Bill 1025, a supplemental appropriations bill.

Enrolled bills and resolutions and related bill histories, bill analyses, fiscal notes, and summaries are provided at <a href="www.legis.state.tx.us">www.legis.state.tx.us</a>. Search capabilities can be used to find such potential topics of interest as all enrolled bills authored by a particular member of the legislature, those referred to a particular senate or house committee, or those containing provisions on a particular subject.

Other sources of information on legislation include:

- Sunset bills (list on page 4)—www.sunset.state.tx.us/83rd/final\_results.pdf
- Vetoed bills (list)—www.lrl.state.tx.us/legis/Vetoes/Irlhome.cfm
- Proposed constitutional amendments
  - o www.lrl.state.tx.us/legis/ConstAmends/index.cfm
  - o www.tlc.state.tx.us/const amends.htm

Paper copies of enrolled bills and resolutions from the 83rd Legislature, Regular Session and 1st, 2nd, and 3rd Called Sessions, may be obtained from house and senate document distribution offices until October 2014. House measures are available from the House Document Distribution Office, located in Room B.324 of the Robert E. Johnson, Sr., Legislative Office Building, 1501 N. Congress Avenue (P.O. Box 12128, Austin, Texas 78711; (512) 463-1144). Senate measures are available from the Senate Bill Distribution Office, located in Room 190 in the Sam Houston State Office Building, 201 E. 14th Street (P.O. Box 12068, Austin, Texas 78711; (512) 463-0252). The public may also obtain copies of all enrolled bills and resolutions from the Legislative Reference Library, located in Room 2N.3 of the Capitol (P.O. Box 12488, Austin, Texas 78711; (512) 463-1252).

## **Enactments of the 83rd Legislature**

#### **Agriculture**

This chapter covers legislation on ranching, farming, and maintaining a healthy agricultural sector. It includes legislation relating to livestock, animal health, food and fiber crops, and rural issues and legislation relating to the functions and duties of the Texas Department of Agriculture.

House Bill 1081

House Author: Gonzalez, Mary et al.

**Effective:** 6-14-13

Senate Sponsor: Rodriguez

House Bill 1081 requires the Texas Animal Health Commission to conduct a study regarding the current risk level for bovine tuberculosis in areas of Texas determined by the commission by rule to be infected with or at high risk for bovine tuberculosis. The bill establishes reporting requirements related to the study.

House Bill 1493

House Author: King, Tracy O.

Effective: 9-1-13

Senate Sponsor: Hegar

House Bill 1493 amends the Government Code to redefine "department" to mean the Department of Agriculture (TDA) rather than the Office of Rural Affairs established within the TDA as such term applies to the statutory chapter governing the office. The bill transfers from the commissioner of agriculture to the TDA rulemaking authority regarding the implementation of the chapter. The bill changes and removes certain office reporting requirements and makes changes to the office's administrative procedures, powers, and duties.

House Bill 1493 makes the department's obligations regarding the implementation of the following programs subject to available funding: the health careers promotion and education program, the Texas health service corps program for medically underserved areas, the community healthcare awareness and mentoring program for students, the rural physician recruitment program, the loan reimbursement program and the stipend program under the rural communities health care investment program, the rural physician relief program, and the community telecommunications alliance program. The bill makes changes to those programs as well as to the emergency services district program, the outstanding rural scholar recognition and loan program for rural health care, the medically underserved community-state matching incentive program, the community development block grant program, the designation of rural hospitals, the Texas Rural Foundation, and the rural technology center grant program.

House Bill 1493 abolishes the rural communities interagency work group, the rural communities health care investment program's advisory panel, and the rural physician relief program's rural physician relief advisory committee. The bill makes a conforming change to the Education Code.

House Bill 1494 Effective: See below

**House Author:** King, Tracy O. **Senate Sponsor:** Hinojosa

House Bill 1494 sets out provisions relating to certain regulatory programs administered by the Texas Department of Agriculture (TDA). Article 1 amends the Agriculture Code to revise TDA administrative penalty procedures to require, rather than authorize, a person charged with an applicable violation to accept the determination of the TDA that a violation has occurred or make a written request for a hearing on the determination. The article makes related changes regarding such requirement. Article 2 provides for e-mail notification of an impending TDA license or registration expiration.

Article 3 provides for the recovery by the TDA and the attorney general of reasonable expenses incurred in obtaining injunctive relief and civil penalties relating to weights and measures violations. The article revises provisions relating to liquid capacity standards.

The article authorizes the TDA to issue and enforce an order to stop the sale of a commodity or service if the TDA has reason to believe that the commodity or service is being sold or offered for sale by or through the use of a weighing or measuring device that is in violation of weights and measures provisions. The article authorizes the TDA to inspect a weighing or measuring device and related records to determine whether the device is in compliance with applicable provisions if the TDA has reason to believe that the device is being used for a commercial transaction and the device is not registered with the TDA.

The article revises provisions relating to TDA inspection of weighing and measuring devices, required registration regarding such devices, and the repair and destruction of incorrect devices. Among other things, the article authorizes the TDA to implement risk-based inspections, respond to complaints, and, as a term of probation, require or perform additional inspection and testing of commercial weighing or measuring devices. The bill prohibits a device owner, operator, or user from destroying, replacing, or otherwise disposing of a device declared to be incorrect or condemned except as provided by TDA rule. The article also revises provisions relating to the state's weights and measures standards used in inspections and authorizes, rather than requires, the TDA to collect a fee for each test of a weighing or measuring device.

The article sets out provisions relating to the licensing of service technicians and service companies. The article specifies the actions that constitute device maintenance activities, specifies the powers and duties of the TDA in regard to such licensing, and provides exemptions from license requirements. The article, effective March 1, 2014, requires a nonexempt individual to hold a service technician license in order to perform or offer to perform device maintenance, to hold a service company license in order to employ an individual who performs or offers to perform device maintenance activities, or to hold a service technician license and a service company license in order to perform or offer to perform device maintenance activities as a sole proprietor. The article, effective March 1, 2014, makes it a Class B misdemeanor to violate these license requirements or to cause another person to violate the requirements and enhances the penalty for a subsequent conviction to a Class A misdemeanor. The article sets out related application requirements, service technician license requirements, and service company license requirements. The article provides for a required insurance policy for a service company. The article sets out provisions relating to the term of a license, license renewal, and authorized practices by a license holder.

The article revises numerous provisions regarding weights and measures violations and offenses. The article:

- removes the Class C misdemeanor offense relating to a violation of a TDA rule relating to legal weights and measures standards;
- makes the following offenses a violation of provisions relating to weights and measures rather than a Class C misdemeanor: offenses relating to standard net weight or count set by rule; sale of commodities by proper measure; sale of milk or cream in a nonstandard container; sale of cheese, meat, or meat food product by nonstandard weight; misrepresentation of price or quantity; false representation of commodity quantity; and sale of a commodity in violation of certain provisions;
- specifies that the offense relating to the use of an incorrect weighing or measuring device applies only if the applicable person knowingly uses an incorrect weighing or measuring device;

- removes the Class C misdemeanor offense for failure or refusal to comply with tolerances and specifications for commercial weighing or measuring devices;
- removes the Class C misdemeanor offense of neglecting to allow a test of a weighing or measuring device;
- specifies that the Class C misdemeanor offense of refusing to allow a test of a weighing or measuring device includes the refusal to allow an authorized test;
- includes in the offense of removal of a registration tag the removal of a registration tag required by the TDA; and
- specifies that an applicable person commits an offense relating to the sale or use of an incorrect weighing or measuring device only if the person knowingly performs an action that constitutes such an offense.

The article repeals provisions relating to a service person registration requirement and, effective March 1, 2014, repeals provisions governing the inspection and testing of liquefied petroleum gas meters, inspection and testing of ranch scales, and licensed inspectors of weighing and measuring devices.

Article 4 removes statutory notice requirements for a referendum and election of a certified organization under provisions governing commodity producers' boards and instead requires the commissioner of agriculture by rule to prescribe the manner for providing public notice of the referendum and election.

Article 5 amends provisions relating to the official citrus producers' pest and disease management corporation to include in the term "citrus producer" a person who grows citrus and intends to receive income from the sale of citrus. The article sets out additional criteria regarding who is considered a citrus producer under such provisions.

Article 6 amends the Government Code to make provisions relating to state building construction and acquisition and surplus and salvage property inapplicable to the disposition, sale, or transfer of a pen, shed, or ancillary building constructed by and for the TDA for the processing of livestock before export.

Except as otherwise noted, House Bill 1494 takes effect September 1, 2013.

House Bill 1521 Effective: 5-24-13 House Author: Clardy
Senate Sponsor: Nichols

Current law grants the Texas Animal Health Commission authority to require the disposal of livestock exposed to or infected with certain diseases and to pay an indemnity to the livestock owner. House Bill 1521 amends the Agriculture Code to extend such authority to include exposed or infected domestic or exotic fowl.

House Bill 1807 Effective: 9-1-13 House Author: King, Tracy O. Senate Sponsor: Hinojosa

House Bill 1807 amends the Agriculture Code to broaden the scope of statutory provisions relating to tick eradication by providing for the treatment of animals rather than for the dipping of livestock. The bill removes the requirement that a certificate required for movement of certain animals accompany the movement in Texas.

Previous law required each head of livestock submitted for movement from a quarantined enclosure to be dipped at certain intervals and found free from ticks at the last dipping before a certificate or permit for movement was issued if ticks were found on any of the livestock. The bill instead requires each head of the animals submitted for such movement to be treated as prescribed by Texas Animal Health Commission rules before such a certificate or permit is issued if ticks are found on any of the animals.

**House Bill 1819 Effective:** 9-1-13 **House Author:** Kacal **Senate Sponsor:** Seliger

House Bill 1819 amends the Agriculture Code to make a person whose fence is insufficient under statutory provisions governing a local option to prevent certain animals from running at large and who maims, wounds, or kills a trespassing sheep or goat liable to the owner of the animal for damages.

House Bill 2311 House Author: Kacal et al. Effective: 5-25-13 Senate Sponsor: Schwertner

Previous law authorized the Texas Animal Health Commission to develop and implement an animal identification program that is consistent with the U.S. Department of Agriculture's National Animal Identification System. House Bill 2311 amends the Agriculture Code to instead authorize the commission to develop and implement an animal identification program that is no more stringent than a federal animal disease traceability or other federal animal identification program. The bill authorizes the commission by a two-thirds vote to adopt rules to provide for a more stringent animal identification program only for control of a specific animal disease or for animal emergency management.

House Bill 2311 repeals a provision that authorizes the commission to recognize certain identification numbers as official identification numbers in Texas and provisions establishing criminal penalties for failing to comply with an order or rule relating to the state animal identification program.

**House Bill 2312 Effective:** 6-14-13 **House Author:** Kacal et al. **Senate Sponsor:** Hegar

House Bill 2312 amends the Agriculture Code to rename the Texas Beef Council as the Beef Promotion and Research Council of Texas and revise the council's composition, to authorize the council to establish and operate a state beef check off program that is separate from the beef check off program established by federal law, and to require the council to administer the state beef check off program if the council establishes such a state program. The bill removes a provision designating the council as the state beef council qualified to collect the proceeds of and administer in Texas the beef check off program established by federal law, but authorizes the council to contract or enter into agreements with such a qualified entity.

House Bill 3569 House Author: Kleinschmidt Effective: 9-1-13 Senate Sponsor: Uresti

House Bill 3569 amends the Agriculture Code to require a person to be authorized by the Texas Animal Health Commission in order to engage in an activity that is part of a state or federal disease control or eradication program for animals. The bill requires the commission to adopt rules for such authorization and provides for the suspension or revocation of a person's authorization. The bill provides for the electronic issuance of a certificate of veterinary inspection by a veterinarian to a person transporting certain animals.

House Bill 3761 House Author: Guerra et al. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 3761 amends the Agriculture Code to add temporary provisions requiring the Department of Agriculture (TDA) to consider the feasibility of creating and administering a program to allow trained TDA employees to assist U.S. Customs and Border Protection and the U.S. Department of Agriculture with certain agricultural inspections at ports of entry along the

Mexican border with the goal of reducing the wait time for an agricultural inspection of a vehicle. The bill establishes reporting requirements concerning the feasibility of such a program and the nature of any agreements with the federal government required to implement the program.

Senate Bill 174 Senate Author: Estes Effective: 5-10-13 House Sponsor: Anderson

Senate Bill 174 amends the Agriculture Code to establish that a sheriff or a sheriff's designee is not required to impound an estray if a perilous condition exists. The bill authorizes such a person to immediately dispose of the estray by any means without notifying the owner of the estray if such a condition exists and requires the sheriff to make a written report of the disposition. The bill expands the definition of "estray" to include stray bison.

Senate Bill 702 Senate Author: Hegar Effective: 9-1-13 House Sponsor: Lozano

Previous law required the Prescribed Burning Board to establish minimum insurance requirements for certified and insured prescribed burn managers. Senate Bill 702 amends the Natural Resources Code to specify that the board is required to establish insurance requirements for such managers in amounts not less than those required by statutory provisions relating to limitations on liability for prescribed burning. The bill makes statutory provisions relating to certification of prescribed burn managers relate instead to certified and insured prescribed burn managers and also makes a conforming change to a Local Government Code provision relating to county regulation of outdoor burning activities.

Senate Bill 764 Senate Author: Watson House Sponsor: King, Tracy O.

Senate Bill 764 amends the Natural Resources Code to extend the limitation of owner liability for prescribed burning conducted on agricultural land to prescribed burning conducted on conservation land and to make the limitation applicable to a governmental unit that has a self-insurance program that provides the required amount of liability insurance coverage.

Senate Bill 772 Senate Author: Uresti House Sponsor: Springer

Senate Bill 772 eliminates obsolete and redundant reporting requirements for the Department of Agriculture. The bill amends the Agriculture Code to remove certain filing requirements under the Texas Agricultural Finance Act regarding the Texas Agricultural Finance Authority's annual budget, annual audit, and annual activity report. The bill repeals specified provisions relating to a required annual report regarding the farmers market special nutrition program and certain reporting requirements regarding citrus marketing agreements and licenses.

Senate Bill 772 amends the Government Code to require the commissioner of agriculture to biennially report to the legislature on the activities of the Texas Rural Foundation and removes the requirement that the Office of Rural Affairs compile an annual rural communities report; repeals specified provisions relating to a required biennial report by the office on office and foundation activities and on rural issues; and repeals a provision relating to a required biennial report by the office on the community telecommunications alliance program.

Senate Bill 818 Senate Author: Duncan House Sponsor: Darby

Senate Bill 818 amends the Agriculture Code to authorize, rather than require, the commissioner of agriculture to conduct a referendum on a proposition to discontinue the boll

weevil or pink bollworm eradication program within an eradication zone participating in the program on petition of cotton growers within the zone but makes this authorization contingent on certain specified factors. The bill requires the Department of Agriculture to adopt rules to prohibit the movement of cotton and regulated articles from an area infested with the boll weevil if the area is not participating in the boll weevil eradication program. The bill expands the authority of the Texas Boll Weevil Eradication Foundation, Inc., to carry out cooperative programs to destroy and eliminate the boll weevil and the pink bollworm in Texas under certain commissioner-approved written agreements by authorizing such agreements with an appropriate association of cotton producers or boll weevil foundations in more than one state.

Senate Bill 818 changes certain criteria regarding the eligibility of a zone to be included in a boll weevil and pink bollworm eradication maintenance area and regarding the determination of the maintenance fee of the maintenance program for boll weevil and pink bollworm eradication. The bill authorizes, rather than requires, the foundation to prepare and mail billing statements to each cotton grower subject to an assessment in an eradication zone. The bill grants the foundation certain authority to transfer funds between active eradication zones and maintenance areas.

Senate Bill 818 repeals a requirement relating to subsequent referenda on whether to continue assessments after passage of any eradication zone referendum and repeals a provision relating to the cap on certain alternative method assessments.

Senate Bill 1095 Effective: 9-1-13 **Senate Author:** Hinojosa et al. **House Sponsor:** King, Tracy O.

Senate Bill 1095 amends the Agriculture Code to broaden the scope of statutory provisions relating to tick eradication by providing for the treatment of animals rather than for the dipping of livestock. The bill removes the requirement that a certificate required for movement of certain animals accompany the movement in Texas.

Previous law required each head of livestock submitted for movement from a quarantined enclosure to be dipped at certain intervals and found free from ticks at the last dipping before a certificate or permit for movement was issued if ticks were found on any of the livestock. The bill instead requires each head of the animals submitted for such movement to be treated as prescribed by Texas Animal Health Commission rules before such a certificate or permit is issued if ticks are found on any of the animals.

Senate Bill 1427 Effective: 9-1-13 **Senate Author:** Hinojosa et al. **House Sponsor:** King, Tracy O.

Senate Bill 1427 amends the Agriculture Code to designate Brooks, Cameron, Hidalgo, Jim Hogg, Kenedy, Starr, Willacy, and Zapata Counties as the citrus zone of Texas and to require all citrus nursery stock grown in or sold in the zone to be grown in a certified citrus nursery. The bill establishes the citrus nursery stock certification program to be administered by the Department of Agriculture for such purpose. The bill establishes new administrative penalties and Class C misdemeanor offenses relating to the selling of citrus nursery stock and the operating of citrus nurseries.

### **Alcoholic Beverages**

This chapter covers legislation on the regulation of individuals and establishments that sell, serve, manufacture, distribute, or transport alcoholic beverages; the functions and operations of the Texas Alcoholic Beverage Commission; and local option elections on the sale of alcoholic beverages.

House Bill 893 House Author: Geren Effective: 5-18-13 Senate Sponsor: Hancock

House Bill 893 amends the Alcoholic Beverage Code to authorize the independent concessionaire for a public entertainment facility that is a stadium located in a county with a population of more than 1.6 million, constructed not later than 1994, and with a seating capacity of at least 45,000, and for which all alcoholic beverage permits and licenses are held by a single independent concessionaire, to allow a patron who possesses an alcoholic beverage to enter or leave a licensed or permitted premises within a facility if the alcoholic beverage is in an open container; appears to be possessed for present consumption; remains within the confines of the facility, excluding a parking lot; and was purchased legally at a licensed or permitted premises within the facility.

House Bill 1917 House Author: Rodriguez, Eddie et al.

Effective: 6-14-13 Senate Sponsor: Carona

House Bill 1917 amends the Alcoholic Beverage Code to authorize outdoor advertising of an alcoholic beverage or of the business of any person engaged in the manufacture, sale, or distribution of an alcoholic beverage to be placed on or affixed to the outside of a public transportation passenger vehicle or vehicle for hire. The bill authorizes an incorporated city or town, by ordinance, to prohibit such outdoor advertising on or affixed to a vehicle for hire.

House Bill 1953 House Author: Thompson, Senfronia Senate Sponsor: Carona

House Bill 1953 amends the Alcoholic Beverage Code to require a wholesale dealer who accepts a check or draft as payment from a retailer for the purchase of liquor to deposit the check or draft in the bank for payment or present the check or draft for payment within five

House Bill 2460 House Author: Thompson, Senfronia

Effective: 9-1-13 Senate Sponsor: Carona

business days after it is received.

House Bill 2460 amends the Alcoholic Beverage Code to prohibit a mixed beverage permittee and a private club registration permittee from possessing a stamp used to show payment of a tax unless the stamp is affixed to a bottle or container of liquor.

House Bill 2806 House Author: Geren

Effective: 6-14-13 Senate Sponsor: Van de Putte

House Bill 2806 amends the Alcoholic Beverage Code to establish that a retailer's account for liquor purchased from a wholesale dealer is not delinquent if payment is received by the wholesale dealer not later than the fourth business day after the date payment is due.

**House Bill 2818 Effective:** 9-1-13 **House Author:** Sheffield, Ralph **Senate Sponsor:** Carona

House Bill 2818 amends the Alcoholic Beverage Code to authorize a wine and beer retailer's permit, a retail dealer's on-premise license, or a retail dealer's on-premise late hours license to be issued for a premises with a food and beverage certificate in an area in which the voters have approved both the legal sale of beer and wine for off-premise consumption only and the legal sale of mixed beverages in a local option election.

House Bill 2818 requires a local option election on the sale of alcoholic beverages held in a justice precinct to be held in the territory comprising the justice precinct at the time of the election. The bill also clarifies the conditions under which the local option status may change based on a change to the boundaries of the justice precinct. The bill removes a provision requiring the commissioners court to define the boundaries of the original precinct for the purposes of a local option election if the boundaries of a justice precinct changed since the wet or dry status was established and repeals a provision applying Election Code provisions relating to county payment of local option election expenses to elections held within the original boundaries of a changed justice precinct.

House Bill 2818 requires a newly created precinct, for the purposes of a local option election, to be considered to have not held a local option election on the sale of alcoholic beverages and specifies that any local option status established in the territory comprising the new justice precinct that resulted from a local option election held in the territory when the territory was part of another justice precinct remains in effect until that status is changed by a local option election held in the new justice precinct.

**House Bill 3307 Effective:** 9-1-13 **House Author:** Geren **Senate Sponsor:** Watson

House Bill 3307 amends the Alcoholic Beverage Code to authorize the holder of a brewer's permit or the holder of a manufacturer's license, respectively, to enter into an alternating brewery proprietorship or contract brewing agreement. The bill removes provisions relating to certain entities contracting for the use of brewing facilities or manufacturing facilities and sets out provisions authorizing the holder of a brewer's or nonresident brewer's permit and the holder of a manufacturer's or nonresident manufacturer's license to contract with another holder of such a permit or license to provide brewing services or to provide manufacturing services, as applicable, or for the use of the respective facilities under an alternating brewery proprietorship under certain specified conditions. The bill sets out additional provisions and requirements relating to such alternating brewery proprietorships and contract brewing arrangements.

House Bill 3307 requires a person who holds a brewer's or nonresident brewer's permit or a manufacturer's or nonresident manufacturer's license to annually verify to the Texas Alcoholic Beverage Commission, on a form adopted by the commission, that a brewing or manufacturing facility owned or controlled by the respective permit or license holder is not used to produce malt beverages primarily for a specific retailer or the retailer's affiliates.

House Bill 3572 House Author: Hilderbran et al. Effective: 1-1-14 Senate Sponsor: Williams

House Bill 3572 amends the Tax Code to lower from 14 percent to 6.7 percent the rate of the mixed beverage gross receipts tax and to create a mixed beverage sales tax imposed at the rate of 8.25 percent of the sales price on each mixed beverage sold, prepared, or served by a permittee and on ice and each nonalcoholic beverage sold, prepared, or served by such a permittee for the purpose of being mixed with an alcoholic beverage for on-premises consumption.

House Bill 3572 provides for the mixed beverage sales tax to be administered, collected, and enforced in the same manner as state sales and use taxes and to be subject to the Limited Sales, Excise, and Use Tax Act in the same manner as those taxes; excepts the mixed beverage sales tax from the application of provisions authorizing deductions and withholdings of a portion of the taxes due both as reimbursement for the cost of collecting the tax and as a discount for prepayment of those taxes; exempts an item subject to the mixed beverage sales tax from local sales and use taxes; and provides for the local allocation of a portion of the mixed beverage sales taxes collected in a county or municipality through the mixed beverage tax clearance fund in the same manner as provided for the local allocation of gross receipts tax revenue.

Senate Bill 131 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Smith

Senate Bill 131 amends the Alcoholic Beverage Code to expand the hours during which the holder of a winery permit is authorized to sell, offer for sale, and deliver wine, and during which a person is authorized to consume wine on the premises of a winery, to include the hours between midnight and 2 a.m. on New Year's Day.

Senate Bill 350

Effective: 9-1-13

Senate Author: Williams
House Sponsor: Smith

Under previous law, a manufacturer's agent's warehousing permit could be issued to an entity of which at least 50 percent of the ownership interests were owned by another entity that was located and chartered in the United Mexican States and that met certain other criteria. Senate Bill 350 amends the Alcoholic Beverage Code to remove the requirement regarding an entity's percentage of ownership interests and instead authorizes such a permit to be issued to an entity that receives beer, ale, or malt liquor from another entity, or that other entity's immediate successor in interest, that is so located and chartered and that meets those certain other criteria.

Senate Bill 409 Senate Author: Watson House Sponsor: Kuempel

Senate Bill 409 amends the Alcoholic Beverage Code to authorize the Texas Alcoholic Beverage Commission to issue an original permit or license covering an otherwise permitted or licensed premises that is subject to a pending or unexpired suspension order or against which a cancellation or suspension action has been initiated if the holder of the permit or license that is subject to the pending or unexpired suspension order or against which the cancellation or suspension action has been initiated has been evicted from the premises under a final, nonappealable court judgment and all other conditions for the issuance of the new permit or license covering the premises are met by the applicant.

Senate Bill 515 Senate Author: Eltife et al. House Sponsor: Smith et al.

Senate Bill 515 amends the Alcoholic Beverage Code to raise the limit on the total annual production of malt liquor, ale, and beer by a holder of a brewpub license from 5,000 to 10,000 barrels for each licensed brewpub and removes the specification that the brewpub be established, operated, or maintained by the holder in Texas.

Senate Bill 515 authorizes certain holders of a brewpub license, under certain circumstances, to sell malt liquor or ale produced under the license to certain retailers or other qualified persons. The bill authorizes the holder of a brewpub license, under certain circumstances, to sell beer produced under the license to certain retailers or other qualified persons. The bill

sets the limit on the total amount of malt liquor, ale, and beer sold to persons in Texas at 1,000 barrels annually for each licensed brewpub location or 2,500 barrels annually for all brewpubs operated by the same licensee.

Senate Bill 515 authorizes the holder of a brewpub license, under certain circumstances, to sell beer produced under the license to the holder of a general, local, or branch distributor's license. The bill authorizes the holder of a brewpub license, under certain circumstances, to sell ale and malt liquor to the holder of a local class B wholesaler's permit. The bill establishes certain reporting requirements for brewpub license holders.

Senate Bill 516 Senate Author: Eltife et al. House Sponsor: Smith et al.

Senate Bill 516 amends the Alcoholic Beverage Code to limit the issuance of a brewer's self-distribution permit only to the holder of a brewer's or nonresident brewer's permit. The bill authorizes the holder of a brewer's self-distribution permit, under certain circumstances, to sell ale produced under the brewer's or nonresident brewer's permit to those persons to whom the holder of a general class B wholesaler's permit may sell. The bill sets the limit on the total combined sales of ale under these provisions, together with the sales of beer by the holder of a manufacturer's self-distribution license at the same premises, at 40,000 barrels annually. The bill sets the fee for a brewer's self-distribution permit and establishes reporting requirements for such a permit holder.

Senate Bill 517 Senate Author: Eltife et al. House Sponsor: Smith et al.

Senate Bill 517 amends the Alcoholic Beverage Code to limit the issuance of a manufacturer's self-distribution license only to the holder of a manufacturer's or nonresident manufacturer's license. The bill authorizes a holder of a manufacturer's self-distribution license whose annual production of beer under the manufacturer's or nonresident manufacturer's license, together with the annual production of ale by the holder of a brewer's or nonresident brewer's permit at the same premises, does not exceed 125,000 barrels to sell beer produced under the manufacturer's or nonresident manufacturer's license to those persons to whom the holder of a general distributor's license is authorized to sell beer. The bill specifies that the holder of a manufacturer's self-distribution license, with regard to such a sale, has the same authority and is subject to the same requirements that apply to a sale made by the holder of a general distributor's license.

Senate Bill 517 sets the limit on the total combined sales of beer by the holder of a manufacturer's self-distribution license, together with the sales of ale by the holder of a brewer's self-distribution permit at the same premises, at 40,000 barrels annually. The bill limits the shipping of the beer sold under these provisions to shipment only from a manufacturing facility in Texas and establishes that the annual state fee for the manufacturer's self-distribution license is \$250.

Senate Bill 517 requires the holder of a manufacturer's self-distribution license, not later than the 15th day of each month, to file with the Texas Alcoholic Beverage Commission a report that contains information relating to the sales made by the license holder to a retailer during the preceding calendar month. The bill repeals a provision relating to the authorized sale of beer by certain small manufacturers.

Senate Bill 518 Senate Author: Eltife et al. Effective: 6-14-13 House Sponsor: Smith et al.

Senate Bill 518 amends the Alcoholic Beverage Code to authorize the holder of a brewer's permit whose annual production of ale together with the annual production of beer by the holder of a manufacturer's license at the same premises does not exceed a total of 225,000 barrels to sell ale produced on the brewer's premises under the permit to ultimate consumers on the brewer's premises for responsible on-premise consumption. The bill sets the limit on the total combined sales of ale to ultimate consumers, together with the sales of beer to ultimate consumers by the holder of a manufacturer's license at the same premises, at 5,000 barrels annually. The bill extends the same authorization to a manufacturer's licensee for the sale of beer to ultimate consumers under the same conditions.

Senate Bill 518 authorizes the holder of a brewer's permit and the holder of a manufacturer's license to sell, offer for sale, and deliver ale or malt liquor and beer, respectively, and sets out the hours that a person may consume those alcoholic beverages on the respective premises.

Senate Bill 639

Senate Author: Carona et al.

House Sponsor: Geren et al.

Senate Bill 639 amends the Alcoholic Beverage Code to prohibit a manufacturer from adjusting the price at which the manufacturer sells beer to a distributor based on the price at which a distributor resells beer to a retailer and specifies that a manufacturer is free to set its own price so long as any price adjustment is based on factors other than the distributor's increase in the price it charges to a retailer and not intended to otherwise coerce illegal behavior. The bill prohibits a manufacturer from accepting payment in exchange for an agreement setting forth territorial rights.

Senate Bill 642 Senate Author: Van de Putte Effective: 9-1-13 House Sponsor: Kuempel

Senate Bill 642 amends the Alcoholic Beverage Code to authorize the holder of a distiller's and rectifier's permit to sell bulk alcohol produced by the permit holder to holders of industrial permits in Texas and to require the distiller's and rectifier's permit holder to keep records of those sales in a manner prescribed by the Texas Alcoholic Beverage Commission or the commission's administrator.

Senate Bill 652 Senate Author: Van de Putte Effective: 9-1-13 House Sponsor: Guillen

Senate Bill 652 amends the Alcoholic Beverage Code to authorize the holder of a brewer's permit, distiller's and rectifier's permit, winery permit, wine bottler's permit, or manufacturer's license to transfer in bulk an alcoholic beverage produced by the permittee or licensee to any other such permittee or licensee provided that the alcoholic beverage transferred is used only for manufacturing purposes by the recipient and the transfer is permitted by federal law. The bill makes certain credit restrictions applicable to the bulk purchase of liquor by the holder of an industrial permit from the holder of a wholesaler's permit.

Senate Bill 652 also authorizes the holder of a distiller's and rectifier's permit to purchase, rather than import, distilled spirits to be used only for manufacturing or rectification purposes not only from holders of nonresident seller's permits but also from holders of distiller's and rectifier's permits.

Senate Bill 828 Effective: 9-1-13 Senate Author: Van de Putte House Sponsor: Guillen

Senate Bill 828 amends the Alcoholic Beverage Code to create a distiller's agent's permit authorizing the holder of the permit to represent the holder of a distiller's and rectifier's permit to solicit and take orders from a holder of a wholesaler's permit for the sale of distilled spirits manufactured by the permit holder represented by the agent and to conduct free distilled spirits tastings for consumers on the premises of the holder of a package store permit. The bill sets the annual state fee for the permit at \$10 and prohibits the permit from being issued to a person until the person shows to the satisfaction of the Texas Alcoholic Beverage Commission that the person has been employed by or has been authorized to act as the agent of the permit holder the person proposes to represent. The bill sets out authorized and prohibited practices for the holder of the permit.

Senate Bill 828 includes the holder of a distiller's or rectifier's permit among the permit holders who are authorized to participate in and conduct product tastings of alcoholic beverages at a retailer's premises but expressly not authorized to withdraw or purchase an alcoholic beverage from the holder of a wholesaler's permit or provide an alcoholic beverage for tasting on a retailer's premises that is not purchased from the retailer.

Senate Bill 905 Effective: 9-1-13 Senate Author: Van de Putte et al. House Sponsor: Kuempel

Senate Bill 905 amends the Alcoholic Beverage Code to authorize the holder of a distiller's and rectifier's permit to sell to ultimate consumers for consumption on the permitted premises distilled spirits manufactured or rectified by the permit holder in an amount not to exceed 3,000 gallons annually and to authorize the permit holder to sell distilled spirits manufactured by the permit holder to ultimate consumers for off-premises consumption in unbroken packages containing not more than 750 milliliters of distilled spirits for off-premises consumption in an amount not to exceed 3,500 gallons annually. The bill sets out limitations and requirements relating to such sales. The bill also authorizes the holder of a distiller's and rectifier's permit to collect a fee for the sampling of distilled spirits on the permitted premises.

Senate Bill 905 amends the Tax Code to make a distiller's and rectifier's permit subject to the mixed beverage tax.

Senate Bill 950 Effective: 9-1-13 Senate Author: Carona

House Sponsor: Thompson, Senfronia et al.

Senate Bill 950 amends the Alcoholic Beverage Code to prohibit the holder of a nonresident seller's permit from soliciting, accepting, or filling an order for distilled spirits or wine from a holder of any type of winery permit unless the nonresident seller is the primary American source of supply for the brand of distilled spirits or wine that is ordered. The bill specifies that to be the "primary American source of supply" the nonresident seller must be the first source in the channel of commerce from whom the product can be secured by Texas wholesalers and Texas wineries, rather than American wholesalers. The bill specifies that a product may have only one primary American source of supply to Texas unless the product is a wine that is bottled or produced outside of the United States.

Senate Bill 950 requires an authorized permittee to provide proof that the permittee is the primary American source of supply, in addition to registering the distilled spirits or wine with the Texas Alcoholic Beverage Commission (TABC), before the permittee may ship distilled spirits or wine into the state or sell distilled spirits or wine within the state. The bill exempts rare or vintage wine that is acquired at auction and for which no certificate is available from

the requirement that the registration application include a certificate of label approval issued by the U.S. Alcohol and Tobacco Tax and Trade Bureau for the product but requires rare or vintage wine purchased at auction and registered by TABC to comply with all other provisions of the Alcoholic Beverage Code, including provisions regarding the sale, purchase, importation, and distribution of that wine.

Senate Bill 950 authorizes, rather than requires, TABC by rule to establish procedures for accepting federal certificates of label approval for registration and expands such authorization to include procedures for accepting proof, such as a letter of authorization, that a permittee is the primary American source of supply.

Senate Bill 1035

Effective: 9-1-13

Senate Author: Carona House Sponsor: Smith

Senate Bill 1035 amends the Alcoholic Beverage Code to revise provisions relating to the application and renewal process and fees for a license to manufacture, distribute, store, or sell beer. The bill sets out provisions relating to the filing of an application for such a license with the Texas Alcoholic Beverage Commission (TABC) rather than with a county judge, the TABC's determination regarding whether a protest has been filed against the application, and the issuance of a license. The bill requires the TABC or its administrator, on finding that reasonable grounds exist for the protest, to reject the protested application and to 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. The bill sets out provisions relating to such a hearing and procedures contingent on the outcome.

Senate Bill 1035 revises statutory provisions requiring electronic or nonelectronic publication of notice of an application and specifies that an applicant for a renewal license is not required to publish notice.

Senate Bill 1090 Senate Author: Carona House Sponsor: Geren et al.

Senate Bill 1090 amends the Alcoholic Beverage Code to revise certain provisions relating to the manufacture, distribution, sale, and provision of alcoholic beverages and the regulation of those activities. The bill authorizes, rather than requires, the attorney general to appoint as many as six assistant attorneys general, as the Texas Alcoholic Beverage Commission (TABC) determines necessary, to enable TABC to more efficiently enforce the Alcoholic Beverage Code.

Senate Bill 1090 makes statutory provisions relating to discipline for certain actions of the holder of an agent's permit applicable to the holder of a manufacturer's agent's permit. The bill expands the authorized activities of the holder of a winery permit to include purchasing and importing wine from the holder of a nonresident seller's permit. The bill specifies that the alcoholic beverages sold by the holder of a wine and beer retailer's off-premise permit must be in unbroken original containers. The bill authorizes a person to engage in the authorized activities for the holder of an agent's permit or a manufacturer's agent's permit for an initial grace period of five days during which the person is required to procure an agent's permit or manufacturer's agent's permit, respectively, from TABC. The bill authorizes the holder of a storage permit to store liquor in a private warehouse leased and operated by the holder. The bill specifies that the fact that a person is 18, 19, or 20 years of age is not a ground for refusal of an original or renewal manufacturer's agent's permit.

Senate Bill 1090 removes language requiring the county clerk to post at the courthouse door a written notice regarding a filed application for a license to manufacture or distribute beer or to sell beer at retail and instead requires every original applicant for a license to manufacture, distribute, or sell beer at retail to give notice of the application by publication at the applicant's

#### **Alcoholic Beverages**

own expense in two consecutive issues of a newspaper of general circulation published in the city or town in which the applicant's place of business is located. The bill establishes that an applicant for a renewal license is not required to publish such notice.

Among other provisions relating to advertising, Senate Bill 1090 revises provisions relating to the prearrangement and preannouncement by certain permit holders of a promotional activity for certain alcoholic beverages. The bill prohibits a retail dealer from dispensing draft malt liquor or ale unless each faucet or other dispensing apparatus is equipped with a sign clearly indicating the name or brand of the product being dispensed through the faucet or apparatus. The bill also establishes provisions relating to the packaging of certain promotional items and to the display of branded promotional vehicles.

Senate Bill 1090 redefines "beer" by removing the specification that the term does not include a beverage designated by label or otherwise by a name other than beer, redefines "first sale," for purposes of tax on liquor other than ale and malt liquor, to specify that the term does not include the first sale by the holder of a distiller's and rectifier's permit to the holder of a wholesaler's permit, and expands the definition of "first sale," for purposes of tax on ale and malt liquor and for purposes of the beer tax, to include the first actual sale of ale or malt liquor or beer, as applicable, by a brewpub licensee to a consumer or a permittee or licensee authorized to sell ale or malt liquor or beer, as applicable, to ultimate consumers.

Senate Bill 1090 repeals certain provisions relating to the definition of criminal negligence, relating to the criminal negligence standard for administrative action, and relating to the authority of certain permit holders to use a caterer's permit in a marine park.

#### **Appropriations and State Finance**

This chapter covers the General Appropriations Act for the state fiscal biennium beginning September 1, 2013, and legislation on supplemental appropriations, revenue dedication, and payment of claims against the state. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 6 House Author: Otto et al. Effective: See below Senate Sponsor: Williams

House Bill 6 abolishes all funds, accounts, and revenue dedications created, re-created, or dedicated by any other act of the 83rd Legislature, Regular Session, except those specifically exempted from abolition under the bill's provisions, and requires revenue that otherwise would be deposited to the credit of a special account or fund to be deposited instead to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempt under the bill's provisions. The bill amends the Government Code, effective September 1, 2013, to make dedicated revenues that, at the end of state fiscal year 2015, are estimated to exceed the amounts appropriated by the 83rd Legislature for the specific purposes of their dedication available both for general governmental purposes and for certification purposes and to allow the comptroller of public accounts, as directed by the legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 83rd Legislature.

The bill takes effect June 14, 2013, except as otherwise provided and except for certain other provisions, which take effect on the later of August 31, 2013, or the effective date of the specific act creating, re-creating, dedicating, or rededicating certain of the accounts, revenues, or funds abolished by the bill.

House Bill 7 House Author: Darby et al. Effective: See below Senate Sponsor: Williams

House Bill 7 amends the Government Code to require the Legislative Budget Board, in consultation with the comptroller of public accounts, to develop and implement a process to review legislative dedications of revenue and the appropriation and accumulation of dedicated revenue and available dedicated revenue; to develop and implement tools to evaluate the use of available dedicated revenue for state government financing and budgeting; and to develop specific and detailed recommendations on reasonable legislative actions to reduce state government's reliance on available dedicated revenue for budget certification purposes.

With the exception of interest or earnings on revenue deposited in special depository banks designated by the governing board of each state institution of higher education, on an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law, on the lifetime license endowment account, and on the game, fish, and water safety account, the bill makes available for any general governmental purpose all interest or other earnings that accrue on all revenue held in an account in the general revenue fund any part of which is available for budget certification and requires the comptroller to deposit the interest and earnings to the credit of the general revenue fund.

The bill amends the Health and Safety Code to reduce the solid waste disposal fees charged by the Texas Commission on Environmental Quality (TCEQ) and to extend the fee exemption for certain composted material to include compost or mulch products other than those used in the operation of a composting and mulch production facility or disposed of in a landfill.

The bill increases from one-half to two-thirds the share of TCEQ revenue from solid waste disposal and transportation fees to be dedicated to TCEQ programs, including site remediation programs, program support activities, and other activities that will enhance the state's solid waste management program; proportionally reduces the share of that revenue to be dedicated to local and regional solid waste projects and the update and maintenance of applicable regional plans; and requires TCEQ to issue a biennial report to the legislature detailing how the money was spent.

The bill adds a temporary authorization, effective until September 30, 2014, to use money in the hazardous and solid waste remediation fee account attributable to fees imposed on the sale of batteries for environmental remediation at the site of a closed battery recycling facility within a municipality's boundaries if the municipality submits to TCEQ a voluntary compliance plan for the site and is paying or has paid for part of the costs of that remediation.

The bill expands the purposes for which money in the 9-1-1 services fee fund may be appropriated to the Commission on State Emergency Communications and, under certain conditions, authorizes appropriations from the fund to assist volunteer fire departments under the Rural Volunteer Fire Department Assistance Program. The bill authorizes money collected from the 9-1-1 emergency services fee imposed on wireless telecommunications connections to be used for those purposes for which money in the 9-1-1 services fee fund may be appropriated to the commission.

The bill authorizes appropriations from the designated trauma facility and emergency medical services account to the Texas Higher Education Coordinating Board for graduate-level medical education or nursing education programs, as well as for other approved purposes.

The bill amends the Insurance Code to change the amount of the comptroller's assessment against all applicable insurers for rural fire protection from a combined total of \$30 million for each 12-month period to amounts for each state fiscal year necessary, as determined by the commissioner of insurance, to collect, in total, the lesser of the total appropriation from the volunteer fire department assistance fund account in the general revenue fund in the General Appropriations Act for that state fiscal year and \$30 million.

The bill amends the Natural Resources Code to expand the authorized uses of money in the oil and gas regulation and cleanup fund; to require the Railroad Commission of Texas to adopt all necessary rules relating to activities regarding the use of alternative fuels that are or have the potential to be effective in improving the state's air quality, energy security, or economy; and to require the railroad commission to use the fund to pay for such activities, including certain specified direct and indirect costs. The bill requires money from fees collected by the railroad commission for issuing a letter of determination stating the total depth of surface casing required for an oil or gas well to be deposited in the fund and removes a provision relating to an authorized use of money collected from a fee for an expedited letter of determination.

The bill amends the Tax Code to require the comptroller to transfer to appropriate Parks and Wildlife Department (TPWD) accounts, in addition to amounts appropriated to TPWD from the proceeds from the collection of sales and use tax imposed on the sale, storage, or use of sporting goods, amounts from those proceeds sufficient to fund the state contributions for employee benefits of TPWD employees whose salaries or wages are paid from TPWD accounts receiving the transfers.

The bill amends the Transportation Code to require the comptroller, not later than September 30, 2013, to eliminate all dedicated accounts established for specialty license plates and to set aside the balances of those accounts so that the balances may be appropriated only for the purposes intended as provided by the dedications. The bill requires the portion of a fee for the issuance of specialty license plates that is designated for deposit to a dedicated account, on and after September 1, 2013, to be paid instead to the credit of an account in a trust fund

created by the comptroller outside the general revenue fund. The bill requires the comptroller to administer the trust fund and accounts and authorizes the comptroller to allocate each account's corpus and earnings only in accordance with the dedication of revenue deposited to the account.

The bill amends the Utilities Code to set provisions relating to the system benefit fund to expire on September 1, 2016. The bill adds temporary provisions, set to expire that same date, to require the Public Utility Commission of Texas (PUC) to set the nonbypassable system benefit fund fee at zero cents per megawatt hour for the period beginning September 1, 2013, and ending September 1, 2016, and sets out the purposes for which money in the fund may be appropriated during that interval.

The bill amends the Water Code to add temporary provisions, set to expire September 1, 2021, to require TCEQ to prepare and submit to the legislature before November 1 of each year an annual report on the status of corrective actions for underground and aboveground storage tank sites reported to TCEQ as having had a release needing corrective action and sets out specific content requirements for those reports.

Effective September 1, 2015, the bill repeals an Education Code requirement for each institution of higher education to set aside a portion of the tuition collected from each student enrolled in a doctoral degree program other than a law or health professional degree program to be used for the doctoral incentive loan repayment program.

The bill repeals Natural Resources Code provisions relating to alternative fuels research and education, abolishes the alternative fuels research and education fund, and provides for the transfer and deposit of related money and claims, as applicable.

The bill appropriates \$500 million from the system benefit fund, in addition to other appropriations made from the fund by the 83rd Legislature, Regular Session, 2013, to the PUC for purposes of eliminating the fund balance as described by the bill for the period beginning June 14, 2013, and ending August 31, 2014.

Except as otherwise provided, the bill takes effect June 14, 2013.

House Bill 10 Effective: 3-13-13 House Author: Pitts et al. Senate Sponsor: Williams

House Bill 10 makes emergency supplemental appropriations for state fiscal year 2013 to the Health and Human Services Commission (HHSC) for the purpose of providing both acute care services under the Medicaid program and CHIP program services, to the Department of Aging and Disability Services (DADS) for the purposes of providing long-term care services under the Medicaid program, and to the Texas Education Agency for certain Foundation School Program purposes and provides HHSC and DADS direction and authority to transfer or allocate certain of their appropriations for the 2012-2013 fiscal biennium among certain strategies specified in the General Appropriations Act for that biennium. The bill reduces unencumbered appropriations to the Texas Public Finance Authority.

House Bill 1025 Effective: 6-14-13 House Author: Pitts
Senate Sponsor: Williams

House Bill 1025 makes supplemental appropriations and reductions in appropriations to various state agencies, programs, and funds; provides transfer authority and other appropriation adjustment authority; and imposes contingencies on the appropriation of funds. Unencumbered appropriations for the 2012-2013 state fiscal biennium from the general revenue fund and from dedicated accounts in the general revenue fund are reduced by approximately \$144.5 million. The bill makes supplemental appropriations for the 2012-2013 state fiscal biennium totaling \$627.97 million from general revenue, \$158.1 million from general revenue dedicated accounts,

\$1.9 billion from the economic stabilization fund, and \$10.35 million from federal funds. The bill makes supplemental appropriations for the 2014-2015 state fiscal biennium totaling \$389.6 million from general revenue, \$308.8 million in other funds, and \$2 billion out of the economic stabilization fund.

The governor vetoed \$175 million in a contingent appropriation to the Texas Higher Education Coordinating Board for tuition revenue bond debt service for a bill that did not pass from House Bill 1025, along with \$5.25 million in higher education special item funding, \$5 million to the Texas Department of Criminal Justice, and \$1 million to the Department of Housing and Community Affairs. The governor also vetoed approximately \$325.6 million of bonding authority to the Texas Finance Authority, as well as the appropriation of the related bond proceeds, for the construction of facilities for state agencies and an appropriation of approximately \$5.2 million from general revenue for related debt service.

House Bill 1445 House Author: Thompson, Senfronia et al. Effective: 5-28-13 Senate Sponsor: Duncan

House Bill 1445 establishes the Chief Justice Jack Pope Act. The bill amends the Government Code to raise from \$10 million to \$50 million the cap on the total amount that the comptroller of public accounts may credit to the judicial fund each state fiscal biennium for approved programs that provide basic legal services to the indigent. The bill adds a source of funding for such programs by requiring the net amount of civil restitution recovered by the attorney general in certain actions to be credited to the judicial fund under certain conditions. The bill requires the attorney general to notify the Legislative Budget Board if a court enters a judgment or order that restitution be so credited and specifies that provisions relating to the payment into the state treasury and allocation of debts, penalties, or restitution recovered by the attorney general do not limit the common law authority or other statutory authority of the attorney general to seek and obtain cy pres distribution.

House Bill 3188 House Author: Otto Senate Sponsor: Williams

House Bill 3188 provides for the appropriation of funds to pay for various claims and judgments against the state and authorizes and directs the comptroller, subject to the bill's provisions and provisions stated in a judgment, as applicable, to issue warrants on the state treasury as soon as possible after the bill's effective date to pay those claims and judgments. The bill requires each claim or judgment to be verified and substantiated by the administrator of the fund or account against which the claim or judgment is to be charged and to be approved by the attorney general and the comptroller of public accounts before the claim or judgment may be paid and requires such verification, substantiation, and approval to be made by August 31, 2015, in order for the claim or judgment to be paid from the applicable appropriation of funds.

**Senate Bill 1 Senate Author:** Williams **Effective:** 9-1-13 **House Sponsor:** Pitts

Senate Bill 1, the General Appropriations Act, appropriates almost \$197.0 billion for the FY2014-FY2015 state fiscal biennium beginning September 1, 2013. That amount includes all funding sources except interagency contracts. Of the legislatively approved amount, more than \$101.4 billion, or 51.5 percent, is derived from general revenue, both dedicated and nondedicated. Another \$68.7 billion, or 34.9 percent, represents federal funding, and \$26.8 billion, or 13.6 percent, comes from other funds. (Figures and percentages do not add up due to rounding.) The \$196.95 billion budgetary total for FY2014-FY2015 represents an increase of approximately 3.7 percent over the FY2012-FY2013 budget.

Legislative appropriations for major governmental functions and services for FY2014-FY2015 compared with appropriations for the preceding fiscal biennium are as follows: General government receives \$4.8 billion, a decrease of 2.4 percent. Total funding for health and human services is \$73.9 billion, an increase of 7.7 percent. The legislature appropriates \$74.1 billion for both public and higher education, a 2.1 percent decrease. The judiciary receives \$727.9 million, a 12.3 percent increase. Public safety and criminal justice receives \$11.6 billion, a decrease of 1.3 percent. Natural resources is funded at \$4.7 billion, a 3.8 percent decrease. Business and economic development is funded at \$25.0 billion, an increase of 12.1 percent. Regulatory functions are funded at \$784.9 million, an increase of 11.0 percent. The legislature is appropriated \$358.3 million, an increase of 2.7 percent.

The governor vetoed approximately \$17.1 million in all funding sources from Senate Bill 1. The appropriations vetoed by the governor represent contingency riders or contingent appropriations for bills that either did not pass or were vetoed by the governor, with the exception of funding for water aquifer research and the Public Integrity Unit.

Senate Bill 581 Senate Author: Carona Effective: 6-14-13 House Sponsor: Villarreal

Senate Bill 581 amends Government Code provisions relating to the procedures for securing the deposit of public funds. The bill requires the custodian, for a deposit of public funds under a centralized pooled collateralization program under the Public Funds Collateral Act, to issue and deliver a trust receipt for the pledged security to the comptroller of public accounts. For a deposit of any other public funds under the act, the bill allows the trust receipt to be timely issued and delivered to the public entity's depository with instructions to immediately deliver the trust receipt to the public entity officer. The bill requires the custodian of a public entity to provide a current list of all pledged investment securities at the request of the appropriate public entity officer and sets out the required contents of the list.

#### The summaries for the following bills are in the listed chapters:

House Bill 1 (3rd C.S.) - Transportation House Bill 885 - Public Education House Bill 2610 - Public Education Senate Bill 1727 - Environment Senate Bill 1747 - Transportation Senate Joint Resolution 1 - Transportation

#### **Business and Commerce**

This chapter covers legislation on issues relating to business and commerce generally, including business organization and regulation, business transactions, trade, and consumer protection. This chapter also contains legislation relating to financial service providers, including legislation that regulates occupations in the financial sector. Legislation relating specifically to insurance companies is in the **Insurance** chapter, legislation on job creation is in the **Economic Development** chapter, and legislation pertaining to employers and employees is in the **Labor and Employment** chapter.

#### General

House Bill 52 House Author: Flynn
Effective: See below Senate Sponsor: Carona

House Bill 52 amends the Health and Safety Code to prohibit a person from acting as a cemetery broker in the sale or resale of the exclusive right of sepulture in a plot for another person unless the person is registered as a cemetery broker with the Texas Department of Banking or is exempt from such registration under the bill's provisions. The bill sets out procedures for such registration, which is valid until withdrawn or revoked and does not require periodic renewal but does require timely updating of the information contained in the registration statement when the information changes; authorizes the department to charge each cemetery broker a filing fee of up to \$100 per year to cover its administrative costs; sets out exemptions from the registration requirements for certain persons; sets out provisions relating to complaints filed with the department; and provides for the termination of a cemetery broker's registration, either through the individual's withdrawal of the registration or through the registration's revocation by the banking commissioner of Texas for failure to pay the annual fee, failure or refusal to comply with a department request for a response to a complaint, intentional violations of federal or state law, or professional impropriety, fraud, or dishonesty.

House Bill 52 sets out additional provisions relating to the sale or resale of plots by a cemetery broker or a person acting as a cemetery broker and expands the rulemaking authority of the Finance Commission of Texas to include such transactions as well as the registration of cemetery brokers, the setting of administrative fees, the retention and inspection of records relating to such transactions, and changes in the management and control of cemetery organizations. The bill establishes recordkeeping requirements for each person acting as a cemetery broker; requires the department to examine such a person's records if necessary, both to safeguard the interests of purchasers and beneficiaries of the exclusive right of sepulture in a plot and to enforce applicable law; and requires the commissioner to charge a cemetery broker an examination fee in an amount set by the commission sufficient to cover related costs.

House Bill 52 makes it a Class A misdemeanor offense for an individual, firm, association, corporation, or municipality, or an officer, agent, or employee of such an entity, to offer or receive monetary inducement to solicit business for a cemetery broker, to fail or refuse to keep records of sales or resales or to collect and remit fees as required by law, or to fail or refuse to register as a cemetery broker as required by law. The bill also authorizes the cancellation of a person's cemetery broker registration on a finding at an administrative hearing of a pattern of wilful disregard on the person's part for applicable laws and finance commission rules.

House Bill 52 authorizes the banking commissioner to issue an emergency order on a finding of a threat of immediate and irreparable harm to the public or to a beneficiary under a sale of the exclusive right of sepulture; an order requiring restitution on a finding that the person

failed to remit a fee or misappropriated, converted, or illegally withheld or failed or refused to pay on demand money belonging to a cemetery organization and entrusted to the person; and an order to seize accounts and records relating to a sale on a finding that the person engaged in certain forms of misconduct.

The bill takes effect September 1, 2013, except for provisions relating to cemetery broker registration and to the sale or resale of plots by persons acting as cemetery brokers, which take effect January 1, 2014.

House Bill 1043 House Author: Lewis et al. Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 1043 amends the Business & Commerce Code to exempt from the offense of unauthorized duplication of recordings initially fixed before February 15, 1972, a person engaged in radio or television broadcasting who transfers, or causes to be transferred, a recording for archival purposes or intended for or in connection with a radio or television broadcast.

House Bill 1624 House Author: Cortez

Effective: 9-1-13 Senate Sponsor: Van de Putte

House Bill 1624 amends the Business & Commerce Code to clarify that the definition of "assumed name" for a limited liability company includes the name of any series of the limited liability company established by its company agreement.

House Bill 1777 House Author: Moody et al. Senate Sponsor: Rodriguez

House Bill 1777 amends the Transportation Code to require the Border Trade Advisory Committee to conduct a study regarding the effects on international trade of wait times at points of entry between the United States and the United Mexican States that are located in Texas.

House Bill 2447 House Author: Martinez Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 2447 amends the Health and Safety Code to prohibit a person from using the term "portable fire extinguisher" or "fire extinguisher" in the sale or advertisement of an aerosol fire suppression device or similar fire suppression device unless the device conforms to the National Fire Protection Association (NFPA) Standard 10 (2010), "Standard for Portable Fire Extinguishers," or a successor standard adopted by the commissioner of insurance that is at least as stringent as the NFPA Standard 10, and is specifically listed for that use by a testing laboratory approved by the Texas Department of Insurance (TDI).

House Bill 2447 amends the Insurance Code to remove a firm engaged in the retail or wholesale sale of portable fire extinguishers carrying an approval label of a TDI-approved testing laboratory from the items, entities, and activities that are exempt from the application of statutory provisions relating to the regulation of fire extinguisher service and installation, but retains the exemption for a firm that engages in the sale of fire extinguishers that carry the listing of an approved testing laboratory.

House Bill 2447 does not apply to the sale or advertisement of an aerosol fire suppression device or similar fire suppression device that, on or before September 1, 2013, is listed for use as a portable fire extinguisher by a TDI-approved testing laboratory, other than the NFPA, and is approved for use as a portable fire extinguisher by TDI. This exception expires September 1, 2015.

House Bill 2462 House Author: Thompson, Senfronia

Effective: 9-1-13 Senate Sponsor: Carona

House Bill 2462 amends the Finance Code to authorize a retail seller, at the time a retail installment contract is executed for a motor vehicle sale, to offer to sell to the retail buyer an automobile club membership for a reasonable charge. The bill requires the seller to give the buyer written notice that the buyer is not required to purchase the membership as a condition for contract approval and is entitled to cancel the membership and receive a full refund of the membership's purchase price before the 31st day after the date the contract is executed. The bill requires the seller to notify the buyer if the membership includes services that are provided by the manufacturer as part of the motor vehicle purchase.

House Bill 2623 House Author: Oliveira et al. Effective: 5-24-13 Senate Sponsor: Lucio

House Bill 2623 amends the Natural Resources Code to establish provisions relating to the closing of beaches for space flight activities applicable only to a county bordering on the Gulf of Mexico or its tidewater limits that contains a launch site approved by the Federal Aviation Administration. The bill authorizes the commissioners court of such a county by order to temporarily close a beach in reasonable proximity to a launch site or access points to the beach in the county on a primary or backup launch date. The bill requires approval of the General Land Office (GLO) before the commissioners court may close a beach or beach access points on a primary launch date that falls on certain holidays or weekends. The bill grants certain rulemaking authority to the GLO and its commissioner regarding the closure of beaches for space flight activities.

House Bill 3714 House Author: Guerra et al. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 3714 amends the Government Code to require the Office of Small Business Assistance to establish the Office of Small Business Assistance Advisory Task Force. The bill provides for the composition of the task force and the appointment and terms of its members. The bill requires the task force to advise and assist the office and the governor, lieutenant governor, and speaker of the house of representatives and requires the task force to provide information in plain language to the public on issues related to small businesses. The bill also establishes reporting requirements for the task force.

Senate Bill 60 Senate Author: Nelson Effective: 1-1-14 House Sponsor: Giddings

Senate Bill 60 amends the Business & Commerce Code to require a consumer reporting agency to place a security freeze on the consumer file of a protected consumer, defined as a resident of Texas who is younger than 16 years of age, if the agency receives a licit request from the protected consumer's representative for the placement of the security freeze. If the agency does not have a consumer file for the protected consumer, the agency must create a record for the protected consumer and subsequently place a security freeze on the record within a certain time frame. The bill prohibits the creation or use of the record in considering the protected consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living for certain credit-related purposes.

Senate Bill 60 prohibits a consumer reporting agency from releasing any consumer report relating to the protected consumer, any information derived from the report, or any record created for the protected consumer unless the security freeze is removed. The bill sets out conditions and procedures for removal of a freeze by a protected consumer or the protected

consumer's representative and authorizes an agency to charge a reasonable fee of up to \$10 for each placement or removal of a freeze except under certain circumstances. The bill authorizes an agency to remove a security freeze or delete a record if the security freeze was placed or the record was created based on a material misrepresentation of fact by the protected consumer or the protected consumer's representative. The exclusive remedy for a violation of the bill's provisions is a suit filed by the attorney general. The bill exempts certain persons and entities from its prohibitions against the use of a protected consumer's consumer report or record.

Senate Bill 289 Senate Author: Carona Effective: 9-1-13 House Sponsor: Schaefer

Senate Bill 289 repeals provisions of the Business & Commerce Code relating to the Texas Department of Licensing and Regulation's (TDLR) administrative enforcement of rental-purchase agreement contracts that include a loss damage waiver, including provisions requiring TDLR to review contracts and requiring the Texas Commission of Licensing and Regulation to set a fee to be paid by a merchant for that review and for TDLR's administration of rental-purchase agreement provisions. The bill requires TDLR to return a prorated portion of the fee paid by a merchant under the repealed provisions and dismisses an administrative proceeding pending on the bill's effective date that is related to a complaint filed under the repealed provisions.

Senate Bill 297 Senate Author: Carona Effective: 9-1-13 House Sponsor: Flynn

Senate Bill 297 amends the Finance Code to require the holder of a permit authorizing the sale or acceptance of money or premiums for prepaid funeral benefits under a contract or solicitation of a designation of prepaid funeral benefits payable out of a fund, investment, contract, or insurance policy to notify the Texas Department of Banking and either the depository of the money held on a trust-funded contract or the issuer of insurance policy funding contracts, as applicable, if 25 percent or more of the stock or other ownership or membership interest of the permit holder's business is transferred in a single transaction. The bill requires a proposed transferee who is not a permit holder to file an application for a permit with the department only if the transferee will own 51 percent or more of the business after the transfer and allows the applicant to request a hearing if the banking commissioner of Texas denies the application.

Senate Bill 297 requires a seller of prepaid funeral benefits that has outstanding contracts to renew the seller's permit as a restricted permit if the seller either cannot demonstrate to the commissioner that the seller continues to meet the qualifications and satisfy the requirements for a permit or no longer wishes to sell prepaid funeral benefits. The bill prohibits the holder of a restricted permit from selling prepaid funeral benefits while a restricted permit is in effect and renders a contract entered into under those circumstances void and unenforceable.

The bill requires a funeral provider under a funeral benefits contract to inform each seller with which the provider has an outstanding contract of any closure of the provider's funeral establishment and requires a permit holder in turn to notify each purchaser of an outstanding prepaid funeral benefits contract of any closures of the funeral provider named in the contract.

Senate Bill 297 authorizes the commissioner to conduct investigations, and to issue subpoenas as necessary and applicable, to determine whether a misallocation of prepaid funeral funds or an unauthorized sale of prepaid funeral benefits has occurred. The bill authorizes, rather than requires, a trier of fact to recommend that the commissioner either impose the maximum administrative penalty on a person committing a violation or cancel or not renew a person's permit if the trier of fact finds that the person's violation establishes a pattern of wilful disregard for the law or applicable rules of the Finance Commission of Texas.

Under previous law, the commissioner could sue to enjoin a violation or threatened violation of the law governing prepaid funeral services, of a final order of the commissioner, or of a commission rule only in a Travis County district court, and the attorney general could bring suit only in the county in which the violation occurred. The bill instead establishes venue for all such proceedings in a district court in either county.

The bill sets a filing deadline for requesting a hearing regarding the stay of an emergency cease and desist order or an order to seize prepaid funeral accounts and records and makes a seized record or a record created or filed in connection with a seizure admissible as evidence in any proceeding without prior proof of its correctness or other proof on the commissioner's certification of the record. The bill adds a district court in Travis County as a venue in which the commissioner may seek liquidation of a person's business and affairs following a seizure of the person's accounts and records. The bill authorizes the commissioner, on the basis of an examination or other credible evidence of professional misconduct, to issue an order prohibiting a person from participating in the business of prepaid funeral benefits sales; sets out applicable due process provisions; and allows a person to apply for a release from a prohibition order after 10 years from the date of its issue, regardless of the order's stated duration.

Senate Bill 328 Senate Author: Carona House Sponsor: Gonzales

Senate Bill 328 amends the Government Code to authorize a state agency to hire from available funds an entrepreneur-in-residence or to contract with an individual, chamber of commerce, or nonprofit entity to do the following: improve outreach by state government to the private sector, including historically underutilized businesses; strengthen coordination and interaction between state government and the private sector; facilitate the understanding and use of technological advances to make state government more transparent and interactive; and implement the best private sector practices to make state government programs simpler, easier to access, more efficient, and more responsive to users. The bill requires such an individual hired or contracted for those purposes to be successful in the individual's field.

Senate Bill 474

Effective: 7-1-13

Senate Author: Carona
House Sponsor: Villarreal

Senate Bill 474 amends Business & Commerce Code provisions relating to requirements for the effective filing of a record pertaining to a financing statement for the establishment of certain security interests to clarify that, when a record pertaining either to an initial financing statement or to an amendment that provides a debtor's name not provided in the statement is communicated to a filing office, filing does not occur if the filing office refuses to accept the record because it does not indicate whether the debtor's name is the name of an individual or an organization. The bill removes provisions establishing that filing does not occur if the filing office refuses to accept the pertinent record indicating that the debtor is an organization because the record does not provide certain identifying information about the debtor.

Senate Bill 661 Senate Author: Carona House Sponsor: Laubenberg

Senate Bill 661 amends the Health and Safety Code to remove obsolete references with respect to the organization of a corporation conducting a business for cemetery purposes either as a nonprofit corporation under the Texas Non-Profit Corporation Act or as a for-profit private corporation and instead require such a corporation to be a filing entity or foreign filing entity as defined by the Business Organizations Code, the formation and governance of which is subject

to statutory provisions governing the formation of a nonprofit cemetery corporation by plot owners and the rights of plot owners in a cemetery operated by such a corporation.

The bill expands the authority of the Finance Commission of Texas and the Texas Funeral Service Commission with respect to the regulation of cemeteries and cemetery operations to include the regulation of mandatory time frames for the start and completion of construction of a lawn crypt section of a cemetery, the refunding of payments made on an undeveloped lawn crypt space on which construction was not begun or completed within the prescribed time frames, and the disclosure requirements applicable to a sales contract for an undeveloped lawn crypt space.

Senate Bill 661 requires a corporation chartered on or after September 1, 1993, and before September 1, 2013, to have a minimum of \$75,000 in capital for each certificate of authority to operate a perpetual care cemetery issued to the corporation on or after September 1, 2013, in addition to the required minimum capital of \$75,000. The bill requires a corporation whose certificate of formation takes effect on or after September 1, 2013, to have a minimum of \$75,000 in capital for each certificate of authority to operate a perpetual care cemetery issued to the corporation. The bill adds a majority ownership of the stock or other corporate ownership or membership interest as a further condition under which a proposed transferee of business ownership of a perpetual care cemetery who is not a certificate holder must file any necessary document with the secretary of state as well as an application for a certificate of authority with the Texas Department of Banking.

Senate Bill 661 makes it a second degree felony offense for an individual, firm, association, corporation, or municipality or an officer, agent, or employee of such an entity to make more than one interment in a plot in a cemetery operated by a cemetery organization or to remove remains from a plot in such a cemetery without the consent of each of the plot's owners, the cemetery organization, and the decedent's surviving relatives, as applicable in each case.

Current law requires a cemetery organization to file an amended map or plat with the county clerk if a change is made in the shape and size of a cemetery property under a provision in a certificate or declaration of dedication of the property. Senate Bill 661 establishes a filing deadline for an amended map or plat of not later than the last day of the next calendar quarter after the change is made and exempts a cemetery organization that holds a certificate of authority to operate a perpetual care cemetery from the requirement to file an amended map or plat if the change is limited to the placement of a cremains receptacle containing not more than four niches on a plot or the alteration of an existing cremains receptacle on a plot and the organization keeps records, as required under finance commission rules, specifying the receptacle's location.

The bill reduces the time frame allowed for a corporation operating a perpetual care cemetery to correct a violation of law before the attorney general may bring suit or quo warranto proceedings for the forfeiture of the corporation's charter and for the corporation's dissolution and adds a district court in Travis County as an alternate venue for such proceedings.

Senate Bill 699 Senate Author: Carona Effective: 9-1-13 House Sponsor: Villalba

Previous law required an assumed name certificate filed by a corporation, limited partnership, limited liability partnership, limited liability company, or foreign filing entity to state the address of certain of the registrant's offices, depending on whether the registrant was incorporated or organized outside of Texas or is not required to or does not maintain a registered office in Texas. Senate Bill 699 amends the Business & Commerce Code to clarify that the required address is the street or mailing address of the registrant's principal office in Texas or outside Texas, as applicable.

Senate Bill 1033 Senate Author: Carona Effective: 9-1-13 House Sponsor: Villalba

Senate Bill 1033 amends the Business & Commerce Code to establish that a trade name is registrable as a service mark or trademark only if the trade name is also a service mark or trademark. Among other provisions, the bill specifies that use of a mark made merely to reserve a right in the mark is not considered to be a bona fide use of a mark and removes the specification that such a mark is not considered to be in use in Texas in connection with goods or services.

Senate Bill 1248 Senate Author: Carona Effective: 9-1-13 House Sponsor: Flynn

Previous law capped the documentary fee a retail seller is authorized to charge for services rendered to, for, or on behalf of a retail buyer in handling and processing the sale of a motorcycle, motor-driven cycle, moped, all-terrain vehicle, boat, boat motor, boat trailer, or towable recreational vehicle at \$50. Senate Bill 1248 amends the Finance Code to limit the documentary fee to a reasonable amount agreed to by the retail seller and buyer subject to a reasonable maximum amount set by Finance Commission of Texas rule.

Senate Bill 1388 Senate Author: Carona Effective: 9-1-13 House Sponsor: Bohac

Senate Bill 1388 amends the Occupations Code to repeal the Identity Recovery Service Contract Regulatory Act and to expand the types of service contracts to which the Service Contract Regulatory Act applies to include an agreement under which a provider agrees to provide identity recovery, if the service contract is financed under statutory provisions relating to motor vehicle and commercial motor vehicle installment sales. The bill requires a service contract provider, not later than the 30th day after the date each calendar quarter ends, to report to the Texas Department of Licensing and Regulation (TDLR) the number of service contracts that provide only for identity recovery services that were sold or issued to consumers in Texas during the most recent calendar quarter and to submit a \$1 fee for each of those service contracts to TDLR. The bill makes conforming changes to the Finance Code.

Senate Bill 1415 Senate Author: Deuell Effective: 9-1-13 House Sponsor: Workman

Senate Bill 1415 amends the Business & Commerce Code to remove a dealer's failure to substantially comply with essential and reasonable requirements imposed on the dealer under the terms of a dealer agreement as a condition qualifying a supplier for an exemption from notice and right to cure provisions applicable to the termination of a dealer agreement, other than a single-line dealer agreement, under the Fair Practices of Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act.

Senate Bill 1610
Senate Author: Schwertner
House Sponsor: Kolkhorst et al.

Previous law required a person who conducts business in Texas and owns or licenses computerized data that includes sensitive personal information to disclose any breach of system security to any individual whose sensitive personal information was or is reasonably believed to have been acquired by an unauthorized person only if the individual is a resident of Texas or another state that does not require notification of such a breach of security. Senate Bill 1610 amends the Business & Commerce Code to instead authorize notice to an individual who is a

resident of a state that requires such notification either under that state's law or under Texas law. The bill specifies that written notice of a security breach must be provided to the last known address of the individual.

### **Business Organization and Regulation**

House Bill 2134 House Author: Villarreal Effective: 9-1-13 Senate Sponsor: Carona

House Bill 2134 amends the Finance Code to authorize the banking commissioner of Texas, in order to efficiently and effectively administer and enforce the Money Services Act and to minimize regulatory burden, to enter into a written cooperation, coordination, or information-sharing contract or agreement with an intergovernmental organization of state or federal agencies that regulate or supervise persons engaged in money services businesses or activities subject to such regulation or that are authorized to investigate or prosecute violations of a state, federal, or foreign law related to such persons.

House Bill 2134 authorizes the commissioner to require a person to submit through the Nationwide Mortgage Licensing System and Registry any information, document, or payment of a fee required to be submitted under the Money Services Act or rules adopted under the act. The bill authorizes the commissioner to use the registry as a channeling agent for obtaining information required for licensing purposes under the Money Services Act or associated rules, including criminal history record information, information related to any administrative, civil, or criminal findings by a governmental jurisdiction, and information requested by the commissioner to make a determination on an application for a money services license.

House Bill 2134 removes provisions setting an annual August 15 expiration date for a money services license and establishing a renewal process that required payment of an annual renewal fee and submission of a renewal report not later than July 1 of each year and instead provides for the continuation of such a license on payment of an annual license fee and submission of an annual report on a date prescribed by commissioner rule, provided the license holder continues to meet the applicable licensing qualifications and requirements. The bill provides a 45-day grace period for a late submission of the required fee and report together with an applicable late fee and provides for a license's expiration on the license holder's failure to submit the completed annual report with the annual fee and any applicable late fees within that grace period. The bill also authorizes the commissioner to revoke a license if the license holder fails to maintain the qualifications for a license or meet the applicable licensing requirements.

House Bill 2134 increases from 30 to 90 the maximum number of days the commissioner may extend the effective period for a temporary money transmission license. The bill removes provisions conditioning the requisite security to be maintained by an applicant for a money transmission license on the faithful compliance of the license holder and related parties with the Money Services Act or any rules adopted or order issued under the act. The bill requires a money transmission license holder to include authorized delegates doing business with persons located in Texas, as well as authorized delegates located in Texas, in the current list that the license holder must maintain and must provide to the commissioner on request.

The bill expands the definition of "currency exchange" to include the exchange of a negotiable instrument for the currency of another government. The bill includes prepaid access within the meaning of "stored value" and excludes an electronic record that is redeemable only for goods or services from a specified merchant or set of affiliated merchants. The bill repeals a provision

requiring a currency transmission business to make the disclosures required in statutory provisions regulating currency transmissions in English and, if the currency transmission is to a country where Spanish is widely spoken, in Spanish.

House Bill 3068 House Author: Menendez Effective: 9-1-13 Senate Sponsor: Carona

House Bill 3068 amends the Finance Code to prohibit a merchant, in a sale of goods or services, from imposing a surcharge on a buyer who uses a debit or stored value card, excluding a gift card or gift certificate, instead of cash, a check, a credit card, or a similar means of payment. The bill does not apply to a state agency, county, local governmental entity, or other governmental entity that accepts a debit or stored value card for the payment of fees, taxes, or other charges.

Senate Bill 192 Senate Author: Carona Effective: 9-1-13 House Sponsor: Phillips

Senate Bill 192 amends the Government Code to explicitly entitle the banking commissioner to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS relating to a person who is an employee of or an applicant for employment with the Texas Department of Banking, who is a volunteer with that agency, or who is a contractor or subcontractor of that agency. The bill also entitles the commissioner to such information relating to a person who is an applicant for a license, charter, or other authority granted or issued by the commissioner under Health and Safety Code provisions relating to perpetual care cemeteries and under Finance Code provisions relating to trust companies, bank holding companies, interstate bank operations, and regulation of money services businesses.

Senate Bill 230 Senate Author: Carona Effective: 9-1-13 House Sponsor: Deshotel

Senate Bill 230 amends the Business & Commerce Code to establish that the Uniform Commercial Code—Funds Transfers provisions apply to a funds transfer that is a remittance transfer as defined in the federal Electronic Fund Transfer Act, unless the remittance transfer is also an electronic fund transfer as defined by the federal act. The bill establishes that, in the event of an inconsistency between the applicable provision of the Uniform Commercial Code—Funds Transfers and an applicable provision of the federal Electronic Fund Transfer Act, the federal act governs to the extent of the inconsistency.

Senate Bill 804 Senate Author: Carona Effective: 6-14-13 House Sponsor: Flynn

Senate Bill 804 amends the Finance Code to update language in certain provisions relating to banks and trust companies in order to conform to synonymous terminology and phrasing in the Business Organizations Code. The bill clarifies the authorization for two or more trust institutions, corporations, or other entities with the authority to participate in a merger to adopt and implement a merger plan contingent on at least one of the entities being a state trust company, but prohibits the merger from being made without the prior written approval of the banking commissioner of Texas if any surviving, new, or acquiring entity that is a party to the merger or is created by the terms of the merger is a state trust company or is not a trust institution.

Senate Bill 847 Senate Author: Carona Effective: 9-1-13 House Sponsor: Oliveira

Senate Bill 847 amends the Business Organizations Code to remove the requirement that a restated certificate of formation with new amendments identify by reference or description each added, altered, or deleted provision.

Senate Bill 847 authorizes a partnership agreement for a general partnership or a limited partnership or the certificate of formation or company agreement for a limited liability company to provide for the limitation or elimination of a governing person's liability to the same extent certain state law permits the limitation or elimination of a governing person's liability by a certificate of formation or similar instrument for a domestic entity other than a partnership or limited liability company.

Senate Bill 847 specifies that a general partnership, rather than any kind of partnership, is exempt from the requirement that a domestic entity send a written notice of the winding up of the domestic entity to each known claimant against the domestic entity. The bill authorizes a company agreement of a limited liability company or a partnership agreement to provide rights to any person, including a third party, to the extent provided by the agreement.

Senate Bill 847 expands the general powers of a series established by a limited liability company's company agreement and grants such a series and the governing person and officer associated with the series certain powers and rights granted with respect to other filing entities to the extent that such powers and rights are not inconsistent with other provisions governing the series. The bill establishes that, for the purposes of the Texas Limited Liability Company Law, a series is not a separate domestic entity or organization.

Senate Bill 847 repeals a provision of the Business & Commerce Code specifying that a partnership is insolvent under the Uniform Fraudulent Transfer Act if the sum of the partnership's debts is greater than the aggregate, at a fair evaluation, of all of the partnership's assets and the sum of the excess of the value of each general partner's nonpartnership assets over the partner's nonpartnership debts.

Senate Bill 849

Effective: 9-1-13

Senate Author: Carona
House Sponsor: Oliveira

Senate Bill 849 amends the Business Organizations Code to authorize a for-profit corporation to adopt a social purpose in its certificate of formation. Social purposes consist of promoting positive impacts on society or the environment or of minimizing adverse impacts of the corporation's activities on society or the environment. The corporation may require the board of directors and officers of the corporation to consider such social purposes in making decisions relating to the corporation's business and activities.

Senate Bill 1004Senate Author: CaronaEffective: 9-1-13House Sponsor: Villarreal

Prior law required different licenses for individuals engaged in residential mortgage loan origination, depending on whether those individuals were employed by a mortgage loan company or by a mortgage banker, even though the different licenses required the same qualifications for licensure. Senate Bill 1004 amends the Finance Code to consolidate provisions governing the licensing of residential mortgage loan originators, creating a single license for loan origination that allows a qualified individual to work for either a mortgage company or a mortgage bank, and to set out provisions regulating residential mortgage loan origination activities of other financial institutions under the jurisdiction of the Department of Savings and Mortgage Lending. Among other changes, the bill:

- amends the law governing residential mortgage loan companies to remove or repeal provisions in that law that applied specifically to the licensing of residential mortgage loan originators and to transfer or add corresponding provisions, as applicable, to the law governing the registration of mortgage bankers to include the licensing of residential mortgage loan originators;
- requires maintenance of a physical office in Texas for licensure as a credit union subsidiary organization;
- authorizes the Finance Commission of Texas to adopt rules providing conditions for which the savings and mortgage lending commissioner may shorten the two-year period of ineligibility resulting from the denial of a request to renew either a mortgage loan company license or a residential mortgage loan originator license;
- clarifies that a financial services company is authorized to perform the services of
  a residential mortgage loan company if the company is registered under provisions
  regulating residential mortgage loan companies and revises the eligibility requirements for
  registration as a financial services company to include payment of a registration fee of not
  more than \$500, submission of an application through the Nationwide Mortgage Licensing
  System and Registry, preapproval from the commissioner of the person's eligibility for
  registration as a financial services company, and compliance with any applicable law, rule,
  or any order previously issued by the commissioner to the applicant;
- includes a licensed or registered mortgage loan company's failure to honor a credit card charge back issued to the commissioner among the reasons for which the commissioner may order disciplinary action against the company and authorizes the commissioner, at the commissioner's discretion, to rescind or vacate any previously issued order;
- clarifies the application of the misdemeanor offenses of unlicensed activity under the law governing residential mortgage loan companies and under the law governing residential mortgage loan originators, respectively;
- extends the statute of limitations for filing an application for the recovery of actual damages from the recovery fund from two years to four years after the date the alleged act or omission causing the damages occurred or should have been discovered;
- establishes as a requirement for registration as a mortgage banker that the mortgage banker not be in violation of applicable laws or rules or any order previously issued by the commissioner to the applicant and requires a mortgage banker to update the banker's registration information not later than the 10th day, rather than not later than the 30th day, after the date the information changes;
- authorizes the commissioner to revoke a mortgage banker's registration if the mortgage banker has had a license, registration, or other certification revoked by a state or federal regulatory authority;
- sets out exemptions from residential mortgage loan originator requirements;
- caps the amount of the renewal fee for renewing a residential mortgage loan originator license, which is to be determined by the commissioner, at \$500;
- grants the finance commission specific rulemaking authority and the commissioner administrative and enforcement authority with respect to residential mortgage loan originators;
- requires an applicant for a residential mortgage loan originator license to complete any additional requirements established by the saving and mortgage lending commissioner and adopted by finance commission rule; and

 repeals provisions relating to the credit union commissioner's duties with respect to the licensure of employees of credit union subsidiary organizations who are licensed to act as residential mortgage loan originators, among other provisions rendered obsolete by the changes made by the bill.

### **Financial Services**

House Bill 1664 House Author: Villarreal Effective: 6-14-13 Senate Sponsor: Carona

House Bill 1664 amends Finance Code provisions relating to the regulation of banks, trust companies, and bank holding companies to make technical corrections; to clarify the powers of state-chartered banks and trust companies and the regulatory authority of the Texas Department of Banking and the banking commissioner of Texas; and to harmonize state law with revised federal statutes relating to interstate merger, branching, and host state authority. Among other provisions, the bill grants the commissioner authority to subpoena witnesses and require and compel through subpoena the production of documents. If a person refuses to comply with the subpoena, the commissioner may apply for enforcement by a Travis County district court.

**House Bill 1721 Effective:** 9-1-13 **House Author:** Villarreal **Senate Sponsor:** Carona

House Bill 1721 amends the Finance Code to authorize the consumer credit commissioner to require a person to submit through the Nationwide Mortgage Licensing System and Registry, in the form and manner prescribed by the commissioner and acceptable to the registry, any information, document, or payment of a fee required to be submitted to the commissioner under statutory provisions relating to the commissioner's powers and duties and the regulation of consumer loans, motor vehicle installment sales, property tax lending, credit services organizations, and debtor assistance, or under rules adopted under those provisions. The bill authorizes the commissioner to use the nationwide registry as a channeling agent for obtaining information required for licensing or registration purposes under those statutory provisions, including criminal history record information; administrative, civil, or criminal findings by a governmental jurisdiction relevant to such licensing or registration; or any other information requested by the commissioner under those provisions.

House Bill 1979 House Author: Villarreal Effective: 9-1-13 Senate Sponsor: Carona

Under current law, the computation of the term and interest rate of a commercial loan is based on a 360-day year consisting of twelve 30-day months. House Bill 1979 amends the Finance Code to expand the options for computing the interest rate on a commercial loan to include computing an annual interest rate on a 365/360 basis or a 366/360 basis, as applicable.

House Bill 1979 authorizes a commercial loan agreement to allow interest payments to be paid on a periodic basis when due by adding the interest payment to the principal balance of the loan, regardless of whether the added interest is evidenced by promissory note or other agreement. The bill establishes that, on and after the date an amount of interest is added to the principal balance, that amount no longer constitutes interest, but instead constitutes part of the principal for purposes of calculating the maximum lawful rate or amount of interest on the loan.

House Bill 2459 House Author: Thompson, Senfronia et al.

Effective: 9-1-13 Senate Sponsor: Carona

Previous law required the amount charged for a debt cancellation agreement that includes insurance coverage as part of the retail buyer's responsibility to the holder and that is made in connection with a retail installment contract for a motor vehicle sale to be created in good faith and be commercially reasonable. House Bill 2459 amends the Finance Code to instead cap that amount at five percent of the amount financed under the contract.

House Bill 2548 House Author: Burkett Effective: 9-1-13 Senate Sponsor: Carona

House Bill 2548 amends the Finance Code to transfer from the Finance Commission of Texas to the consumer credit commissioner the exclusive jurisdiction to enforce statutory provisions prohibiting the imposition of a surcharge for the use of a credit card. The bill also clarifies that the finance commission may adopt rules relating to the enforcement of such a prohibition.

Senate Bill 232 Senate Author: Carona House Sponsor: Villarreal

Senate Bill 232 amends the Finance Code to authorize the consumer credit commissioner to require a person to submit through the Nationwide Mortgage Licensing System and Registry, in the form and manner prescribed by the commissioner and acceptable to the registry, any information, document, or payment of a fee required to be submitted to the commissioner under statutory provisions relating to the commissioner's powers and duties and the regulation of consumer loans, motor vehicle installment sales, property tax lending, credit services organizations, and debtor assistance, or under rules adopted under those provisions. The bill authorizes the commissioner to use the nationwide registry as a channeling agent for obtaining information required for licensing or registration purposes under those statutory provisions, including criminal history record information; administrative, civil, or criminal findings by a governmental jurisdiction relevant to such licensing or registration; or any other information requested by the commissioner under those provisions.

Senate Bill 244 Senate Author: Carona House Sponsor: Villarreal

Senate Bill 244 is an omnibus bill that makes a number of updates to Finance Code provisions relating to the administration, operation, supervision, and regulation of credit unions. Among other provisions, the bill:

- increases from three to six the number of honorary advisory directors a credit union's board of directors may appoint;
- authorizes the credit union commissioner, on request by the credit union regulatory agency of a state contiguous to Texas that experiences an emergency, to authorize one or more credit unions located in that state to open temporary offices in Texas to more promptly restore credit union services to their members;
- prohibits the interest rate on a loan to a member of a credit union from exceeding 28
  percent a year to the extent that federal credit unions are permitted to charge that rate;
- specifies that, on the issuance of a charter by the National Credit Union Administration, a credit union organized under Texas law and converted to a credit union under U.S. law ceases to be a credit union incorporated under Texas law and is no longer subject to the supervision and regulation of the commissioner and department and requires the

converted credit union to file with the commissioner a copy of the charter issued to the credit union by the National Credit Union Administration;

- clarifies the supervisory and regulatory functions of the credit union commissioner and the credit union department;
- authorizes the commissioner and state and federal agencies to enter into cooperative, coordinating, or information-sharing agreements that are necessary or proper to enforce applicable state or federal laws;
- · updates provisions relating to disclosure of information; and
- revises and clarifies provisions relating to the acceptance, service, and repeal of a conservatorship order and to the dissolution and liquidation of a credit union.

Senate Bill 247 Effective: 5-29-13 Senate Author: Carona et al.
House Sponsor: Miller, Doug et al.

Current law prohibits a property tax lender from charging any fee, other than interest, after closing in connection with the transfer of a property tax lien unless the fee is expressly authorized or from charging any interest that is not expressly authorized under certain Tax Code provisions relating to the transfer of a tax lien. Senate Bill 247 amends the Finance Code to also apply that prohibition to any successor in interest.

Senate Bill 247 prohibits a property owner from waiving or limiting a requirement imposed on a property tax lender by the Property Tax Lender License Act, except as specifically permitted by certain state law. The bill sets out restrictions and requirements concerning the solicitation and advertisement of property tax loans, authorizes the Finance Commission of Texas to adopt rules to implement those provisions, and authorizes the consumer credit commissioner to assess an administrative penalty against a property tax lender who violates those provisions, regardless of whether the violation is knowing or wilful.

Senate Bill 247 prohibits a person from selling, transferring, assigning, or releasing rights related to a property tax loan to a person who is not licensed under the Property Tax Lender License Act or who is exempt from those licensing requirements. The bill requires the finance commission to adopt rules to implement that prohibition.

Senate Bill 247 exempts from the Property Tax Lender License Act an individual who is related to the property owner within the second degree of consanguinity or affinity, rather than an individual who makes a property tax loan from the individual's own funds to a spouse, former spouse, or persons in the lineal line of consanguinity of the individual lending the money.

Senate Bill 247 amends the Tax Code to revise the procedures for authorizing another person to pay the taxes imposed on real property and the procedures for transferring a property tax lien. Among other provisions, the bill limits the conditions under which the transfer of a tax lien is authorized with regard to taxes that are not delinquent at the time of payment and prohibits a person who is 65 years of age or older from authorizing a transfer of a tax lien on real property on which the person is eligible to claim a \$10,000 residence homestead exemption for purposes of school district taxes. The bill authorizes a lender with an existing recorded lien on property to request a payoff statement before the tax loan becomes delinquent. The bill requires the finance commission by rule to prescribe the form and content of the lender's request and the transferee's response to the request. A transferee who receives a request for a payoff statement is required to deliver the statement within a period prescribed by finance commission rule.

Senate Bill 247 prohibits a tax lien from being transferred to the person who pays the taxes on behalf of the property owner if the real property has been financed with a grant or below market rate loan provided by a governmental program or nonprofit organization and is subject to the covenants of the grant or loan or if the real property owner is encumbered by a

municipality's lien against property with a dangerous structure. The bill authorizes the finance commission to adopt rules to implement this prohibition.

Senate Bill 247 specifies that a property owner cannot waive or limit any requirement imposed on a transferee, except as specifically provided by provisions relating to the transfer of a tax lien. The bill also removes certain recording and notice requirements that apply to a contract between a transferee and a property owner for the payment of taxes that is secured by a priority lien on the property.

Senate Bill 1008 Senate Author: Carona House Sponsor: Anderson

Senate Bill 1008 revises and updates Finance Code provisions relating to the business, supervision, and regulation of state savings and loan associations and state banks. Among other provisions, the bill:

- reduces from seven to five the years of experience in the executive management or supervision of a savings association or savings bank required of the savings and mortgage lending commissioner and additionally requires such experience to have occurred during the 10 years preceding the commissioner's appointment;
- under the Texas Savings and Loan Act, revises the conduct that constitutes the offense of criminal slander and makes the offense a state jail felony;
- under the Texas Savings Bank Act, creates the state jail felony offense of criminal slander
  or libel for a person who knowingly makes, utters, circulates, or transmits to another
  person a statement that is untrue and derogatory to the financial condition of a savings
  bank or, with intent to injure a savings bank, counsels, aids, procures, or induces another
  person to do so; and
- under the Texas Savings Bank Act, makes a loan's qualification as a commercial loan contingent on the loan not being a qualified thrift asset, among other conditions.

Senate Bill 1008 repeals provisions of the Texas Savings and Loan Act that require a savings bank to maintain certain liquidity levels and to maintain in its portfolio not less than 15 percent of its deposits from its local service area in certain loans; exempt from the required annual audit a savings bank that either received at its most recent examination a composite rating of 1 or 2 on the CAMEL financial institution rating scale or had at the beginning of its current fiscal year consolidated assets of \$500 million or less; and require a savings bank to provide to the commissioner an annual written report of its affairs, operations, and finances.

Senate Bill 1251 Senate Author: Carona House Sponsor: Villarreal

Senate Bill 1251 amends the Finance Code to prohibit the compounding of interest under the authorized interest computation methods for consumer loans. The bill authorizes the Finance Commission of Texas by rule to set a reasonable maximum amount of an administrative fee for a secured consumer installment loan contract and of a finance charge on a signature loan contract that is greater than the statutorily authorized maximum amount. The bill clarifies that the administrative fee or finance charge is not interest. The bill authorizes alternate interest charge computation methods for a signature loan, excludes certain charges and fees from the principal balance of the loan, authorizes interest to accrue on the principal balance at a rate set in the loan contract until the date of final payment or demand for full payment, and sets out the order in which a payment must be applied to the loan account.



# **Civil Remedies and Procedures**

This chapter covers legislation relating to civil indemnifications, immunities, judgments, liabilities, and lawsuits and the rules and standards governing the adjudication of civil litigation. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 200 House Author: Murphy et al. Effective: 5-16-13 Senate Sponsor: Ellis

House Bill 200 adds a provision to the Civil Practice and Remedies Code authorizing an electric utility in a county with a population of four million or more, as the owner, easement holder, occupant, or lessee of land, to enter into a written agreement with a political subdivision to allow public access to and use of the utility's premises for recreation, exercise, relaxation, travel, or pleasure. The bill specifies the duties owed under such an agreement and establishes certain limitations on the utility's liability in a cause of action resulting from such access or use. The bill provides that the doctrine of attractive nuisance does not apply to a suit under this provision and that the utility is liable for certain damages caused by the utility's wilful or wanton acts or gross negligence with respect to a dangerous condition existing on the premises. The bill also authorizes an appeal of an interlocutory order denying a utility's summary judgment motion in such a suit and makes statutory provisions relating to the limited liability of certain electric utilities, as defined by the Public Utility Regulatory Act, inapplicable to such an electric utility located in a municipal management district in a municipality of more than 1.9 million.

House Bill 278 House Author: Craddick et al. Effective: 9-1-13 Senate Sponsor: Seliger

Under the Texas Tort Claims Act, a municipality is liable for damages arising from its governmental functions. House Bill 278 amends the Civil Practice and Remedies Code to include the use of an airport for space flight activities among these governmental functions. The bill establishes that a municipality using an airport for space flight activities is not vicariously liable because of participation in a joint enterprise unless the municipality would otherwise be liable under the act. Further, the bill specifies that the statutory provision prohibiting such vicarious liability does not affect a limitation on liability or damages provided under the act, including a limitation on the amount of tort liability of the state government.

House Bill 403 House Author: Davis, Sarah Effective: 6-14-13 Senate Sponsor: Ellis

House Bill 403 amends the Civil Practice and Remedies Code to grant a certified municipal inspector who provides certain inspection services during an emergency or disaster immunity from liability for civil damages related to an act, error, or omission of the inspector in the performance of those services, unless the act, error, or omission constitutes gross negligence or wanton, wilful, or intentional misconduct.

House Bill 586 House Author: Workman et al. Senate Sponsor: Deuell et al.

House Bill 586 amends the Civil Practice and Remedies Code to establish provisions relating to the adjudication of certain design and construction claims arising under written contracts with state agencies and an agency's waiver of sovereign immunity to suit for the purpose of adjudicating such claims. Among other provisions, the bill establishes the required venue for such suits, sets out limitations on adjudication awards and satisfaction of judgments, provides for the enforceability of contractual adjudication procedures, and establishes that its provisions

are the exclusive remedy for such claims. The bill does not provide for a waiver of any other defense, a waiver of immunity to suit in federal court, or a waiver of immunity to suit for tort liability. The bill requires each state agency to report to the governor, the comptroller, and each house of the legislature the cost of defense to the agency and the office of the attorney general in an adjudication brought against the agency under the bill's provisions.

House Bill 658 House Author: Sheets et al. Effective: 9-1-13 Senate Sponsor: Watson

House Bill 658 amends the Civil Practice and Remedies Code to establish that, under certain circumstances, postjudgment interest does not accrue on the unpaid balance of an award of damages to a plaintiff attributable to any portion of the award that is subject to a Medicare subrogation lien. The bill also modifies the deadlines by which an expert report and any objections to the sufficiency of such a report must be served in a health care liability claim.

**House Bill 1016 Effective:** 5-18-13 **House Author:** Davis, Sarah **Senate Sponsor:** Williams

Current law requires municipalities and special purpose districts, under certain conditions, to provide legal counsel without cost to peace officers, firefighters, or emergency medical services personnel employed by the entity to defend the employee against civil suits. House Bill 1016 amends the Local Government Code to add school districts to the entities required to provide such legal counsel.

House Bill 1188 House Author: Thompson, Senfronia et al. Effective: 6-14-13 Senate Sponsor: Whitmire

House Bill 1188 amends the Civil Practice and Remedies Code to prohibit a cause of action from being brought against an employer, general contractor, premises owner, or other third party solely for negligently hiring or failing to adequately supervise an employee, based on evidence that the employee has been convicted of an offense. The bill's provisions do not create a cause of action or expand an existing cause of action and, under certain conditions, do not preclude a cause of action for negligent hiring or the failure of an employer, general contractor, premises owner, or other third party to provide adequate supervision of an employee. The bill also establishes that, under certain conditions, the protections provided to an employer, general contractor, premises owner, or third party under the bill's provisions do not apply in a suit concerning the misuse of funds or property of a person other than the employer, general contractor, premises owner, or third party by an employee.

House Bill 1325 House Author: Miller, Doug et al. Effective: 9-1-13 Senate Sponsor: Duncan

House Bill 1325 amends Civil Practice and Remedies Code provisions regarding certain civil actions arising from exposure to asbestos and silica. The bill requires a multidistrict litigation pretrial court, beginning on September 1, 2014, to dismiss each action for an asbestos-related or silica-related injury that was pending on August 31, 2005, unless a compliant physician report was served on or after September 1, 2013. The bill requires all such actions to be dismissed on or before August 31, 2015, and specifies that such a dismissal is without prejudice to the right to file a subsequent action for an asbestos-related or silica-related injury. The bill specifies the law applicable to a subsequent action filed by a claimant whose action was administratively dismissed or by a claimant who voluntarily dismissed an action that was subject to administrative dismissal. With regard to a claimant who refiles an administratively dismissed claim, the bill provides that the refiled action will be treated as pending and awaiting service of a compliant

medical report and sets out the authorized methods of serving the petition and citation for the action on a defendant in the dismissed action. Finally, the bill specifies that its provisions are not intended to be regarded as a decision on the merits of a dismissed action, to affect the rights of any party in a bankruptcy proceeding, or to affect the ability of a person to satisfy claim criteria for compensable claims or demands under a bankruptcy trust under federal law and that the tort system rights of administratively dismissed actions are specifically preserved.

House Bill 1711 House Author: Fletcher Effective: 9-1-13 Senate Sponsor: Duncan

House Bill 1711 amends Government Code provisions relating to contracts procured through prohibited barratry and civil liability for prohibited barratry to, among other things, authorize a client who enters into a contract for legal services that was procured as a result of barratry to bring an action to recover any amount that may be awarded to a client who prevails in an action to void such a contract, even if the contract is voided voluntarily. The bill adds a \$10,000 penalty to the amounts to be recovered in civil actions based on prohibited barratry and specifies that the expedited actions process created by the Texas Rules of Civil Procedure does not apply to such civil actions.

House Bill 1711 removes conduct constituting the Penal Code offense of barratry in which a written communication or solicitation, concerning an arrest of or issuance of a summons to a defendant, is provided to the defendant or a relative of the defendant before the 31st day after the arrest or issuance of the summons occurred.

House Bill 1759
House Author: Hunter et al.
Senate Sponsor: Ellis

House Bill 1759 amends the Civil Practice and Remedies Code to establish the Defamation Mitigation Act for purposes of providing a method for a person to claim relief, however characterized, from damages arising out of harm to personal reputation caused by the false content of a publication. The bill establishes that a person may maintain a defamation action under the act only if the person has made a timely and sufficient request for a correction, clarification, or retraction from the defendant or the defendant has made a correction, clarification, or retraction. The bill sets out the circumstances that constitute a timely and sufficient request; the circumstances that constitute a timely and sufficient correction, clarification, or retraction; and the procedures and deadlines for challenging timeliness or sufficiency. Among other provisions, the bill establishes procedures for requesting evidence of the falsity of an allegedly defamatory statement, provisions regarding the abatement of a defamation suit, and limitations on the recovery of exemplary damages and the admissibility of certain evidence at trial in such suits.

House Bill 1791 House Author: Davis, John et al. Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 1791 amends the Civil Practice and Remedies Code to limit the liability of a space flight entity, including a political subdivision or spaceport corporation as specified by the bill, for damages resulting from any claim for nuisance arising from certain space flight activities. The bill specifies that its provisions relating to the limited liability of a space flight entity preclude injunctive relief and do not limit liability for breach of a contract or preclude a governmental action as specified by the bill. The bill clarifies that the signature of a space flight participant on the required agreement prior to space flight is on behalf of certain others, including any heirs of the participant. The bill amends Local Government Code and Government Code provisions relating to spaceport development corporations and the spaceport trust fund, respectively,

to provide for the use of a spacecraft, as defined by the bill, and it amends the Penal Code to establish that noise arising from lawful space flight activities does not constitute unreasonable noise for purposes of the disorderly conduct law.

House Bill 1869 House Author: Price et al. Effective: 1-1-14 Senate Sponsor: Duncan

House Bill 1869 adds a chapter to the Civil Practice and Remedies Code relating to contractual subrogation rights of payors of certain benefits. The bill authorizes an issuer of a health benefit plan that provides specified types of coverage and related insurance policies, under which the policy or plan issuer may be obligated to make payments or provide medical or surgical benefits to or on behalf of a covered individual as a result of a personal injury to the individual caused by a third party's tortious conduct, to contract to be subrogated to and have a right of reimbursement for payments made or costs of benefits provided from the individual's recovery for that injury, subject to the bill's provisions. The bill specifies which plans, coverages, and policies are subject to this chapter and which are exempt. The bill establishes limitations on a payor's recovery; sets out provisions concerning attorney's fees in declaratory judgment actions and in recovery actions; prohibits first-party recovery except under certain conditions; and establishes that its provisions do not create a cause of action.

House Bill 1869 repeals the Local Government Code section relating to subrogation rights and recovery procedures under the Texas Political Subdivisions Uniform Group Benefits Act.

House Bill 2935 House Author: Hunter Effective: 6-14-13 Senate Sponsor: Ellis

House Bill 2935 amends Civil Practice and Remedies Code provisions relating to legal actions involving a party's exercise of the constitutional rights to petition, to speak freely, or to associate freely. The bill modifies deadlines for setting and holding hearings on motions to dismiss such actions, adds a condition under which the court is required to dismiss such an action, and repeals a provision relating to the deadline for filing appeals or writs concerning these motions. The bill also authorizes a person to appeal from an interlocutory order denying a motion to dismiss and specifies that such an appeal stays all proceedings in the trial court pending resolution of that appeal. The bill exempts a legal action brought under the Insurance Code or arising out of an insurance contract from provisions relating to legal actions involving the exercise of these constitutional rights.

House Bill 2978 House Author: Parker Effective: 6-14-13 Senate Sponsor: Paxton

House Bill 2978 amends the Civil Practice and Remedies Code to require, for a power of sale exercised by the filing of an application for an expedited court order allowing the foreclosure of a contract lien under the Texas Rules of Civil Procedure, service of citation to be completed in a manner provided under those rules. The bill authorizes a court, after the filing of a response to an application for expedited foreclosure, to conduct a hearing to determine whether to order the case to mediation and sets out procedural provisions regarding the hearing and mediation. The bill prohibits the supreme court from amending or adopting rules in conflict with the bill's provisions concerning such a mediation.

House Bill 2978 amends the Government Code to require the supreme court to promulgate specified forms for use in expedited foreclosure proceedings not later than March 1, 2014.

House Bill 3241 House Author: Thompson, Senfronia et al.

**Effective:** 6-14-13 **Senate Sponsor:** Whitmire

House Bill 3241 amends the Civil Practice and Remedies Code to create a cause of action authorizing the state to bring suit against a person or enterprise for racketeering related to trafficking of persons. The bill establishes the damages, injunctive relief, and other remedies authorized in such a suit. Among other provisions, the bill sets out provisions regarding the evidentiary burdens, statute of limitations, special docketing procedures, and required notice to a local prosecutor in a civil racketeering suit. The bill also lays out procedures regarding the abatement of a civil racketeering suit under certain conditions.

Senate Bill 94 Senate Author: Van de Putte

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 94 amends the Civil Practice and Remedies Code to make a defendant liable to a victim of compelled prostitution for damages arising from the compelled prostitution and certain promotion of prostitution that results in compelled prostitution with respect to the victim. The bill specifies circumstances that do not constitute a defense to such liability. The bill requires a claimant who prevails in a suit under the bill's provisions to be awarded actual damages, court costs, and reasonable attorney's fees and authorizes the recovery of exemplary damages. The bill also provides for a cumulative cause of action, joint and several liability, and liberal construction and application of its provisions.

Senate Bill 251 Senate Author: West Effective: 9-1-13 House Sponsor: Carter

Senate Bill 251 amends the Civil Practice and Remedies Code to require the jurat included in an unsworn declaration by an employee of a state agency or a political subdivision in the performance of the employee's job duties to contain the governmental agency that employs the employee and a statement that the employee is executing the declaration as part of the employee's assigned duties and responsibilities.

Senate Bill 392Senate Author: WestEffective: 9-1-13House Sponsor: Lewis

Senate Bill 392 amends the Government Code to require a party that files a petition, motion, or other pleading challenging the constitutionality of a Texas statute to file with the court in which the action is pending a form the Office of Court Administration of the Texas Judicial System is required to adopt that indicates which pleading should be served on the attorney general by the court. The bill specifies that the court is required to serve notice of the constitutional challenge, rather than notice of the constitutional question, on the attorney general if the attorney general is not a party to or counsel involved in the litigation and removes the requirement that the notice identify the statute in question, state the basis for the challenge, and specify the petition, motion, or other pleading that raises the challenge.

Senate Bill 422 Senate Author: Duncan Effective: 5-2-13 House Sponsor: Darby

Senate Bill 422 amends Civil Practice and Remedies Code provisions governing service of citation on a financial institution to clarify that service on and delivery to a financial institution of claims against customers of the financial institution are governed by specified Finance Code provisions that, among other requirements, require the claim to be delivered or served at the address designated as the address of the financial institution's registered agent.

Senate Bill 679 Senate Author: Duncan Effective: 9-1-13 House Sponsor: Hughes

Senate Bill 679 amends the Civil Practice and Remedies Code to clarify statutory provisions relating to affidavits concerning cost and necessity of services in civil actions other than an action on a sworn account. The bill establishes that, except as provided by the Texas Rules of Evidence, the records attached to such an affidavit are not required to be filed with the clerk of the court before the trial commences. The bill establishes that an affidavit concerning proof of medical expenses is sufficient if it substantially complies with the form prescribed by the bill and further establishes that a reference to a nonrecoverable charge reflected in a medical bill or other itemized statement attached to such an affidavit is inadmissible. The bill requires the Texas Supreme Court to amend Rule 902(10), Texas Rules of Evidence, to provide that medical records and medical billing information otherwise attached to an affidavit made for the purposes of that rule and served with the affidavit on the other parties to the relevant action are not required to be filed with the clerk of the court before the trial commences.

Senate Bill 953 Senate Author: Carona House Sponsor: Elkins et al.

Senate Bill 953 amends the Civil Practice and Remedies Code to enact the Texas Uniform Trade Secrets Act. The bill provides for injunctive relief and recovery of damages and attorney's fees in an action alleging misappropriation of trade secrets, and it requires a court to preserve the secrecy of an alleged trade secret by reasonable means. The bill also specifies the effect of its provisions on other state law and remedies.

Senate Bill 958 Senate Author: Fraser Effective: 6-14-13 House Sponsor: Keffer

Senate Bill 958 amends the Civil Practice and Remedies Code to establish that a local district or authority that enters into a written contract to provide water to a purchaser for use in connection with the generation of electricity waives sovereign immunity to suit for the purpose of adjudicating a claim that the local district or authority breached the contract by not providing water, or access to water, according to the contract's terms. Remedies awarded in the adjudication of such a claim may include any remedy available for breach of contract that is not inconsistent with the terms of the contract, other than consequential or exemplary damages. The bill provides that compliance with an order of the Texas Commission on Environmental Quality or other state regulatory agency that expressly curtails water delivery to a specific electric generating facility is not considered a breach of contract.

Senate Bill 1237 Senate Author: Schwertner House Sponsor: Lewis

Senate Bill 1237 amends the Civil Practice and Remedies Code to establish procedures through which certain criminal cases may be referred, with the consent of the victim and the defendant, to a county's alternative dispute resolution system, regardless of whether the defendant in the case has been formally charged. The bill authorizes an entity that provides such criminal dispute resolution services to collect a reasonable fee, not to exceed \$350, from a participant other than an alleged victim and revises provisions relating to the collection of a fee for alternative dispute resolution centers in participating counties.

Senate Bill 1630 Effective: 9-1-13 Senate Author: West House Sponsor: Lewis

Previous law prohibited a vexatious litigant subject to a prefiling order from filing a new litigation in a court in Texas without the permission of the local administrative judge of the court in which the person intends to file the litigation. Senate Bill 1630 amends the Civil Practice and Remedies Code to instead prohibit a vexatious litigant subject to a prefiling order from filing. pro se, new litigation in a court to which the order applies without seeking the permission of the local administrative judge of the type of court in which the vexatious litigant intends to file or the local administrative district judge of the county in which the vexatious litigant intends to file if the litigant intends to file in a justice or constitutional county court. A litigant who files a request seeking such permission must provide a copy of the request to all defendants named in the proposed litigation, and the appropriate local administrative judge may make a determination on the request with or without a hearing. The bill establishes that a prefiling order entered by a justice or constitutional county court applies only to the court that entered the order and a prefiling order entered by a district or statutory county court applies to each court in Texas. The bill also revises provisions establishing procedures for a circumstance in which a court clerk mistakenly files litigation presented, pro se, by a vexatious litigant subject to a prefiling order and prohibits the appeal of an order dismissing litigation that was mistakenly filed by a clerk.

Senate Bill 1630 also establishes that provisions governing vexatious litigants do not apply to a municipal court or to an attorney licensed in Texas unless the attorney proceeds pro se. Finally, the bill prohibits the Office of Court Administration of the Texas Judicial System from removing the name of a vexatious litigant subject to a prefiling order from the agency's Internet website unless the office receives a written order from the court that entered the prefiling order or from an appellate court.

The summaries for the following bills are in the listed chapters:

House Bill 1874 - Courts Senate Bill 1083 - Courts Senate Bill 1267 - Emergency Response



## Corrections

This chapter covers legislation relating to correctional facilities, jails, incarcerated individuals, community supervision, parole, and sex offender registration, as well as the functions and duties of the Texas Department of Criminal Justice and the Windham School District. Legislation relating to correctional officer compensation and employment issues is in the **Public Officials and Employees** chapter, and legislation relating to juvenile correctional facilities, services, and probation is in the **Juvenile Justice** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

### General

House Bill 634 House Author: Farias et al. Effective: 6-14-13 Senate Sponsor: Rodriguez

House Bill 634 amends the Government Code to require the Texas Department of Criminal Justice to investigate and verify the veteran status of each inmate by using data made available, through the Health and Human Services Commission, from the federal Public Assistance Reporting Information System and to use system data to assist inmates who are veterans in applying for federal benefits or compensation for which the inmates may be eligible under a program administered by the U.S. Department of Veterans Affairs.

House Bill 797 House Author: Thompson, Senfronia et al. Senate Sponsor: Garcia

House Bill 797 amends the Education Code to require the Windham School District, before a person confined or imprisoned in the Texas Department of Criminal Justice who is not a high school graduate enrolls in a district vocational training program, to inform the person in writing of the following information: any rule or policy of a state agency that would impose a restriction or prohibition on the person in obtaining a certificate or license in connection with the vocational training program; the total number of district students released during the preceding 10 years who have completed a district vocational training program that allows for an opportunity to apply for a certificate or license from a state agency, the number of those students who have applied for a certificate or license from a state agency, and the number of those students who have been issued a certificate or license by a state agency; and the procedures for requesting a criminal history evaluation letter as a preliminary evaluation of license eligibility, the procedures for providing evidence of fitness to perform the duties and discharge the responsibilities of a licensed occupation, and the procedures for appealing a state agency's denial of a certificate or license.

House Bill 799 House Author: Thompson, Senfronia et al. Senate Sponsor: Whitmire

House Bill 799 amends the Education Code to require the Windham School District to continually assess job markets in Texas and update, augment, and expand the vocational training programs developed by the district as necessary to provide relevant and marketable skills to students.

House Bill 1544 House Author: Allen Effective: 6-14-13 Senate Sponsor: Ellis

Current law requires the commissioners court of certain large counties, as an option to the condition that the commissioners court receive the written approval of the sheriff of the county before entering into a contract with a private vendor for the operation of a detention center or related facility, to ensure that all services provided under the contract are required to meet or exceed standards set by the Commission on Jail Standards. House Bill 1544 amends the Local Government Code to require the commissioners court to consult with the sheriff regarding the feasibility of ensuring that all services provided under the contract are required to meet or exceed standards set by the commission.

**House Bill 2719 Effective:** 9-1-13 **House Author:** Guillen **Senate Sponsor:** Rodriguez

House Bill 2719 amends the Government Code to require the Texas Department of Criminal Justice (TDCJ), during the diagnostic process, to assess each inmate with respect to whether the inmate has at any time been in the conservatorship of a state agency responsible for providing child protective services and to annually submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee having primary jurisdiction over TDCJ summarizing statistical information concerning the total number of inmates who have been in that conservatorship. The bill requires TDCJ's reentry and integration division and parole division jointly to prepare and submit an annual report regarding parole and reentry and reintegration to those officials, the standing committees of the house and senate primarily responsible for criminal justice issues and corrections issues, and the reentry task force established by TDCJ, sets out the specific information required to be included in the report, and requires the report to be made available to the public.

Senate Bill 345 Senate Author: Whitmire Effective: 9-1-13 House Sponsor: Parker

Current law requires the Texas Department of Criminal Justice (TDCJ) to actively encourage volunteer organizations to provide specified programs for inmates housed in TDCJ facilities. Senate Bill 345 amends the Government Code to instead require TDCJ to adopt a policy that requires each warden to identify volunteer and faith-based organizations that provide programs for those inmates and to actively encourage those organizations to provide the specified programs for inmates in the warden's facility. Additionally, the policy must require each warden to annually submit a report to the Texas Board of Criminal Justice that includes, for the preceding fiscal year, a summary of the programs provided to inmates and the actions taken by the warden to identify the organizations willing to provide the programs and to encourage the organizations to provide programs in the warden's facility.

Senate Bill 345 repeals Code of Criminal Procedure and Government Code provisions relating to the state boot camp program, prohibits a judge from recommending a person for placement in the program, and establishes that a program participant remains a participant only until the later of the date on which the convicting court suspends further execution of the sentence and reassumes custody of the person or the date on which TDCJ transfers the person to another unit in TDCJ.

Senate Bill 1185 Senate Author: Huffman et al.

Effective: 6-14-13 House Sponsor: Thompson, Senfronia

Senate Bill 1185 amends the Health and Safety Code to require the Department of State Health Services (DSHS), in cooperation with the county judge of Harris County, to establish a

pilot program in Harris County to be implemented by the county judge through a criminal justice mental health service model oriented toward reducing recidivism and the frequency of arrests and incarceration among persons with mental illness in the Harris County jail. The bill sets out requirements for the model.

Senate Bill 1185 requires the county judge, in implementing the program, to ensure the program has the resources to provide mental health jail diversion services to not fewer than 200 individuals and to endeavor to serve not fewer than 500 or more than 600 individuals cumulatively each year the program operates. The bill requires DSHS and the county judge to jointly establish clear criteria for identifying a target population to be served by the program and requires the criteria to prioritize serving those with the highest risks of recidivism and the most severe mental illnesses.

Senate Bill 1185 conditions the creation of the pilot program on the commissioners court's continuing agreement to contribute to the program each year in which the program operates services for persons with mental illness equivalent in value to funding provided by the state for the program. The bill also authorizes DSHS to conduct inspections to ensure state funds appropriated for the program are used effectively. The bill requires the commissioner of DSHS to evaluate the pilot program and submit a report concerning the effect of the pilot program in reducing recidivism and the frequency of arrests and incarceration among persons with mental illness in Harris County 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 primary jurisdiction over health and human services issues and over criminal justice issues.

Senate Bill 1475 Senate Author: Duncan Effective: 9-1-13 House Sponsor: Zerwas

Senate Bill 1475 amends the Code of Criminal Procedure to add temporary provisions requiring the Department of State Health Services (DSHS), if the legislature appropriates necessary funding, to develop and implement a jail-based restoration of competency pilot program in one or two counties in Texas that choose to participate in the pilot program. The bill sets out requirements for DSHS in developing the pilot program, including the establishment of a stakeholder work group composed of members who meet certain criteria, sets out the qualifications that a provider of jail-based competency restoration services must demonstrate in order to contract with DSHS to provide services under the pilot program, and sets out requirements for a contract entered into by a service provider and DSHS. The bill establishes the minimum number of psychiatric evaluations of a participating defendant that must be conducted by the provider's psychiatrist and sets out the types of competency determinations regarding a participating defendant that must be made by the psychiatrist and the actions that a court must take on the psychiatrist's report of a determination. The bill establishes reporting and evaluation requirements for the commissioner of DSHS if the pilot program is implemented. In a county in which DSHS operates a pilot program, the bill requires a defendant committed under court order to a mental health facility or residential care facility for competency restoration to either be provided competency restoration services at the jail under the pilot program or be transferred to the appropriate facility as provided by the order, depending on whether the service provider at the jail determines the defendant will immediately begin to receive the services.

## Community Supervision, Parole, and Sex Offender Registration

House Bill 424 House Author: Burkett et al. Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 424 amends the Health and Safety Code to require a director of a group home, as soon as practicable after a person requests to live at a group home or is assigned to live at a group home as a condition of community supervision or as a condition of release on parole or to mandatory supervision, to ascertain whether the person is registered in the sex offender registration program and, not later than the third day after the date a person who is registered in the program becomes a resident of the group home, to provide notice that the person is a sex offender to the legal guardian of each current resident who has a legal guardian and directly to each other resident. The bill specifies that a group home or its director is not liable under any law for damages arising from conduct required under the bill's provisions and establishes requirements for a director to ascertain whether any resident of the group home is registered in the program and to provide notice of a person who is registered in the program to the legal guardian of each current resident who has a legal guardian and directly to each other resident. The bill's provisions do not apply to a group home that accepts or is assigned only residents who are sex offenders required to register under the sex offender registration program if the residents receive treatment at the group home from a licensed sex offender treatment provider.

House Bill 431 House Author: Riddle et al. Effective: 6-14-13 Senate Sponsor: Huffman

Current law requires the Board of Pardons and Paroles to reconsider for release on parole an inmate who is serving a sentence for a second or third degree felony offense of injury to a child, elderly individual, or disabled individual and who was previously denied release as soon as practicable after the first anniversary of the date of the denial. House Bill 431 amends the Government Code to enact Emma's Law to change the time frame of reconsideration to anytime during a month designated by the parole panel that denied release that begins after the first anniversary of the date of the denial and that ends before the fifth anniversary of the date of the denial.

**House Bill 2825 Effective:** 6-14-13 **House Author:** King, Ken et al. **Senate Sponsor:** Seliger

House Bill 2825 amends the Code of Criminal Procedure to remove a restriction on the authority of a county to establish a centralized sex offender registration authority. The bill adds change of address requirements for a person required to register with an authority and specifies that its provisions do not affect a person's duty to register with secondary sex offender registries as required by law.

Senate Bill 369 Senate Author: Whitmire Effective: 9-1-13 House Sponsor: Burnam

Senate Bill 369 amends the Code of Criminal Procedure to specify that the information contained in the central database of the sex offender registration program that is not public information includes any information regarding the name, address, or telephone number of the employer of a person who is required to register under the program.

Senate Bill 391 Effective: 9-1-13 **Senate Author:** West **House Sponsor:** Herrero

Senate Bill 391 amends the Code of Criminal Procedure to clarify that a defendant's obligation to pay a fine or court cost as ordered by a judge exists independently of any requirement to pay the fine or court cost as a condition of the defendant's community supervision. The bill specifies that a defendant remains obligated to pay any unpaid fine or court cost after the expiration of the defendant's period of community supervision.

Senate Bill 727 Senate Author: Taylor

Effective: 9-1-13 House Sponsor: Bonnen, Greg

Senate Bill 727 amends the Code of Criminal Procedure and Government Code to include first degree felony burglary committed with the intent to commit certain felony sexual offenses among the offenses for which a judge is prohibited from placing a defendant on community supervision and among the offenses for which an inmate serving a sentence is not eligible for release on parole until the inmate's actual calendar time served, without consideration of good conduct time, equals one-half of the sentence or 30 calendar years, whichever is less, but in no event in less than two calendar years.

Senate Bill 1096 Senate Author: Hinojosa House Sponsor: Munoz, Jr.

Senate Bill 1096 amends the Code of Criminal Procedure to prohibit a judge from requiring a defendant to pay the fixed monthly fee imposed on the defendant during a period of community supervision for any month after the period of community supervision has been terminated by the judge.

Senate Bill 1173 Senate Author: West Effective: 9-1-13 House Sponsor: White

Senate Bill 1173 amends the Code of Criminal Procedure to require a presentence investigation report regarding a defendant charged with a state jail felony to contain recommendations for conditions of community supervision that the applicable community supervision and corrections department considers advisable or appropriate. The bill authorizes a judge to order the sentence for certain state jail felony offenses to be executed in whole or in part, with a term of community supervision to commence immediately on the defendant's release from confinement, and requires the judge, in any case in which the jury assesses the punishment, to follow the jury's recommendations in suspending the sentence's imposition or ordering the sentence to be executed, and to order the sentence to be executed in whole if the jury does not recommend community supervision. The bill requires a judge assessing punishment, before imposing such a sentence, to review the presentence investigation report and determine whether the best interests of justice require the judge to suspend the sentence's imposition and place the defendant on community supervision or to order the sentence to be executed in whole or in part. The bill requires a judge who assesses punishment and suspends the execution of the sentence or orders the execution of the sentence only in part to impose conditions of community supervision consistent with the report's recommendations.

Senate Bill 1173 amends the Government Code to require the Texas Department of Criminal Justice (TDCJ) to adopt policies and procedures for determining the cost savings to TDCJ realized through the release of state jail felony defendants on community supervision after serving part of the sentence and for providing 30 percent of that cost savings to the community

### Corrections

justice assistance division to be allocated to individual community supervision and corrections departments and used for the same purpose as statutorily mandated state aid payments to those departments.

The summaries for the following bills are in the listed chapters: House Bill 2454 - Local Government

## **Courts**

This chapter covers legislation on the creation, jurisdiction, and administration of trial and appellate courts. This chapter also includes legislation relating to judges and court personnel, county and district attorneys, juries, juvenile boards, judicial districts, court costs and fees, and the judicial and court personnel training fund. Legislation on compensation of judges and district attorneys is in the **Public Officials and Employees** chapter. Legislation regarding judicial retirement benefits is in the **Public Retirement Systems** chapter, and legislation on county commissioners courts is in the **Local Government** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

### General

House Bill 410 House Author: King, Phil et al. Senate Sponsor: Estes

House Bill 410 amends the Government Code to require, rather than authorize, the commissioners court of each county in the Second Court of Appeals District to establish an appellate judicial system to assist the court of appeals for the county with the processing of appeals filed with the appellate court and to defray costs and expenses incurred in the operation of the appellate court. In order to fund the system, the bill makes a \$5 court costs fee mandatory for each civil suit filed in a county court, statutory county court, statutory probate court, or district court in the county. The bill also establishes requirements for the administration of the system fund.

House Bill 1245

Effective: 9-1-14

House Author: Turner, Sylvester Senate Sponsor: Duncan

House Bill 1245 amends the Government Code to include the personnel of criminal defense attorneys who regularly represent indigent defendants among the persons eligible to participate in the continuing legal education, technical assistance, and support programs funded through the judicial and court personnel training fund. The bill requires the allocation of such funds to come from the grant of legal funds the court of criminal appeals makes to certain statewide professional associations.

House Bill 1263 House Author: Lewis Effective: 4-10-13 Senate Sponsor: Duncan

Recent legislation provided for the abolishment of small claims courts, the transfer of small claims cases to justice courts, and the supreme court's promulgation of rules to define cases that constitute small claims cases, rules of civil procedure applicable to small claims cases, and rules for eviction proceedings, as of May 1, 2013. House Bill 1263 amends the relevant law to postpone the abolishment of small claims courts and delay the implementation of the new rules until August 31, 2013.

House Bill 1435 House Author: Darby
Effective: 9-1-13 Senate Sponsor: Seliger

House Bill 1435 amends the Code of Criminal Procedure to authorize a victim assistance coordinator, on request, to provide a court clerk with information or other assistance necessary for the clerk to comply with certain victim notification requirements.

House Bill 1435 removes the Family Code provision making it a Class C misdemeanor offense for the clerk of a court exercising jurisdiction over a juvenile offender's case to fail to report the case's disposition to the Department of Public Safety. The bill also amends the Family Code to make the requirement for the clerk of a court issuing a protective order against certain military personnel to provide a copy of the order to specified military authorities conditional on the applicant providing the applicable mailing address to the clerk.

House Bill 1435 amends the Government Code to require a party to a litigation who files a legal challenge to the constitutionality of a Texas statute to file a form, to be adopted by the Office of Court Administration, indicating the applicable pleading to be served on the attorney general.

House Bill 1435 amends the Health and Safety Code to remove the provision exempting the council of governments for an area in which a former municipal solid waste unit was located from certain notice requirements and the provision requiring a county clerk to record certain descriptions and notices regarding the relevant land. The bill instead specifies the descriptions and notices that a council's notification to the county clerk must include, requires the county clerk to record the submitted descriptions and notices, and authorizes the county clerk to prescribe the method of arranging and indexing the descriptions and notices.

House Bill 1448 House Author: Kuempel Effective: 9-1-13 Senate Sponsor: Campbell

House Bill 1448 amends the Code of Criminal Procedure to authorize a justice court, subject to the approval of the county commissioners court, to use a justice court technology fund to assist a constable's office or other county department with certain technological enhancements or related costs if the enhancements directly relate to the operation or efficiency of the justice court. This provision applies only to a county that has a population of 125,000 or more, that is not adjacent to a county of two million or more, that contains a portion of the Guadalupe River, and that contains a portion of Interstate Highway 10.

House Bill 1513 House Author: Lewis Effective: See below Senate Sponsor: West

House Bill 1513 amends the Government Code to temporarily raise the cap on the district court records archive fee, set by the commissioners court of a county and collected by district court clerks, from \$5 to \$10. The bill also amends the Local Government Code to temporarily raise the caps on the records management and preservation fee and the records archive fee, set and collected by county clerks, from \$5 to \$10. These raises are effective September 1, 2013, and expire September 1, 2019.

House Bill 1728 House Author: Ashby Effective: 6-14-13 Senate Sponsor: Seliger

House Bill 1728 amends the Civil Practice and Remedies Code to make statutory provisions regarding the use of an unsworn declaration inapplicable to a lien or an instrument concerning real or personal property required to be filed with a county clerk. The bill also amends the Code of Criminal Procedure to authorize certain eligible exhibits held by the clerk of a district or county court to be disposed of on or after the first anniversary of the date of a defendant's acquittal or death.

House Bill 1728 amends the Government Code to authorize the seal of a constitutional county court, impressed on all process other than subpoenas, to be created using electronic means and to authorize the signature of the county clerk to be affixed on an original document using electronic means, if such means do not allow for changes to be made to the document.

The bill authorizes the electronic delivery or transmission of such a seal or signature. The bill amends the Local Government Code to authorize a county clerk to affix the county court seal on an original document by stamp, electronic means, facsimile, or other means that legibly reproduces all of the required elements of the seal for the purposes of reproduction.

House Bill 1874 House Author: Lewis Effective: 9-1-13 Senate Sponsor: Rodriguez

House Bill 1874 amends the Civil Practice and Remedies Code to include statutory probate courts among the courts whose interlocutory orders may be appealed.

House Bill 2025 House Author: Capriglione et al. Effective: 6-14-13 Senate Sponsor: Hancock

Current law authorizes certain neighboring municipalities to enter into an agreement to establish concurrent jurisdiction for their municipal courts in certain cases and to provide original jurisdiction in those cases to a municipal court in either municipality, and the bill enacting this law is applicable only to offenses committed or conduct that occurs on or after the bill's effective date. House Bill 2025 extends the applicability of this law to offenses committed or conduct that occurs before the date the current law took effect.

House Bill 2302 House Author: Hunter et al. Senate Sponsor: West

House Bill 2302 amends the Government Code to authorize a judge or justice presiding over a Texas court to sign an electronic or digital court document electronically, digitally, or through another secure method and to establish that such a document is the official document issued by the court. The bill also establishes the statewide electronic filing system fund as an account in the general revenue fund, to be appropriated to the office of court administration for certain court technology projects. The bill implements specified electronic filing fees for certain civil cases filed in the supreme court, a court of appeals, district courts, county courts, statutory county courts, statutory probate courts, and justice courts as well as a specified court cost on conviction in criminal cases in district courts, county courts, or statutory county courts, with such fees and costs being credited to the statewide electronic filing system fund. The bill also authorizes the office of court administration to implement an electronic filing system, as established by supreme court rule or order, for use in Texas courts and authorizes a local government or appellate court that uses the system to charge a fee under certain conditions for each electronic filing transaction. The bill establishes that this fee expires September 1, 2019, and requires the office of court administration, not later than December 1, 2018, to file a report with the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of each house of the legislature with jurisdiction over the judiciary detailing the number of local governments and appellate courts collecting this fee and the necessity for continued collection of the fee.

House Bill 2302 amends the Family Code to prohibit the office of the attorney general from being charged a statewide electronic filing system fund fee in child support cases and amends the Local Government Code to prohibit a county from retaining a service fee for collecting electronic filing system fund fees. The bill also amends the Family Code and the Tax Code to make conforming changes.

House Bill 2772 House Author: Rodriguez, Justin

Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 2772 establishes the 12-member joint interim committee on judicial selection, composed of 6 senators and 6 members of the house of representatives, to study and review the method by which district judges, and appellate justices and judges, and some statutory county court judges, including statutory probate court judges, are selected in Texas. The bill requires the study to consider the fairness, effectiveness, and desirability of selecting judicial officials through partisan election; the fairness, effectiveness, and desirability of selection methods proposed or adopted by other states; and the relative merits of alternative selection methods. The bill requires the committee to report its findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor not later than January 6, 2015, and abolishes the committee on January 12, 2015.

House Bill 3153 House Author: Lewis et al. Effective: See below Senate Sponsor: West et al.

House Bill 3153 amends Government Code provisions regarding the operation and administration of, and practice in courts in, the judicial branch. First, the bill amends provisions concerning certain district courts, district attorneys, and juvenile boards. The bill transfers Leon County from the jurisdiction of the 12th Judicial District to the jurisdiction of the 369th Judicial District; removes Waller County from the jurisdiction of the 155th Judicial District and transfers all cases from Waller County pending in the 155th District Court on January 1, 2014, to the 506th District Court; and transfers Bandera County from the jurisdiction of the 216th Judicial District to the jurisdiction of the 198th Judicial District. The bill sets out provisions regarding the transfer of pending cases between districts and removes provisions regarding the terms of the 12th District Court, the 155th District Court, and the 216th District Court. The bill reenacts a Human Resources Code provision concerning the composition of Leon County's juvenile board and provides for the redesignation of the district attorney in that county.

The bill removes Edwards, Kimble, McCulloch, Mason, and Menard Counties from the 198th Judicial District; creates the 452nd Judicial District to be composed of those counties; and sets out provisions regarding juries in each county and the election of a district attorney who is to be subject to the professional prosecutors law. The bill also transfers Menard and McCulloch Counties from the Seventh Administrative Judicial Region to the Sixth Administrative Judicial Region. The bill creates the 442nd Judicial District, composed of Denton County, the 443rd Judicial District, composed of Ellis County, and the 450th Judicial District, composed of Travis County. The bill requires the 450th District Court to give preference to criminal matters.

In addition, House Bill 3153 amends provisions concerning statutory county courts and court costs and fees. The bill creates the County Court at Law of Atascosa County and the County Court at Law of Jim Wells County as the sole statutory county courts for those counties. The bill establishes the jurisdiction of each court and sets out provisions regarding a judge's qualifications and salary, division of clerk duties, a court reporter's salary, and transfer of jurors. The bill also sets out provisions relating to the jurisdiction, division of clerk duties, and juries in the County Court at Law of Harrison County; provisions relating to the jurisdiction, division of clerk duties, fees, and jurors and juries in the County Court at Law of Lamar County; and provisions regarding the jurisdiction of the County Court at Law of Navarro County. The bill creates the County Court at Law Number 9 of Travis County as a statutory county court and requires that court to give preference to criminal cases. The bill also adds a subchapter creating the 1st Multicounty Court at Law, composed of Fisher, Mitchell, and Nolan Counties, as a multicounty statutory county court, abolishes the County Court at Law of Nolan County, and provides for the transfer of cases from the abolished court to the multicounty court at law. The bill establishes the jurisdiction of

the 1st Multicounty Court at Law and prohibits the judge from engaging in the private practice of law. Among other things, the bill provides for the court reporter's salary, court fees and costs, and division of clerk duties.

Finally, House Bill 3153 adds a subchapter concerning magistrates in Guadalupe County. The bill authorizes the appointment of magistrates in the county, sets out appointment procedures for the magistrates, and authorizes the elimination of magistrate positions by a majority vote of the county commissioners court. The bill also includes provisions relating to magistrate qualifications; compensation requirements; judicial immunity; termination of employment; jurisdiction, responsibility, and powers; and personnel, equipment, and office space.

House Bill 3153 takes effect September 1, 2013, except as follows: provisions relating to the 443rd Judicial District take effect September 1, 2014; provisions relating to the 442nd Judicial District, the County Court at Law of Jim Wells County, and the County Court at Law of Harrison County take effect January 1, 2015; and provisions relating to the 450th Judicial District and the County Court at Law Number 9 of Travis County take effect September 1, 2015.

House Bill 3314 House Author: Kuempel Effective: 6-14-13 Senate Sponsor: Taylor

House Bill 3314 amends Government Code provisions relating to continuing education requirements for county clerks, district clerks, and county and district clerks. The bill requires a clerk to complete 20 hours of instruction regarding the performance of the clerk's duties of office before the first anniversary of the date the clerk assumed those duties and to complete 20 hours of continuing education courses each subsequent calendar year.

House Bill 3561 House Author: Murphy Effective: 6-14-13 Senate Sponsor: Patrick

House Bill 3561 amends the Government Code to raise from 700 to 3,500 the population cap of a municipality for which the municipal court is authorized to conduct its proceedings within the corporate limits of a contiguous incorporated municipality.

Senate Bill 107 Senate Author: West House Sponsor: Johnson

Senate Bill 107 amends the Government Code to clarify that a person's entitlement to petition the appropriate court for an order of nondisclosure is contingent on the statutorily prescribed periods having elapsed, rather than on the payment of the \$28 court fee and other required fees on or after the applicable period has elapsed, and to authorize the person to file the petition in person, electronically, or by mail. The bill requires the petition to be accompanied by the \$28 court fee and other required fees, establishes requirements relating to the form for a petition filed electronically or by mail and the online posting of such a form by the Office of Court Administration, and sets out requirements relating to a hearing on a person's entitlement to file the petition conducted by the court that receives the petition before issuing the nondisclosure order. The bill prohibits the court from disclosing information contained in court records that is the subject of a nondisclosure order to the public, provides for disclosure of that information to certain entities and the person who is the subject of the order, and provides for the timely sealing of court records containing information subject to the order.

Senate Bill 268 Senate Author: Seliger House Sponsor: Smithee

Senate Bill 268 amends the Government Code to subject the district attorney for the 287th Judicial District and the county attorney of Oldham County to the professional prosecutors law.

Senate Bill 356 Senate Author: Carona Effective: 6-14-13 House Sponsor: Ratliff

Senate Bill 356 amends the Local Government Code to revise procedures for the required audit of court registry funds in certain large counties.

Senate Bill 387 Senate Author: Nichols Effective: 5-10-13 House Sponsor: Clardy

Current law requires a county with a population of 50,000 or greater to develop and implement a program to improve the collection of court costs, fees, and fines imposed in criminal cases. Senate Bill 387 amends the Code of Criminal Procedure to require the Office of Court Administration to grant a waiver of that requirement to a county that contains within its borders a correctional facility operated by or under contract with the Texas Department of Criminal Justice and that has a population of 50,000 or more only because the inmate population of all such correctional facilities is included in that population.

**Senate Bill 389 Senate Author:** West **Effective:** 6-14-13 **House Sponsor:** Lewis

Senate Bill 389 amends the Government Code to require the amount of a court cost imposed on a defendant in a criminal proceeding to be the amount established under the law in effect on the date the defendant is convicted of the offense.

Senate Bill 390 Senate Author: West Effective: 6-14-13 House Sponsor: Lewis

Senate Bill 390 repeals a provision of the Government Code that provides an exception to the requirement that certain new or amended court costs and fees imposed or changed during a legislative session become effective on January 1 of the following year if the law imposing or changing the amount of the cost or fee expressly provides that the requirement is inapplicable to the imposition or change in the amount of the cost or fee or if the law takes effect before August 1 or after the next January 1 following the regular session of the legislature at which the law was enacted.

Senate Bill 462 Senate Author: Huffman Effective: 9-1-13 House Sponsor: Lewis

Senate Bill 462 amends the Government Code and transfers provisions relating to family drug court programs, drug court programs, veterans court programs, and mental health court programs from the Family Code and the Health and Safety Code to the Government Code in order to consolidate statutory provisions relating to specialty courts. The bill removes provisions relating to program oversight that apply to each type of program individually and instead sets out oversight provisions applicable to all of those specialty courts.

Senate Bill 462 prohibits a specialty court program from operating until the judge, magistrate, or coordinator provides notice and specified documents to the criminal justice division of the governor's office and receives verification of compliance with that requirement from the division. The bill also requires a specialty court program to comply with all programmatic best practices recommended by the Specialty Courts Advisory Council and approved by the Texas Judicial Council and to report any information required regarding program performance to the division. Failure to comply with these requirements makes a program ineligible to receive any state or federal grant funds administered by any state agency.

Senate Bill 462 changes the circumstances under which a court is required to enter an order of nondisclosure for a defendant who successfully completes a drug court program; revises provisions governing the establishment of regional veterans court programs; and establishes provisions governing the payment and collection of fees and costs relating to a drug court program, veterans court program, or first offender prostitution prevention program. Among other provisions, the bill increases the membership, expands the duties, and revises the membership terms of the Specialty Courts Advisory Council and requires the governor to appoint the additional members promptly after the bill's effective date.

Senate Bill 825 Senate Author: Whitmire et al.

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 825 amends the Government Code to require the standards and procedures established by the Texas Supreme Court for the attorney disciplinary and disability system to provide for the Commission for Lawyer Discipline adopting rules that prohibit a grievance committee from giving a private reprimand for a violation of a disciplinary rule requiring a prosecutor to disclose to the defense all evidence or information known to the prosecutor that tends to negate the guilt of the accused or mitigates the offense. The bill requires the supreme court to ensure that the statute of limitations applicable to a grievance filed against a prosecutor that alleges a violation of the disclosure rule does not begin to run until the date on which a wrongfully imprisoned person is released from a penal institution.

Senate Bill 966 Senate Author: West Effective: See below House Sponsor: Perry

Senate Bill 966 amends the Government Code to create the Judicial Branch Certification Commission as an entity in the judicial branch of government. The commission is established to oversee regulatory programs assigned to it by state law or by the Supreme Court of Texas and is administratively attached to the Office of Court Administration of the Texas Judicial System. To consolidate the regulation of the judicial profession, the bill abolishes the Court Reporters Certification Board, the Guardianship Certification Board, and the process server review board and transfers the powers, duties, functions, programs, and activities of the abolished boards and of the Texas Commission of Licensing and Regulation and the Texas Department of Licensing and Regulation related to licensed court interpreters to the Judicial Branch Certification Commission. The bill establishes the Court Reporters Certification Advisory Board, Guardianship Certification Advisory Board, Process Server Certification Advisory Board, and licensed court interpreter advisory board as advisory boards to the Judicial Branch Certification Commission. The commission is subject to the Texas Sunset Act but is not abolished under that act.

Among other provisions, Senate Bill 966 provides for the composition and administration of the commission; establishes the commission's powers and duties; sets out certain certification, registration, and licensing requirements; establishes the commission's enforcement powers, including the authority to impose administrative penalties; and requires the commission to set fees to cover the costs of administering the commission's programs or activities.

Senate Bill 966 amends the Code of Criminal Procedure, Education Code, Estates Code, Government Code, Human Resources Code, and Tax Code to make conforming changes.

In provisions effective September 1, 2013, Senate Bill 966 requires the supreme court to appoint the initial commission members and to adopt rules, procedures, and forms for the commission and its advisory committees. The remainder of the bill's provisions are effective September 1, 2014.

Senate Bill 967 Senate Author: West Effective: 6-14-13 House Sponsor: Herrero

Current law grants a municipality determined during an audit by the Office of Court Administration to be noncompliant with statutory requirements for a court collection improvement program a 180-day grace period after receiving notice of noncompliance to reestablish compliance. Senate Bill 967 amends the Local Government Code to extend this grace period to a county determined to be noncompliant with those requirements and to reflect this extension in provisions regarding the submission of certain court fees to the comptroller of public accounts if the county is unable to reestablish compliance within the grace period.

Senate Bill 1620 Senate Author: Paxton Effective: 6-14-13 House Sponsor: Lewis

Senate Bill 1620 amends the Government Code to require a court to appoint a certified communication access realtime translation (CART) provider for an individual who has a hearing impairment if a motion for the appointment of a provider is filed by a party or requested by a witness in a civil or criminal proceeding in the court. The bill authorizes a court, on its own motion, to appoint a certified CART provider for such an individual and requires, rather than authorizes, the Department of Assistive and Rehabilitative Services to maintain a list of certified CART providers.

Senate Bill 1827 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Gooden

Senate Bill 1827 amends the Government Code to require the clerk of a district court, statutory probate court, county court at law, or justice court in Rockwall County to collect a filing fee of not more than \$15 in each civil case filed in the court for a 12-month period beginning July 1 to be used for the construction, renovation, or improvement of the facilities that house those courts. This requirement applies only if the county commissioners court adopts a resolution authorizing such a fee and files the resolution within a specified period. An adopted resolution continues from year to year until July 1, 2025, allowing the fees to be collected until the resolution is rescinded. A fee established under a particular resolution is abolished on the earlier of the date the adopted resolution is rescinded or July 1, 2025.

Senate Bill 1891 Senate Author: Watson Effective: 6-14-13 House Sponsor: Howard

Senate Bill 1891 amends the Government Code to require the clerk of a district court, statutory probate court, or county court at law in Travis County to collect an additional filing fee of not more than \$15 in each civil case filed in the court for a 12-month period beginning October 1 to be used for the construction, renovation, or improvement of the facilities that house those courts. This requirement applies only if the county commissioners court adopts a resolution authorizing such a fee, adopts a resolution requiring a matching expenditure by the county, and files the resolutions within a specified period. An adopted resolution continues from year to year until October 1, 2028, allowing fees to be collected until the resolution is rescinded. A fee established under a particular resolution is abolished on the earlier of the date the adopted resolution is rescinded or October 1, 2028.

Senate Bill 1908 Effective: 9-1-13 Senate Author: West et al. House Sponsor: Lewis

Senate Bill 1908 amends the Government Code to require the Office of Court Administration of the Texas Judicial System, not later than September 1, 2014, to conduct a study identifying each statutory law imposing a court fee or cost in a court in Texas; to determine whether each identified fee or cost is necessary to accomplish the stated statutory purpose; and to compile a list of the identified fees and costs and of each fee or cost determined to be necessary. In addition to being published on the office's website and in the Texas Register, the list and determinations must be provided to the governor, lieutenant governor, and speaker of the house of representatives. The bill requires the office in conducting the study to consult with appropriate local government representatives and requires the Texas Legislative Council to prepare for consideration by the 84th Legislature, Regular Session, a revision of the law as necessary to reflect the fees and costs identified as not necessary. The bill's provisions expire January 1, 2016.

### **County Courts**

House Bill 616 Effective: 9-1-13 House Author: Darby Senate Sponsor: Seliger

House Bill 616 restores constitutional county court jurisdiction to the County Court of Glasscock County by repealing the Government Code provision that granted only probate, criminal, and juvenile jurisdiction to that court.

House Bill 696 Effective: 9-1-13 House Author: Kleinschmidt Senate Sponsor: Hegar

House Bill 696 amends the Government Code to remove Gonzales County from the counties served by the district attorney for the 25th Judicial District and to establish that the county attorney of Gonzales County is also to perform the duties of district attorney in that county. The bill subjects the county attorney of Gonzales County to the professional prosecutors law.

House Bill 717 Effective: 9-1-13 House Author: Kolkhorst Senate Sponsor: Hegar

House Bill 717 amends the Government Code to remove Lavaca County from the counties served by the district attorney for the 25th Judicial District and to establish that the county attorney of Lavaca County performs the duties of district attorney in that county. The bill subjects the county attorney of Lavaca County to the professional prosecutors law.

House Bill 1114 Effective: 6-14-13

House Author: Raney
Senate Sponsor: Schwertner

House Bill 1114 restores constitutional county court jurisdiction to the County Court of Brazos County by repealing the Government Code provision that granted only probate and juvenile jurisdiction to that court.

House Bill 1847 Effective: 1-1-14 House Author: Carter Senate Sponsor: Huffman

House Bill 1847 amends the Government Code to require each attorney representing the state in the prosecution of felony and misdemeanor criminal offenses other than Class C

misdemeanors to complete a course of study relating to the duty of a prosecuting attorney to disclose exculpatory and mitigating evidence in a criminal case. The bill requires the court of criminal appeals, in consultation with a statewide association of prosecutors, to adopt rules relating to the required training.

Senate Bill 677 Senate Author: Paxton et al. House Sponsor: Leach

Senate Bill 677 amends the Government Code to authorize the judge of a statutory probate court in Collin County to provide that a proceeding be recorded by an electronic recording device instead of by a court reporter, unless a party objects, and to designate a court recorder.

Senate Bill 1083Senate Author: RodriguezEffective: 9-1-13House Sponsor: Lewis

Senate Bill 1083 amends the Civil Practice and Remedies Code to include statutory probate courts among the courts whose interlocutory orders may be appealed.

Senate Bill 1806 Senate Author: Eltife Effective: 1-1-15 House Sponsor: Paddie

Senate Bill 1806 amends the Government Code to grant a county court at law in Harrison County concurrent jurisdiction with the district court, on assignment of a district judge presiding in Harrison County, in family law cases and proceedings. The bill sets out provisions regarding the assignment and transfer of cases between courts, the division of clerk duties, and jury composition in an assigned case.

#### **District Courts**

**House Bill 349 Effective:** 9-1-15 **House Author:** Canales **Senate Sponsor:** Hinojosa

House Bill 349 amends the Government Code to authorize a party in a criminal case before a district court in Hidalgo County to electronically file any required court document and to require the district courts in Hidalgo County to implement the statewide electronic court filing system to assist parties in electronic filing.

House Bill 1193 House Author: Guillen Effective: 9-1-13 Senate Sponsor: Zaffirini

House Bill 1193 amends the Government Code to authorize the judges of the 229th and 381st district courts to each appoint a bailiff.

House Bill 1875 House Author: Lewis Effective: 9-1-13 Senate Sponsor: West

House Bill 1875 amends the Government Code to prohibit a district judge from transferring a case or proceeding to another district court in the same county without the consent of the judge of the court to which it is transferred. The bill excludes suits affecting the parent-child relationship in which a court has continuing, exclusive jurisdiction from the types of cases that a district judge is authorized to transfer.

House Bill 3378 House Author: Price et al. Effective: 9-1-13 Senate Sponsor: Seliger

Under current law, each district court in each county in the judicial district holds terms commencing on the first Mondays in January and July of each year. House Bill 3378 amends the Government Code to create an exception to this statutory provision by providing that the term of the 47th District Court in Armstrong County begins on the first Monday in January.

Senate Bill 479 Senate Author: Hinojosa Effective: 9-1-13 House Sponsor: Lozano

Senate Bill 479 amends the Government Code to subject the district attorney for the 79th Judicial District to the professional prosecutors law.

## **Judges**

House Bill 62 House Author: Guillen Effective: 1-1-15 Senate Sponsor: West

House Bill 62 amends the Government Code to prohibit a justice or judge, as applicable, of the supreme court, the court of criminal appeals, a court of appeals, a district court, a county court, a county court at law, or a statutory probate court from having a significant interest in a business or entity that owns, manages, or operates a community residential facility, a correctional or rehabilitative facility, or any other facility providing certain services to a person convicted of a felony or misdemeanor or found to have engaged in delinquent conduct who is housed in the facility under certain circumstances. The bill sets out the conditions under which a justice or judge is considered to have such an interest and requires a justice or judge to report any such interest to the State Commission on Judicial Conduct. The bill establishes that a violation of this prohibition is considered a violation of the Code of Judicial Conduct.

**Senate Joint Resolution 42 Senate Author:** Huffman et al. **For Election:** 11-5-13 **House Sponsor:** Dutton

Senate Joint Resolution 42 proposes an amendment to the state constitution to expand the types of sanctions the State Commission on Judicial Conduct is authorized to issue against a judge or justice following a formal proceeding to include an order of public admonition, warning, reprimand, or requirement to obtain additional training or education, in addition to an order of public censure or recommended removal or retirement of a judge or justice. The constitutional amendment proposed by the resolution takes effect January 1, 2014, contingent on voter approval.

The summaries for the following bills are in the listed chapters:

Senate Bill 92 - Juvenile Justice Senate Bill 1236 - Probate and Guardianship Senate Bill 1759 - Family Law



## **Criminal Justice**

This chapter covers legislation relating to criminal offenses and penalties; crime victims' rights and services; and procedures, including those relating to bail, the forfeiture of contraband, the issuance and execution of search warrants, and a writ of habeas corpus. Legislation on correctional and rehabilitation facilities, jails, incarcerated individuals, community supervision, parole, and sex offender registration, as well as the functions and duties of the Texas Department of Criminal Justice, is in the **Corrections** chapter, and legislation relating to law enforcement agencies, the Texas Department of Public Safety, and concealed handguns and firearms possession is in the **Public Safety** chapter. Legislation relating to juvenile justice, delinquency, and detention and correctional facilities; juvenile court proceedings; and the functions and duties of the Texas Juvenile Justice Department is in the **Juvenile Justice** chapter, and legislation relating to Transportation Code offenses is in the **Transportation** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 1047 House Author: Sheets Effective: 9-1-13 Senate Sponsor: Estes

House Bill 1047 amends the Insurance Code to establish that a surety company is not required to maintain an unearned premium reserve for a bail bond executed or delivered by the company. The bill authorizes direct written premium reported by a surety company in a financial statement filed with the Texas Department of Insurance (TDI) to be calculated excluding any premiums or service fees retained by a licensed bail bond surety or by a property and casualty agent in connection with the execution or delivery of a bail bond and excludes such premiums or service fees from the premium receipts used to determine the taxable premium receipts of the bail bond surety or agent. The bill requires a surety company that executes or delivers a bail bond in Texas to disclose in the company's financial statement filed with TDI the aggregate amount of gross premium for bail bond business reported in the company's surety line of business, premium or service fees retained by the bail bond surety or agent, and premium for bail bond business received by the company, net of amounts retained by the bail bond surety or agent.

House Bill 1120 House Author: Riddle et al. Senate Sponsor: Davis et al.

House Bill 1120 amends the Government Code to require the Texas Crime Stoppers Council to create at least one specialized program that encourages individuals to report criminal activity relating to the trafficking of persons and that financially rewards each individual who makes such a report that leads or substantially contributes to the arrest or apprehension of a person suspected of engaging in conduct that constitutes an offense of trafficking of persons.

Senate Bill 484Senate Author: Whitmire et al.Effective: 9-1-13House Sponsor: Turner, Sylvester

Senate Bill 484 amends the Health and Safety Code to require a court to enter an order of nondisclosure for a defendant who successfully completes a prostitution prevention program with respect to all records and files related to the arrest for the offense for which the defendant entered the program. The bill establishes the essential characteristics and powers and duties of such a program, authorizes a county commissioners court or the governing body of a municipality

to establish such a program for defendants charged with certain prostitution conduct, requires the consent of the attorney representing the state for a defendant's participation in a program, and provides that an eligible defendant may choose whether to participate in a program or otherwise proceed through the criminal justice system. The bill provides for the establishment of regional prostitution prevention programs for participating counties or municipalities, establishes provisions regarding program oversight by appropriate legislative committees and program audits performed by the state auditor, and authorizes a legislative committee to compel documentation from a county that does not establish a prostitution prevention program due to insufficient federal or state funding. The bill establishes a nonrefundable fee capped at \$1,000 to be paid by a program participant on a periodic basis or on a deferred payment schedule and provides a breakdown of the fee into payments for specific program services. The bill provides for the mandatory establishment of a prostitution prevention program in certain counties and sets out provisions relating to such a county's application for and receipt of federal and state funds to pay program costs. The bill authorizes a judge or magistrate administering a prostitution prevention program to suspend a program participant's community supervision requirement to work at a community service project and to excuse the participant from any such requirement previously suspended in that manner on the participant's successful completion of the program.

Senate Bill 484 amends the Government Code to add a prostitution prevention program to the list of specialty courts eligible to receive grant funding.

Senate Bill 1285
Effective: 9-1-13
Senate Author: Williams
House Sponsor: Otto

Senate Bill 1285 amends the Government Code to provide that the special prosecution unit is governed by a board of directors composed of each prosecuting attorney who, in addition to representing the state in criminal matters before a court in a county in which one or more facilities owned or operated by or under contract with the Texas Department of Criminal Justice (TDCJ) or the Texas Juvenile Justice Department (TJJD) are located, has entered into a memorandum of understanding with the unit for the prosecution of offenses and delinquent conduct committed on property owned or operated by or under contract with TDCJ or TJJD or committed by or against a person in the custody of TDCJ or TJJD while the person is performing a duty away from TDCJ or TJJD property. The bill revises provisions relating to the operation of the special prosecution unit's board of directors.

**Senate Bill 1289 Effective:** 9-1-13 **Senate Author:** Williams **House Sponsor:** Bohac

Senate Bill 1289 amends the Business & Commerce Code to set out provisions relating to the regulation of business entities that publish criminal record information and that require the payment of a fee in an amount of \$150 or more or other consideration of comparable value to remove criminal record information or payment of a fee or other consideration to correct or modify criminal record information. The bill requires a business entity to ensure that criminal record information the entity publishes is complete and accurate and establishes criteria for such information to be considered complete and accurate.

Senate Bill 1289 requires a business entity to publish certain contact information to enable a person who is the subject of criminal record information published by the entity to dispute the completeness and accuracy of the information. The bill requires a business entity that receives such a dispute to verify the disputed information without charge and sets a deadline by which such an investigation must be completed. If the business entity finds incomplete or inaccurate criminal record information after conducting the investigation, the bill requires the entity to remove the inaccurate information from the website or other publication or promptly

correct the information without charge. The bill requires a business entity to provide written notice to the person who disputed the information's completeness or accuracy of the results of the investigation not later than the fifth business day after the investigation's completion date.

Senate Bill 1289 prohibits a business entity from publishing any criminal record information in the entity's possession with respect to which the entity has knowledge or has received notice that an order of expunction or an order of nondisclosure has been issued. The bill makes a business entity that publishes information in violation of that prohibition civilly liable to the individual who is the subject of that information and authorizes a court to grant injunctive relief to prevent or restrain a violation of the prohibition.

Senate Bill 1289 makes a business entity that publishes criminal record information in violation of the bill's provisions liable to the state for a civil penalty and authorizes the attorney general or an appropriate prosecuting attorney to bring suit to collect the penalty. The bill also authorizes the attorney general to bring an action to restrain or enjoin a violation or threatened violation of the bill's provisions.

## **Crime Victim Rights and Services**

House Bill 899 House Author: Perry et al. Senate Sponsor: Paxton

House Bill 899 amends the Code of Criminal Procedure to entitle a victim of a capital felony offense, a guardian of such a victim, or a close relative of such a victim who is deceased to the right to receive by mail from the court a written explanation of defense-initiated victim outreach if the court has authorized expenditures for a defense-initiated victim outreach specialist; the right to not be contacted by the victim outreach specialist unless the victim, guardian, or relative has consented to the contact by providing written notice to the court; and the right to designate a victim service provider to receive all communications from a victim outreach specialist acting on behalf of any person.

Senate Bill 745 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Otto

Senate Bill 745 amends the Government Code to clarify the attorney general's duty to administer the Sexual Assault Prevention and Crisis Services Program, to authorize the attorney general to award grants to sexual assault programs, state sexual assault coalitions, and other appropriate local and statewide programs and organizations related to sexual assault, and to revise the attorney general's rulemaking authority with respect to determining eligibility requirements for a grant awarded under the Sexual Assault Prevention and Crisis Services Act and imposing services and reporting requirements on grant recipients. The bill clarifies the entities with or to which the attorney general may consult, contract, and award grants for special projects to prevent sexual assault and improve services to survivors and clarifies that the minimum services provided by a sexual assault program are provided to adult survivors of stranger and non-stranger sexual assault.

Senate Bill 745 clarifies that the biennial report required to be published by the attorney general is a report regarding grants awarded under the act, removes the requirement that the report summarize reports from programs receiving grants from the attorney general, and repeals provisions requiring the attorney general by rule to impose certain requirements on grant recipients and provisions regarding the suspension of grant money in cases of dispute regarding grant eligibility. The bill makes the duties of the Sexual Assault Prevention and Crisis Services Program regarding developing and distributing sexual assault evidence collection protocol and

kits apply instead to the attorney general and authorizes an individual to act as an advocate for survivors of sexual assault if the person has completed a training program certified by the attorney general, rather than by the Department of Public Safety.

Senate Bill 745 amends the Code of Criminal Procedure to clarify that the attorney general's authority to award compensation for pecuniary loss arising from certain criminally injurious conduct that occurred before January 1, 1980, with respect to a victim whose identity is established by a law enforcement agency on or after January 1, 2009, is not contingent on the loss being incurred with respect to the victim's funeral or burial.

Senate Bill 1192 Senate Author: Davis

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 1192 amends the Code of Criminal Procedure and Family Code to entitle a sexual assault victim or the victim's guardian or a close relative of a deceased sexual assault victim to the right, if requested, to information regarding any evidence that was collected during the investigation of the offense, unless the disclosure would interfere with the investigation or prosecution, and information regarding the status of any evidence analysis. The bill also entitles such a person to the right, if requested, to be notified when a request is submitted to a crime laboratory to process and analyze evidence, when a request is submitted to compare any biological evidence collected during the investigation with DNA profiles maintained in a state or federal DNA database, and of the results of the comparison, unless disclosing the results would interfere with the investigation or prosecution. The bill requires a victim, guardian, or relative who requests such notice to provide contact information to and update any change in that information with the attorney representing the state and the law enforcement agency investigating the offense and authorizes the victim, guardian, or relative to designate a person to receive the requested notice. The bill clarifies the sexual assault offenses to which certain crime victims' rights apply and establishes that a law enforcement agency, prosecutor, or other participant in the criminal justice system is not required to use a victim impact statement form that complies with the bill's requirements until January 1, 2014.

### Offenses and Penalties

House Bill 8 House Author: Thompson, Senfronia et al. Senate Sponsor: Van de Putte et al.

House Bill 8 revises provisions relating to the prosecution and punishment of offenses related to trafficking of persons and to protections for trafficking victims. The bill amends Code of Criminal Procedure provisions regarding protective orders and temporary ex parte orders to, among other things, include certain protections for victims of sexual abuse and trafficking. The bill makes a defendant convicted of compelling prostitution or trafficking of persons ineligible for jury-recommended community supervision and requires the Board of Pardons and Paroles to develop certain educational materials for certain persons who commit an offense solely as a trafficking victim. The bill includes a trafficking victim among the persons eligible to receive a certain onetime-only assistance payment and among the persons for whom the attorney general is required to establish an address confidentiality program.

House Bill 8 amends the Government Code to make an inmate serving a sentence for compelling prostitution or trafficking of persons ineligible for release on parole until a specified time.

House Bill 8 amends the Penal Code to increase the age and revise conditions under which a person being solicited in a prostitution offense results in a penalty enhancement and to

specify that a prostitution conviction may be used as an enhancement for that offense or under provisions relating to exceptional sentences. The bill enhances, under certain conditions, the penalties for promotion of prostitution, aggravated promotion of prostitution, and certain obscenity offenses and expands the conduct constituting the offenses of possession or promotion of child pornography and engaging in organized criminal activity.

House Bill 38 House Author: Menendez Effective: 9-1-13 Senate Sponsor: Paxton

House Bill 38 amends the Transportation Code to increase the penalty from a Class A misdemeanor to a state jail felony for offenses involving motor vehicle airbags. The bill enhances the penalty for such an offense to a felony of the first degree if it is shown at trial that the offense resulted in the death of a person.

House Bill 124 House Author: Anderson et al. Effective: 9-1-13 Senate Sponsor: Campbell

House Bill 124 amends the Health and Safety Code to add to Penalty Group 3 of the Texas Controlled Substances Act Salvia divinorum, unless unharvested and growing in its natural state, and its derivatives and extracts.

**House Bill 220 Effective:** 9-1-13 **House Author:** Price et al. **Senate Sponsor:** Huffman

House Bill 220 amends the Penal Code to include a first degree felony offense of serious injury to a child, elderly individual, or disabled individual committed by a person or by an owner, operator, or employee of an institutional care facility among the offenses for which the sentences may run concurrently or consecutively if the accused is convicted of or enters a plea agreement for more than one offense arising out of the same criminal episode.

House Bill 705 House Author: Howard et al. Effective: 9-1-13 Senate Sponsor: Schwertner

Current law enhances the penalty for assault causing bodily injury from a Class A misdemeanor to a third degree felony if committed against emergency services personnel providing emergency services. House Bill 705 amends the Penal Code to include emergency room personnel among these emergency services personnel.

House Bill 1284 House Author: Johnson et al. Effective: 6-14-13 Senate Sponsor: Huffman

Current law enhances the penalty for the offense of initiating, communicating, or circulating a false report of an emergency from a Class A misdemeanor to a state jail felony if the false report is of an emergency involving certain public schools or public services. House Bill 1284 amends the Penal Code to include a public or private institution of higher education among those entities and amends the Education Code to require each public, private, or independent institution of higher education to notify all incoming students, as soon as practicable, of the penalty for that offense involving a public or private institution of higher education. A private or independent institution of higher education is not required to comply with that requirement if the institution determines that providing the notice is not feasible, but this provision expires on August 1, 2014.

House Bill 1302 House Author: Clardy et al. Effective: 9-1-13 Senate Sponsor: Nichols

House Bill 1302 enacts Justin's Law and amends the Code of Criminal Procedure to require a judge, in the trial of a sexually violent offense, to make an affirmative finding of fact and enter the finding in the case judgment on determination that the victim or intended victim was younger than 14 years of age at the time of the offense and to require a judge who places a defendant charged with a sexually violent offense on deferred adjudication community supervision to make an affirmative finding of fact and file a statement of that finding with the case papers on such a determination. The bill prohibits a person subject to sex offender registration for committing a sexually violent offense for which such an affirmative finding is entered from providing or offering to provide or operating or offering to operate for compensation certain transportation services, amusement ride services, or any type of service in another person's residence while unsupervised. The bill requires a local law enforcement authority that provides to a person subject to those prohibitions a sex offender registration verification form to include with that form a statement summarizing the types of employment that are prohibited for that person and requires a penal institution official, before releasing a person who will be subject to sex offender registration on release, to inform that person of those prohibitions with respect to a sexually violent offense involving a victim younger than 14 years of age occurring on or after September 1, 2013.

House Bill 1302 amends the Penal Code to expand the offenses for which a conviction results in punishment by life imprisonment without parole if it is shown on trial that the defendant has previously been finally convicted of specified offenses to include certain sexually violent offenses committed on or after the defendant's 18th birthday. The bill includes those sexually violent offenses among the specified previous conviction offenses that render such punishment.

**House Bill 1523 Effective:** 9-1-13 **House Author:** Guillen **Senate Sponsor:** Whitmire

House Bill 1523 amends the Penal Code to expand the funds to which money laundering provisions apply to include a stored value card, defined as a record, including a gift card or gift certificate, that is prefunded and evidences a promise made for monetary consideration by the record seller or issuer that goods or services will be provided to the record owner in the value shown in the record, and the value of which is reduced on redemption.

House Bill 1606 House Author: Moody Effective: 9-1-13 Senate Sponsor: Carona

Current law regarding harassment makes it an offense to initiate a communication by telephone, in writing, or by electronic communication involving an obscene comment, request, suggestion, or proposal or to threaten a person by those methods of communication in a manner reasonably likely to alarm the person. House Bill 1606 amends the Penal Code to remove the specification that the communication or threat be made by those methods of communication and to expand the conduct that constitutes the offense of stalking to include repeatedly engaging in certain harassment conduct.

House Bill 1862 House Author: Dutton
Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 1862 amends the Penal Code to remove a switchblade knife from the weapons of which the intentional or knowing possession, manufacture, transportation, repair, or sale constitutes an offense.

House Bill 2539 House Author: Turner, Chris et al.

Effective: 9-1-13 Senate Sponsor: Davis

House Bill 2539 amends the Business & Commerce Code to require a computer technician who, in the course and scope of employment or business, views an image on a computer that is or appears to be child pornography to immediately report the discovery of the image to a local or state law enforcement agency or the Cyber Tipline at the National Center for Missing and Exploited Children. The bill establishes the report's required contents, grants a computer technician immunity from civil liability for reporting or failing to report the discovery of such an image except in a case of wilful or wanton misconduct, and grants a telecommunications provider, commercial mobile service provider, or information service provider that immunity for the failure to report child pornography that is transmitted or stored by a user of the service. The bill makes it a Class B misdemeanor for a computer technician to intentionally fail to report the discovery of an image that is or appears to be child pornography and establishes a defense to prosecution if the actor did not report the discovery because the child in the image appeared to be at least 18 years of age.

**House Bill 2637 Effective:** 9-1-13 **House Author:** Frullo **Senate Sponsor:** Whitmire

House Bill 2637 amends the Code of Criminal Procedure to enhance the penalty for failure to comply with sex offender registration requirements or an attempt to commit such offense to the next highest degree of felony if it is shown at the trial of the offense or attempted offense that the actor fraudulently used identifying information during the commission or attempted commission of the offense. The bill amends the Penal Code to enhance the penalty for fraudulent use or possession of identifying information to the next higher category of offense if it is shown on the trial of the offense that the actor fraudulently used identifying information with the intent to facilitate an offense of failure to comply with sex offender registration requirements.

Senate Bill 124

Effective: 9-1-13

Senate Author: Rodriguez
House Sponsor: Marquez et al.

Senate Bill 124 amends the Penal Code to include data required to be reported for a school district or open-enrollment charter school to the Texas Education Agency through the Public Education Information Management System (PEIMS) among the governmental records the tampering with which constitutes a third degree felony and to enhance the penalty for the offense of official oppression by a public servant from a Class A misdemeanor to a third degree felony if the public servant acted with the intent to impair the accuracy of such data.

Senate Bill 275 Senate Author: Watson et al. Effective: 9-1-13 House Sponsor: Fletcher et al.

Senate Bill 275 amends the Transportation Code to increase the penalty for leaving the scene of a motor vehicle accident resulting in the death of a person and failing to render aid from a third degree felony to a second degree felony.

Senate Bill 549
Senate Author: Williams et al.
House Sponsor: Carter et al.

Previous law made an offense of engaging in organized criminal activity a first degree felony if the most serious offense involved was a first degree felony. Senate Bill 549 enacts Chelsea's Law by amending the Penal Code to instead make such an offense a first degree felony punishable by imprisonment for life or for any term of not more than 99 years or less than 15 years and to

make such an offense punishable by imprisonment for life without parole if the most serious offense involved is an aggravated sexual assault of a child victim of a certain age under certain circumstances. The bill revises the conduct that constitutes the offense of directing activities of certain criminal street gangs and makes the offense, which is a first degree felony, punishable by imprisonment for life or for any term of not more than 99 years or less than 25 years.

Senate Bill 549 amends the Code of Criminal Procedure to require a court to charge a jury assessing punishment in the trial of a felony offense of engaging in organized criminal activity, excluding a state jail felony, or a felony offense of directing activities of certain criminal street gangs, with certain written information regarding the defendant's ability to earn good conduct time while incarcerated. The bill amends the Government Code to make an inmate serving a sentence for engaging in organized criminal activity or directing activities of certain criminal street gangs ineligible for release on parole until the actual calendar time served, without consideration of good conduct time, equals one-half of the sentence or 30 calendar years, whichever is less, but not in less than two calendar years, and to make an inmate serving a sentence for or who has been previously convicted of a first degree felony for either offense ineligible for release to mandatory supervision.

Senate Bill 701 Senate Author: Hegar Effective: 9-1-13 House Sponsor: Herrero

Senate Bill 701 amends the Penal Code to specify that the defense to prosecution for criminal trespass applicable to an employee or agent of a gas utility includes an employee or agent of a municipally owned utility, as defined by the Gas Utility Regulatory Act, and to extend that defense to an employee or agent of an electric cooperative or municipally owned utility, as defined by the Public Utility Regulatory Act, who is performing a duty within the scope of that employment or agency.

Senate Bill 743 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Lucio III

Senate Bill 743 amends the Penal Code to create the third degree felony offense of repeated violation of certain court orders or bond conditions in a family violence case for a person who, during a period that is 12 months or less in duration, two or more times engages in conduct that constitutes such a violation. The bill requires a jury to agree unanimously that the defendant engaged in that conduct during that period and sets out the circumstances under which a defendant may be convicted in the same criminal action of another related offense and under which a defendant may not be charged with more than one count of the repeated violation offense. The bill establishes penalty enhancements for the offense of violating a court order or bond condition in a family violence case for a defendant who has previously been convicted two or more times of the repeated violation offense or one time of each of those offenses.

Senate Bill 743 amends the Code of Criminal Procedure and Government Code to establish venue for the repeated violation offense, to include cases prosecuted under that offense among the cases to which certain courts must give preference, and to make a defendant ineligible to petition a court for an order of nondisclosure if the defendant has been previously convicted of or placed on deferred adjudication for that offense. The bill excludes a deferred adjudication for that offense from the deferred adjudication orders that are exempt from being considered a conviction for purposes of state law regarding concealed handgun licensing. The bill also amends the Occupations Code to require the Texas Board of Nursing to suspend a nurse's license or refuse to issue a license to an applicant who has been convicted of that offense.

#### **Procedures**

House Bill 434 House Author: Riddle Effective: 9-1-13 Senate Sponsor: Whitmire

House Bill 434 amends the Transportation Code to authorize a licensed or certified emergency medical technician-intermediate or emergency medical technician-paramedic to take a blood specimen of a person arrested for certain intoxication-related offenses at a peace officer's request or order under state law regarding implied consent, but only if authorized by the medical director for the entity that employs the technician-intermediate or technician-paramedic. The bill requires a peace officer to observe the taking of the specimen and to immediately take possession of the specimen for purposes of establishing a chain of custody. The bill sets out provisions regarding the protocol required to be developed by the medical director and used by a technician-intermediate or technician-paramedic in taking the specimen and removes a chemist from the persons authorized to take a blood specimen at a peace officer's request or order for implied consent purposes.

House Bill 570 House Author: Alonzo Effective: 6-14-13 Senate Sponsor: Rodriguez

House Bill 570 amends the Code of Criminal Procedure to require a copy of a magistrate's order for the emergency protection of a victim of family violence, sexual assault, aggravated sexual assault, or stalking to be served to the defendant by the magistrate or the magistrate's designee in person or electronically, rather than to the defendant in open court, and to require the magistrate to make a separate record of the service in written or electronic format.

House Bill 577 House Author: Guillen Effective: 6-14-13 Senate Sponsor: Ellis

House Bill 577 amends the Code of Criminal Procedure to clarify that state law authorizing the appointment of an attorney employed by a public defender's office with respect to an application for a writ of habeas corpus if certain conditions exist applies with respect to an application for such a writ filed in a death penalty case.

House Bill 833 House Author: Giddings Effective: 9-1-13 Senate Sponsor: West

House Bill 833 amends the Code of Criminal Procedure to require a reporter designated to transcribe a hearing regarding an application for a writ of habeas corpus in a noncapital felony case to immediately transmit the transcript to the clerk of the convicting court on completion of the transcript.

House Bill 1125 House Author: Lavender Effective: 6-14-13 Senate Sponsor: Eltife

Current law requires a person arrested under the Uniform Criminal Extradition Act pending extradition to another state to be taken before a judge of a court of record in Texas and, if an application for a writ of habeas corpus is sought, requires the judge to fix a reasonable time within which the person may apply for the writ. House Bill 1125 amends the Code of Criminal Procedure to alternatively authorize such a person to be taken before a justice of the peace serving a precinct that is located in a county bordering another state and to require the justice to direct the prisoner to a court of record for purposes of obtaining a writ of habeas corpus, if sought. The bill sets out training requirements for such a justice who is not an attorney before

the justice may perform an extradition-related duty or function and establishes requirements regarding the recording of the applicable extradition proceeding and record retention. The bill authorizes a prisoner to waive extradition proceedings in the presence of a justice of the peace serving a precinct that is located in a county bordering another state as an alternative to waiving the proceedings in writing before a judge or any court of record in Texas and imposes such a judge's duties prior to waiver execution on the justice.

House Bill 1318 House Author: Turner, Sylvester et al. Effective: See below Senate Sponsor: Whitmire et al.

House Bill 1318 amends the Code of Criminal Procedure to require an attorney appointed to represent an indigent defendant to annually submit to the applicable county information describing the percentage of the attorney's practice time that was dedicated to work based on appointments to represent an indigent defendant and appointments to represent a person in a juvenile justice proceeding. This requirement takes effect September 1, 2014. The bill prohibits a public defender's office from accepting an appointment to represent an indigent defendant if the acceptance would violate the maximum allowable caseloads established at the office, sets out procedures for a chief public defender who refuses such an appointment and for the court with which the chief public defender files the refusal statement, and prohibits the termination, removal, or sanctioning of a chief public defender for a good-faith refusal.

House Bill 1318 amends the Government Code to expand the information that each county is required to prepare and provide annually to the Texas Indigent Defense Commission to include specified information regarding plans or proposals for a public defender's office and a managed assigned counsel program and contracts for indigent defense services. Effective September 1, 2014, the bill requires each county annually to prepare and provide to the commission information describing the number of appointments to represent indigent defendants and persons in juvenile justice proceedings made to each attorney accepting appointments in the county and the previously described information regarding the percentage of the attorneys' practice time dedicated to work based on those appointments. The bill requires the commission to conduct and publish a study to determine guidelines for establishing a maximum allowable caseload for a criminal defense attorney to ensure effective indigent representation and sets out requirements for the study.

House Bill 1318 amends the Family Code to require a court to appoint counsel to represent a detained child within a reasonable time before the first detention hearing is held, unless the court finds that the appointment is not feasible due to exigent circumstances. Except as otherwise provided, the bill's provisions take effect September 1, 2013.

House Bill 1421 House Author: Perry et al. Effective: 9-1-13 Senate Sponsor: Estes

House Bill 1421 amends the Code of Criminal Procedure to expand the methods of disposition that a magistrate or court, as applicable, may order for a weapon seized in connection with certain weapons-related offenses to include sale at a public sale by the law enforcement agency holding the weapon or by a licensed auctioneer. The bill restricts the purchase of such a seized weapon to a federally licensed firearms dealer and requires proceeds from the sale to be transferred, after the deduction of certain court and auction costs, to the law enforcement agency holding the weapon.

**House Bill 1562 Effective:** 9-1-13 **House Author:** Harless et al. **Senate Sponsor:** Hinojosa

House Bill 1562 amends the Code of Criminal Procedure to require the clerk of a court where a surety is in default on a bail bond for an offense other than a Class C misdemeanor to send notice of the default by certified mail to the last known address of the surety.

House Bill 1790 House Author: Longoria et al. Effective: Vetoed Senate Sponsor: Hinojosa

House Bill 1790 amends the Code of Criminal Procedure and the Penal Code to require a judge, on written motion of a 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 from the prosecuting attorney, to review the defendant's record, consider whether to amend the conviction record to reflect a conviction for a Class A misdemeanor in lieu of a state jail felony, and, on terminating the community supervision and discharging the defendant, to amend the conviction record in that manner if the relevant offense and the defendant meet certain requirements and the judge finds that amending the record is in the best interest of justice. The bill prohibits a judge who amends the conviction record in that manner from modifying the name of the offense, establishes that a defendant whose record is so amended is not considered to have been convicted of a felony with respect to the modified offense, and establishes that an amended record supersedes and replaces the original conviction record as it existed on the original date of conviction.

Reason Given for Veto: "The intent of House Bill 1790 can already be achieved under current law. A mechanism already exists to prosecute a state jail felony as a Class A misdemeanor in circumstances where the prosecutor sees fit. Adding the option to reduce the conviction at the back end of a case will cause additional and unnecessary court procedures, reduce judicial efficiency, and add to the costs of our criminal justice system."

**House Bill 2090 Effective:** 9-1-13 **House Author:** Canales **Senate Sponsor:** Hinojosa

House Bill 2090 amends the Code of Criminal Procedure to require a written statement of an accused that is signed by the accused or bearing the mark of the accused to be made in a language the accused can read or understand in order for such statement to be admissible as evidence against the accused in a criminal proceeding.

House Bill 2268 House Author: Frullo et al. Effective: 6-14-13 Senate Sponsor: Carona

House Bill 2268 amends the Code of Criminal Procedure to authorize a district judge to issue a search warrant for electronic customer data held in electronic storage by a provider of an electronic communications service or a provider of a remote computing service, regardless of whether the data is held at a location in Texas or in another state. The bill sets out requirements regarding application for and issuance of such a warrant, including probable cause that a specific offense has been committed and that the data sought constitutes related evidence and is held in electronic storage by the service provider on which the warrant is served. The bill limits the data that may be seized under the warrant, provides for the sealing of the affidavit for the issuance of the warrant, and establishes a deadline by which a peace officer must execute the warrant. The bill restricts service of such a warrant to a domestic service provider and certain providers under a contract or a terms of service agreement with a Texas resident, requires a service provider to produce all data and information sought in the warrant, authorizes a court to find certain persons in contempt of court for noncompliance with a warrant within the period

allowed for compliance, provides for the extension of a compliance period, and establishes the circumstances under which a warrant is considered served. The bill sets out requirements for a service provider in verifying the authenticity of the information produced in compliance with a warrant, establishes provisions regarding a hearing and decision on any motion to quash a warrant, and changes the deadline by which a service provider must create a copy of customer data sought by a subpoena or court order, if required. The bill requires any domestic provider of electronic communications services or remote computing services to the public to comply with a warrant issued in another state seeking information held in electronic storage if the warrant is served on the provider in the same manner as the bill's service of process requirements.

**House Bill 2679 Effective:** 9-1-13 **House Author:** Guillen **Senate Sponsor:** Rodriguez

House Bill 2679 amends the Code of Criminal Procedure to authorize a justice or judge of a justice or municipal court to permit a defendant who is detained in jail to enter a plea of guilty or not guilty, a plea of nolo contendere, or the special plea of double jeopardy. The bill authorizes the justice or judge, after complying with certain statutory duties and advising a defendant who enters a plea of guilty or nolo contendere while detained in jail of the right to trial by jury, to accept the defendant's plea; assess a fine, determine costs, and accept payment of the fine and costs; give the defendant credit for time served; determine whether the defendant is indigent; or discharge the defendant, as appropriate. The bill requires a motion for new trial following a plea of guilty or nolo contendere to be made not later than 10 days after the rendition of judgment and sentence and requires the justice or judge to grant the motion.

Senate Bill 12 Senate Author: Huffman Effective: 9-1-13 House Sponsor: Riddle

Senate Bill 12 amends the Code of Criminal Procedure to authorize, in a trial of certain sex-related offenses committed against a child or an attempt or conspiracy to commit such offenses, the admission of evidence that the defendant has committed a separate such offense for any bearing the evidence has on relevant matters, including the defendant's character and acts performed in conformity with the defendant's character. The bill requires the trial judge, before such evidence may be introduced, to determine that the evidence likely to be admitted at trial will be adequate to support a finding by the jury that the defendant committed the separate offense beyond a reasonable doubt and to conduct a hearing for that purpose out of the jury's presence. The bill requires the state to give the defendant notice of the state's intent to introduce in the case in chief such evidence not later than the 30th day before the defendant's trial date and also applies this deadline to a notice of intent to introduce in the trial of certain sexual assault, trafficking, and prostitution-related offenses committed against a child evidence of other crimes, wrongs, or acts committed against the child victim for its bearing on relevant matters.

Senate Bill 222Senate Author: WatsonEffective: 9-1-13House Sponsor: Dukes

Senate Bill 222 amends the Code of Criminal Procedure to authorize the prosecution of certain computer crimes in any county in which an individual who is a victim of the offense resides.

Senate Bill 270 Senate Author: Seliger Effective: 9-1-13 House Sponsor: Herrero

Senate Bill 270 amends the Code of Criminal Procedure to provide an exception to the prohibition against releasing personal information about a juror collected during the jury selection process by authorizing a defense counsel to disclose that information to successor counsel representing the same defendant in a habeas corpus proceeding in a death penalty case without application to the court or a showing of good cause.

Senate Bill 344 Senate Author: Whitmire

Effective: 9-1-13 House Sponsor: Turner, Sylvester et al.

Senate Bill 344 amends the Code of Criminal Procedure to authorize a court to grant a convicted person relief on an application for a writ of habeas corpus if the person files an application containing specific facts indicating that relevant scientific evidence is currently available and was not available at the time of the person's trial because the evidence was not ascertainable through the exercise of reasonable diligence by the person before or during the person's trial and would be admissible under the Texas Rules of Evidence at a trial held on the application date and if the court makes those findings and also finds that, had the scientific evidence been presented at trial, on the preponderance of the evidence, the person would not have been convicted. The bill specifies that a claim or issue, for purposes of a subsequent application for a writ of habeas corpus, could not have been presented previously in an original or previously considered application if the claim or issue is based on relevant scientific evidence that was not ascertainable through the exercise of reasonable diligence by the convicted person on or before the date the respective application was filed. The bill establishes requirements for a court in making a finding as to whether relevant scientific evidence was not ascertainable through the exercise of reasonable diligence on or before a specific date.

Senate Bill 354

Effective: 5-18-13

Senate Author: West
House Sponsor: Giddings

Current law requires the transmission of certain documents in a criminal case to be by certified mail or by fax, personal service, or hand delivery. Senate Bill 354 amends the Code of Criminal Procedure to include secure electronic mail among the acceptable methods available for the transmission of such documents.

Senate Bill 357 Senate Author: Hinojosa Effective: 9-1-13 House Sponsor: Anchia

Senate Bill 357 amends the Code of Criminal Procedure to expand the applicability of state law regarding protective orders for victims of sexual assault or stalking to include victims of sexual abuse or trafficking and to expand the venues in which an application for such a protective order may be filed to include any court with jurisdiction over a family violence-related protective order involving the same parties named in the application and a district court, juvenile court having the jurisdiction of a district court, statutory county court, or constitutional county court in any county in which an element of the alleged offense occurred. The bill authorizes such a protective order to prohibit the alleged offender from communicating 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.

Senate Bill 358

Effective: 6-14-13

Senate Author: Hinojosa
House Sponsor: Munoz, Jr.

Senate Bill 358 amends the Code of Criminal Procedure to prohibit a court from proceeding with an adjudication of guilt on the original charge for a defendant who has been placed on deferred adjudication community supervision and allegedly violated a condition of the supervision if the court finds that the only evidence supporting the alleged violation is the uncorroborated results of a polygraph examination. The bill prohibits a court from revoking a defendant's community supervision on such a finding at the revocation hearing. The bill amends the Government Code to prohibit a parole panel or designated agent of the Board of Pardons and Paroles from revoking a releasee's parole or mandatory supervision if the parole panel or designated agent finds that the only evidence supporting the alleged violation of a condition of release is the uncorroborated results of a polygraph examination.

Senate Bill 367 Senate Author: Whitmire House Sponsor: Murphy et al.

Senate Bill 367 amends the Code of Criminal Procedure to authorize a law enforcement agency to provide the owner of certain seized unclaimed or abandoned property who is arrested for a Class C misdemeanor notice relating to the property's description, location, and potential disposition, at the time the owner is taken into or released from custody. The bill requires the owner to sign and attach a thumbprint to the notice, establishes the required contents of the notice, and sets out disposition procedures for property for which such notice is provided but is not claimed by the owner before the 31st day after the owner's release from custody.

Senate Bill 821 Senate Author: Schwertner Effective: 9-1-13 House Sponsor: Pitts

Senate Bill 821 amends provisions of the Penal Code, Business & Commerce Code, Code of Criminal Procedure, Government Code, and Tax Code relating to the prosecution of certain criminal offenses involving theft or fraud or other deceptive practices to replace references to a check with references to a check or similar sight order.

Senate Bill 878 Senate Author: Patrick Effective: 9-1-13 House Sponsor: Carter

Senate Bill 878 amends the Code of Criminal Procedure to establish that an expenditure of proceeds or property received through criminal asset forfeiture is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of Texas laws, including an expenditure made for equipment, supplies, investigative and training-related travel expenses, conferences and training expenses, investigative costs, crime prevention and treatment programs, facility costs, witness-related costs, and audit costs and fees. The bill establishes that such an expenditure is considered to be for an official purpose of an attorney's office if the expenditure is made for an activity of an attorney or office of an attorney representing the state that relates to the preservation, enforcement, or administration of Texas laws, including an expenditure made for equipment, supplies, prosecution and training-related travel expenses, conferences and training expenses, investigative costs, crime prevention and treatment programs, facility costs, legal fees, and state bar and legal association dues.

Senate Bill 1044 Senate Author: Rodriguez
Effective: 9-1-13 House Sponsor: Walle et al.

Senate Bill 1044 amends the Government Code to entitle the office of capital writs and a public defender's office to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS that relates to a criminal case in which an attorney compensated by the office has been appointed and to prohibit DPS from charging a fee for providing the information to those entities. The bill entitles a local government corporation created for governmental purposes relating to criminal identification activities that allocates a substantial part of its annual budget to those activities to obtain from DPS criminal history record information maintained by DPS that relates to an employee, consultant, intern, or volunteer of the corporation, an applicant for such a position, a person who proposes to enter into a contract with or has a contract with the corporation, or an employee or subcontractor or an applicant to be an employee or subcontractor of a contractor. The bill prohibits the release or disclosure of that criminal history record information obtained by a local government corporation except on court order or with the consent of the person who is the subject of the information.

Senate Bill 1292 Senate Author: Ellis et al.

Effective: 9-1-13 House Sponsor: Turner, Sylvester et al.

Senate Bill 1292 amends the Code of Criminal Procedure to require the state, before a defendant is tried for a capital offense in which the state seeks the death penalty, to require either the Department of Public Safety through one of its laboratories or an accredited crime laboratory to perform DNA testing on any biological evidence in the state's possession that was collected as part of an investigation of the offense. The bill requires the laboratory that performs the DNA testing to pay for the testing. The bill establishes procedures for determining which biological materials collected as part of the investigation qualify as biological evidence that is required to be tested, including procedures relating to a hearing if the state and the defendant do not agree on that qualification, and requires the evidence to be tested if the two parties agree on which biological materials constitute biological evidence. The bill requires a laboratory that tested an item of biological evidence that is destroyed or lost as a result of the DNA testing to provide to the defendant any bench notes prepared by the laboratory related to the evidence and test results. The bill establishes a writ of mandamus as a defendant's exclusive remedy for testing that was not performed as required, prescribes a time frame for seeking such remedy, entitles the defendant to only one application for that writ, and authorizes the defendant to file one additional motion for forensic testing after an application for a writ of habeas corpus is filed in the case.

Senate Bill 1292 also authorizes a defendant to have another accredited crime laboratory perform additional testing of any biological evidence required to be tested and, on an ex parte showing of good cause, to have an accredited laboratory test any biological material that is not required to be tested. The bill specifies that the defendant is responsible for the cost of any testing performed under these provisions.

Senate Bill 1360
Senate Author: Rodriguez
House Sponsor: Herrero et al.

Senate Bill 1360 amends the Penal Code to make a tampering with a witness offense the greater of a third-degree felony or the most serious offense charged in the criminal case if the underlying official proceeding involves family violence and the greater of a second-degree felony or the most serious offense charged in the criminal case if the underlying proceeding involves family violence and the defendant has previously been convicted of an offense involving family

violence under Texas laws or another state's laws. The bill establishes the circumstances under which a person is considered to coerce a witness or prospective witness for purposes of the previously described conduct constituting tampering with a witness.

Senate Bill 1360 amends the Code of Criminal Procedure to authorize a party to the prosecution of a tampering with a witness offense in which the underlying official proceeding involved family violence or in which the actor is alleged to have committed the offense by committing an act of family violence against a witness or prospective witness to offer testimony or evidence of all relevant facts and circumstances that would assist the trier of fact in determining whether the actor's conduct coerced the witness or prospective witness. The bill prohibits a party to a criminal case who wrongfully procures the unavailability of a witness or prospective witness from benefiting from the wrongdoing by depriving the trier of fact of relevant evidence and testimony and specifies that such party forfeits the party's right to object to the admissibility of evidence or statements based on that unavailability through forfeiture by wrongdoing. The bill establishes provisions regarding the admissibility and use of evidence and statements related to a party that has engaged or acquiesced in such wrongdoing to make a showing of forfeiture by wrongdoing and prescribes procedures for a court in determining the admissibility of such evidence or statements. The bill specifies that a conviction for a tampering with a witness offense or an obstruction or retaliation offense creates a presumption of forfeiture by wrongdoing. The bill provides for the applicability of certain rules of evidence to its forfeiture by wrongdoing provisions.

**Senate Bill 1451 Senate Author:** Hinojosa **Effective:** 9-1-13 **House Sponsor:** Sheets

Senate Bill 1451 amends the Code of Criminal Procedure and Penal Code to authorize a district court to issue a search warrant authorizing a peace officer to seize as substitute property that is not contraband any property of a person who is or was the owner or who has or had an interest in contraband with an aggregate value of \$200,000 or more if the officer submits an affidavit containing certain statements and a description relating to the contraband and the commission of an offense giving rise to contraband forfeiture. The bill establishes provisions regarding the disposition of the substitute property after seizure, provides for the return of property when the fair market value of the substitute property seized exceeds the highest fair market value of the contraband, and sets out the circumstances under which its provisions regarding substitute property and contraband apply. The bill requires a peace officer who identifies contraband, other than real property, that is determined to be located outside of Texas to provide the attorney representing the state a sworn statement that identifies the contraband and the reasons the contraband is subject to seizure, establishes provisions regarding forfeiture of the contraband, and establishes a court's authority to enter judgments, order payments, and impose penalties when any person has acted to prevent the seizure and forfeiture of such contraband after being served with a citation. The bill requires a peace officer who identifies proceeds that are gained from the commission of certain specified offenses to provide the attorney representing the state with an affidavit that identifies the amount of the proceeds and states probable cause that the proceeds are contraband subject to forfeiture and authorizes the attorney representing the state, on receiving the affidavit, to file for a judgment in that amount. The bill requires the court to order that citation be served on all defendants named in a suit on a determination that probable cause exists for the suit to proceed and makes each person who is shown to have been a party to an underlying offense for which the proceeds are subject to forfeiture jointly and severally liable in the suit. The bill prohibits a court, if property or proceeds are awarded or forfeited to the state for an underlying offense, from awarding or forfeiting additional property or proceeds that would exceed the highest fair market value of the

contraband subject to forfeiture for that offense and authorizes calculation of the highest fair market value at any time during the period in which the applicable person owned, possessed, or had an interest in the contraband.

Senate Bill 1611 Senate Author: Ellis et al.

Effective: 1-1-14 House Sponsor: Thompson, Senfronia et al.

Senate Bill 1611, known as the Michael Morton Act, amends the Code of Criminal Procedure to revise provisions relating to discovery in a criminal case. Previous law required the state to disclose certain evidence in a pending criminal action only on a good cause showing by the defendant and on notice to the other parties. The bill instead requires the state, as soon as practicable after receiving a timely request from the defendant and subject to certain restrictions, to produce and permit the inspection and the electronic duplication, copying, and photographing, by or on behalf of the defendant, of certain evidence. The bill expands the types of evidence required to be disclosed to the defendant, authorizes the state to provide electronic duplicates of such evidence to the defendant, and sets out provisions regarding the withholding or redaction of portions of discoverable evidence. The bill also requires the state to electronically record or document any document, item, or information provided to the defendant in discovery.

Senate Bill 1611 prohibits the disclosure to a third party of documents, evidence, materials, or witness statements received from the state in discovery except under specified conditions. However, the attorney representing the defendant, or an investigator, expert, consulting legal counsel, or agent for the attorney representing the defendant, may allow a defendant, witness, or prospective witness to view the information provided in discovery, after the person possessing the information redacts certain personal identifying information.

Senate Bill 1611 requires the state to disclose to the defendant any exculpatory, impeachment, or mitigating document, item, or information in the possession, custody, or control of the state that tends to negate the defendant's guilt or would tend to reduce the punishment for the offense charged. If at any time before, during, or after trial the state discovers any additional exculpatory, impeachment, or mitigating document, item, or information, the state must promptly disclose its existence to the defendant or the court. Additionally, before accepting a plea of guilty or nolo contendere, or before trial, each party must acknowledge in writing or on the record in open court the disclosure, receipt, and list of discovery provided to the defendant. The bill authorizes a court to order the defendant to pay costs related to discovery that do not exceed the charges for providing copies of public information under state public information law.

### The summaries for the following bills are in the listed chapters:

House Bill 1205 - Family Law

House Bill 1435 - Courts

House Bill 3668 - Transportation

Senate Bill 825 - Courts

Senate Bill 1191 - Health and Human Services

Senate Bill 1512 - Open Government and Privacy



# **Economic Development**

This chapter covers legislation affecting state and local economic development, including legislation on job creation, economic incentive funds, and reinvestment and enterprise zones. Legislation relating to economic development authorities and districts is in the **Special Districts** chapter, and legislation relating to workforce development is in the **Labor and Employment** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 1982 Effective: Vetoed

House Author: Murphy Senate Sponsor: Hinojosa

House Bill 1982 amends Government Code and Tax Code provisions relating to the enterprise zone program. Among other provisions, the bill:

- removes a restriction on a county's authority to nominate an enterprise project located within the jurisdiction of a municipality located in the county;
- requires a county nominating an enterprise project located within the jurisdiction of a municipality to enter into an interlocal agreement with the municipality specifying which governmental body has administrative authority over the project;
- authorizes new permanent jobs held by veterans to satisfy certain minimum employment requirements for the purpose of local incentives;
- authorizes an enterprise project designation to be split into two half designations and establishes the maximum refund for a half enterprise project;
- makes the tax refund for double and triple jumbo enterprise projects based on the creation of new permanent jobs, rather than on the creation or retention of jobs; and
- specifies that a state-mandated or federally mandated capital investment does not qualify as a committed capital investment in an enterprise project.

Reason Given for Veto: "I applaud the intent of House Bill 1982 to improve the enterprise zone program by requiring projects that get the biggest tax refunds to create more jobs rather than focusing on job retention. However, HB 1982 also contains ambiguous language which could hurt, rather than help, the program. Therefore, I veto HB 1982 and will recommend that the lieutenant governor and speaker of the House conduct an interim study to review this issue and ways to improve the program."

House Bill 2482 Effective: 6-14-13 House Author: Alvarado et al. Senate Sponsor: Taylor et al.

House Bill 2482 requires the comptroller of public accounts to conduct a study on the reasons major manufacturers, as defined by the bill, have chosen to invest in other states after the manufacturers were offered economic incentives by the state or a local government to develop in Texas. The bill authorizes the study to include an examination of those reasons specific to the economic incentives that were offered and to the promotion of manufacturing development. The bill requires the comptroller's office to solicit interviews with an executive of each major manufacturer that declined the incentives and requires the interviews to address recommendations for Texas to effectively compete with other states in promoting manufacturing development. The bill requires the comptroller to provide a report on the results of the study, including an analysis of the results, to the speaker of the house of representatives, the lieutenant governor, the governor, and each standing committee of the legislature that has relevant jurisdiction.

House Bill 2636 House Author: Frullo et al. Effective: 9-1-13 Senate Sponsor: Duncan

House Bill 2636 amends the Tax Code to authorize money in the tax increment fund for a reinvestment zone to be transferred to the tax increment fund for an adjacent zone under the following conditions: the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa; each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone and has agreed to the transfer; and the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred also have agreed to the transfer.

House Bill 2718 House Author: Guillen Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 2718 amends the Government Code to authorize a designated cultural and fine arts district or, if necessary to comply with federal eligibility requirements, a municipality or county in which a designated district is located on behalf of the district to apply for state incentives, funding, grants, and loans from state agencies. The bill requires the Texas Commission on the Arts to assist designated districts, municipalities, and counties in applying for such incentives, funding, grants, and loans. The bill authorizes the commission to amend the boundaries of a designated district to include private sector development.

**House Bill 3350 Effective:** 9-1-13 **House Author:** Rodriguez, Eddie **Senate Sponsor:** Watson

House Bill 3350 amends the Local Government Code to authorize the governing body of a municipality by ordinance to designate an eligible area in the municipality as a homestead preservation district to promote and expand the rental of affordable housing and to prevent the involuntary loss of homesteads by renters. The bill also revises the eligibility requirements for a homestead preservation district by removing certain requirements, by increasing the maximum number of district residents from 25,000 to 75,000, and by requiring the median family income in each census tract in the area to be less than 80 percent, rather than 60 percent, of the median family income for the entire municipality.

Under previous law, a homestead preservation reinvestment zone took effect on the date on which the county adopted a final order agreeing to the creation of the zone, the zone boundaries, and the zone termination date and specifying a certain amount of tax increment to be deposited by the county into the tax increment fund. The bill instead authorizes a county to participate in a homestead preservation reinvestment zone established by a municipality by adopting such a final order and changes the zone effective date to the date designated by the municipality in the reinvestment zone ordinance.

House Bill 3390 House Author: Hilderbran et al. Effective: 1-1-14 Senate Sponsor: Deuell

House Bill 3390 amends the Tax Code and Education Code to revise and update provisions relating to the Texas Economic Development Act. Among other provisions, the bill:

 postpones from December 31, 2014, to December 31, 2024, the expiration date of the act's provisions relating to a limitation on the appraised value, for school district maintenance and operations (M&O) property tax purposes, of property used to create jobs and repeals an entitlement to a related tax credit for taxes paid on the portion of the property's appraised value above the amount of the limitation;

- includes a Texas priority project on which the applicant has committed to expend or allocate a qualified investment of more than \$1 billion among the purposes for which property may be used to qualify for the limitation on appraised value; allows operations, services, and other project-related jobs to satisfy the minimum qualifying jobs requirement if their cumulative economic benefit to the state is equal to or greater than that associated with the minimum number of qualifying jobs required and allows new qualifying jobs created under agreements with multiple school districts to be included in the total number of newly created project-related jobs if the projects covered by the agreements constitute a single unified project;
- requires the comptroller, when requested by the governing body of a school district to
  conduct an economic impact evaluation of the investment proposed by an applicant for
  a limitation on appraised value, to provide both the evaluation and either a certificate for
  that limitation or a written explanation of any decision not to issue a certificate, rather
  than a recommendation regarding the application's approval or disapproval, not later
  than the 90th day after the date the comptroller receives the application and prohibits
  the school district's governing body from approving an application unless the comptroller
  submits the certificate to the governing body;
- removes the itemized specificity of the previous content requirements for an economic impact evaluation and instead requires inclusion of any information the comptroller determines is necessary or helpful to the school district's governing body in determining whether to approve an application or to the comptroller in determining whether to issue a certificate for the limitation on appraised value; prohibits the comptroller from issuing a certificate unless the comptroller determines that the proposed project is reasonably likely to generate, within 25 years of the start of the limitation period, tax revenue in an amount sufficient to offset the loss of M&O tax revenue attributable to the agreement and that the limitation is a determining factor in the applicant's decision to invest capital and construct the project in Texas;
- requires an agreement between a person and a school district to provide for a 10-year limitation period beginning on the January 1 immediately following the application date, the qualifying time period, or the start of commercial operations at the project site;
- includes supplemental payments to another entity on a school district's behalf within the
  cap on the amount of supplemental payments that may be made under an agreement
  between a person and the district and changes the cap to limit total supplemental
  payments under the agreement each year to the greater of \$100 per student or \$50,000;
- requires the comptroller to conduct an annual review to determine whether a person
  with whom a school district enters into an agreement has met the applicable job-creation
  requirements and sets out penalties for failure to remedy a finding of noncompliance;
- requires the comptroller's biennial report to the lieutenant governor, the speaker of the
  house of representatives, and each member of the legislature to include certain aggregate
  totals for all of the agreements entered into under the act as well as the specific data for
  each agreement and requires each recipient of a limitation on appraised value to submit
  an annual report to the comptroller providing the necessary job creation data;
- includes a defense economic readjustment zone within the meaning of a "strategic investment area" for purposes of provisions relating to the limitation on appraised value in certain rural school districts and requires the comptroller, not later than September 1 of each year, to determine areas that qualify as a strategic investment area for the following tax year and to publish a list and map of those areas not later than October 1;

#### **Economic Development**

- increases the required minimum amount of the limitation agreed to by the governing bodies of the following categories of rural school districts: from \$20 million to \$25 million for a Category II school district, from \$10 million to \$20 million for a Category III school district, from \$5 million to \$15 million for a Category IV school district, and from \$1 million to \$10 million for a Category V school district; and
- repeals provisions relating to comptroller reports on compliance with energy-related and certain other types of agreements.

House Bill 3578 House Author: Davis, John Effective: 9-1-13 Senate Sponsor: Hancock

House Bill 3578 amends the Government Code to authorize the Texas Economic Development Bank to allocate money held in or due to the capital access fund to programs administered by the bank under statutory provisions relating to programs, services, and funds under the bank's direction and under statutory provisions relating to product development and small business incubators. The bill authorizes the bank to transfer money from the capital access fund to the Texas product development fund or the Texas small business incubator fund. The bill authorizes the bank to use that transferred money to make loans to small or medium-sized businesses, governmental entities, or nonprofit organizations. The bill authorizes those entities that receive such a loan to use the money for any project, activity, or enterprise in Texas that fosters economic development or to hold the money in a reserve account created as a condition of the extension of the loan.

Senate Bill 398 Senate Author: Hancock Effective: 4-17-13 House Sponsor: Patrick

Senate Bill 398 amends the law to redefine "event," for purposes of determining which events are eligible for funding from the major events trust fund, to include a game of a successor to the National Collegiate Athletic Association Bowl Championship Series and a National Collegiate Athletic Association Division I Football Bowl Subdivision postseason playoff or championship game.

Senate Bill 748 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Geren

Senate Bill 748 amends the Tax Code to authorize certain hotel-associated tax revenue to be used to enhance and upgrade convention center facilities, multipurpose arenas, venues, and related infrastructure in municipalities with a population of at least 650,000 but less than 750,000. The hotel-associated tax revenue is state hotel occupancy tax revenue collected in a project financing zone from all hotels located in the zone and state mixed beverage tax revenue collected from all mixed beverage permittees at hotels located in the zone, as prescribed by the bill. The bill sets out a process for disbursement of this revenue by the comptroller of public accounts. The bill also provides for the use of local tax revenue collected by qualified hotel projects in the project financing zone under provisions relating to enterprise zones.

Senate Bill 1214 Senate Author: Schwertner Effective: 6-14-13 House Sponsor: Darby

Senate Bill 1214 amends the Agriculture Code and Transportation Code to revise and update provisions relating to economic development programs administered by the Department of Agriculture. Among other provisions, the bill establishes the Texas economic development fund, consisting of allocations, appropriations, and other money for use by the department in establishing a new economic development program or maintaining an existing program. The bill

revises the Texas certified retirement community program to provide department assistance as determined by department rule, rather than by statute, and it revises the interest rate reduction program to include fostering the development or expansion of businesses in rural areas of Texas among the purposes of the program.

Senate Bill 1548 Senate Author: Eltife House Sponsor: Lavender

Senate Bill 1548 amends the Government Code to redefine "qualified employee," for the purposes of the Texas Enterprise Zone Act, as a person who, in addition to working for a qualified business and performing at least 50 percent of the person's service for the business at the qualified business site, receives wages from a qualified business from which employment taxes are deducted. The bill provides that a person whose job responsibility is to transport or deliver the enterprise project's goods or services is excepted from the definition's criterion that a person perform at least 50 percent of the person's service at the site.

Senate Bill 1719

Effective: 6-14-13

Senate Author: Rodriguez
House Sponsor: Moody

Senate Bill 1719 amends the Government Code to add a municipal hotel project located within a specified distance of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States to provisions establishing the eligibility of a hotel project to receive enterprise zone tax proceeds and municipal hotel occupancy tax revenue.

The summaries for the following bills are in the listed chapters:

House Bill 800 - Taxes and Tax Administration Senate Bill 997 - Taxes and Tax Administration

# **Elections**

This chapter covers legislation on issues relating to statewide and local election regulation, including election officials and election procedures, campaign ethics and financing, voter registration, and voter fraud. This chapter also covers legislation relating to redistricting. Legislation relating to local option elections on the sale of alcoholic beverages is in the **Alcoholic Beverages** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 259 House Author: Simmons et al. Effective: 6-14-13 Senate Sponsor: Paxton

House Bill 259 amends the Election Code to prohibit the entity that owns or controls a public building being used as a polling place or early voting polling place, at any time during the voting period or early voting period, from prohibiting electioneering on the building's premises outside the prescribed limits within which electioneering is prohibited during the respective voting period. However, the bill authorizes such an entity to enact reasonable regulations concerning the time, place, and manner of electioneering.

House Bill 1164 House Author: Thompson, Ed et al. **Effective:** 5-24-13 **Senate Sponsor:** Huffman

House Bill 1164 amends the Election Code to remove a provision prohibiting a county election precinct from containing territory from more than one ward in a city with a population of 10,000 or more.

House Bill 1871 House Author: King, Tracy O. Senate Sponsor: Uresti

House Bill 1871 amends the Education Code to require the joint election agreement allocating expenses for an election for trustees of certain independent school districts to provide that such a school district is responsible only for the proportion of election expenses that corresponds to the proportion that the number of registered voters in the school district bears to the total number of registered voters in all political subdivisions participating in the joint election.

House Bill 3102 House Author: Morrison et al. Senate Sponsor: Duncan

House Bill 3102 amends the Election Code to revise provisions relating to political parties' governance and conventions. Among other provisions, the bill authorizes a state political party to adopt permanent rules if the state executive committee is expressly required or authorized by statute to adopt a rule, to adopt rules relating to the timing, location, administration, and participation in party conventions, to revise procedures regarding an oath of affiliation to a political party, to revise delegate list recording and delivery procedures, and to require that certain items be posted on a party's Internet website.

Senate Bill 1398 Senate Author: Estes et al. Effective: 6-14-13 House Sponsor: Morrison

Senate Bill 1398 amends the Election Code to authorize a rule adopted by each political party holding a presidential primary election to use either a proportional or winner-take-all method,

based on the results of the presidential primary election, and to set out criteria on which such a rule may be based. The bill does not apply to delegates allocated among party and elected officials or delegates allocated based on participants registering for or attending a caucus or similar process under certain other conditions.

### **Campaign Ethics and Financing**

**House Bill 195 House Author:** Farias

Effective: See below Senate Sponsor: Van de Putte

In provisions taking effect September 1, 2013, House Bill 195 amends the Election Code to require the county clerk of a county with a population of 800,000 or more and a clerk of a municipality with a population of 500,000 or more to make a report filed with the clerk by a candidate, officeholder, or specific-purpose committee in connection with certain county or municipal offices, as applicable, available to the public on the respective entity's Internet website. In provisions taking effect January 1, 2014, the bill makes a conforming change in the Local Government Code.

House Bill 1035 House Author: Huberty Effective: 9-1-13 Senate Sponsor: Patrick

House Bill 1035 amends the Election Code and Local Government Code to establish provisions relating to the method and timely filing of reports of political contributions and expenditures and of personal financial statements by certain officeholders and candidates for office.

House Bill 1422 House Author: Geren et al. Effective: 9-1-13 Senate Sponsor: Eltife

House Bill 1422 amends the Government Code to require a lobbyist registration form to include the full name and address of each person who compensates or reimburses the registrant or person acting as an agent for the registrant for services, including political consulting services, rendered by the registrant from a political contribution, from interest received from a political contribution, or from an asset purchased with a political contribution.

House Bill 2984 House Author: Dutton Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 2984 amends the Government Code to clarify, for the purposes of statutory provisions relating to bribery and the applicability of restrictions on gifts to public servants, that a person who is not a registered lobbyist who makes a joint expenditure on behalf of a registered lobbyist is not considered to have made a lobby expenditure.

Senate Bill 1773Senate Author: Huffman et al.Effective: 9-1-13House Sponsor: Bonnen, Dennis

Senate Bill 1773 creates a select interim committee to study and review the statutes and regulations related to ethics, including campaign finance laws, lobby laws, and personal financial disclosure laws, and sets out reporting requirements. The bill's provisions expire on December 21, 2014, and the committee is abolished on that date.

### **Election Officials and Election Procedures**

House Bill 396 House Author: Thompson, Senfronia

Effective: 9-1-13 Senate Sponsor: Huffman

Previous law authorized a resident who applies for a ballot by submitting a single federal postcard application as prescribed under the federal Uniformed and Overseas Citizens Absentee Voting Act to apply in this manner for a ballot for each election in which the resident is eligible to vote early by mail. House Bill 396 amends the Election Code to authorize the resident to submit one federal postcard application for a ballot for all elections in which the resident is eligible to vote.

House Bill 506 House Author: Lozano et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 506 amends the Election Code to require a political subdivision that is not a county, that has not executed a contract with a county to share early voting polling places, and that is not holding a joint election with a county to share, during November elections, at least one early voting polling place with the county in which the political subdivision is located.

House Bill 630 House Author: Larson Senate Sponsor: Huffman

House Bill 630 amends the Election Code to require that a majority of a political party's county executive committee membership must participate in filling a vacancy in the office of precinct chair and that a person, in order to be elected, must receive a favorable vote of a majority of the members voting. The bill requires each party to determine a percentage of committee membership that constitutes a quorum for the purposes of filling the vacancy, and, for a county with a population of less than 5,000, authorizes a state chair to fill a vacancy in the office of county chair by appointing a person who is not a resident of the county, subject to specified requirements.

House Bill 630 authorizes the state chair of a political party, under certain circumstances, to contract with an appropriate county officer to hold a primary election that is required for the nomination of a political party to a statewide office.

House Bill 666 House Author: Miller, Rick et al. Effective: 1-1-14 Senate Sponsor: Huffman

House Bill 666 amends the Election Code to establish that an application for a ballot to be voted by mail that is submitted to the county clerk indicating the ground of eligibility is age or disability and does not specify the election for which a ballot is requested is considered to be an application for a ballot for each election in which the county clerk serves as the early voting clerk, in which the applicant is eligible to vote, and that occurs before the earlier of two dates specified in the bill.

**House Bill 985 Effective:** 9-1-13 **House Author:** Elkins **Senate Sponsor:** Huffman

House Bill 985 amends the Election Code to revise and establish deadlines by which provisional ballots must be processed and by which the state canvass must be conducted for a general election for state and county officers.

House Bill 1996 House Author: Miller, Rick Effective: 9-1-13 Senate Sponsor: Fraser

House Bill 1996 amends the Election Code to authorize the county chair of a political party conducting a primary election to be in a polling place when the polls are open as necessary to perform administrative functions related to the conduct of the election.

House Bill 2006 House Author: Klick Effective: 6-14-13 Senate Sponsor: Hancock

House Bill 2006 amends the Election Code to exempt an employee of a political subdivision that adopts or owns an electronic voting system from the requirement that a person be a registered voter of the political subdivision served by the authority establishing a central counting station in order to be eligible for appointment as the counting station's manager.

House Bill 2110 House Author: Kolkhorst Senate Sponsor: Campbell

Previous law prohibited a person from serving as an election judge or clerk in an election if the person is employed by or related within the second degree by consanguinity or affinity to an opposed candidate for the party office of county chair in the election. House Bill 2110 amends the Election Code to make a person ineligible to serve as an election judge or clerk in an election if the person is employed by or related within the second degree by consanguinity or affinity to an opposed candidate for a party office in any precinct in which the office appears on the ballot. The bill requires each election officer in an election, following administration of the oath required at the polling place before polls open, to be issued a form of identification to be displayed by the officer during the officer's hours of service at the polling place.

House Bill 2373 House Author: Klick Effective: 9-1-13 Senate Sponsor: Estes

House Bill 2373 amends the Election Code to authorize the signature roster maintained by an election officer at a polling place to be in the form of an electronic device approved by the secretary of state that is capable of capturing a voter's signature next to the voter's name on the device.

**House Bill 2475 Effective:** 9-1-13 **House Author:** Miller, Rick **Senate Sponsor:** Huffman

House Bill 2475 amends the Election Code to revise the content of the oath a person selected to assist a voter is required to take before providing that assistance.

House Bill 3103 House Author: Morrison et al. Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 3103 amends the Election Code to revise procedures relating to the submission and compilation of information pertaining to candidates that the state chair and each county chair of a political party are required to submit to the secretary of state in regard to a general primary election and to require the secretary of state to maintain a database of this information. Among other provisions, the bill revises certain election-related deadlines and authorizes certain election-related information to be submitted or disseminated electronically. The bill also requires the secretary of state to conduct a study on the effects of changing the presidential primary election date.

Senate Bill 160

Senate Author: Huffman

Effective: 9-1-13 House Sponsor: Miller, Rick et al.

Senate Bill 160 amends the Election Code to require an election officer, on accepting a poll watcher for service, to provide the watcher with a specified form of identification to be displayed by the watcher during the watcher's hours of service at the polling place.

Senate Bill 169 Effective: 9-1-13 Senate Author: Hegar House Sponsor: Morrison

Senate Bill 169 amends the Local Government Code to include in the language required to be on the ballot at an election for a sports or community venue project a space to insert either "impose a new" or "authorize the use of the existing" tax.

Senate Bill 553 Effective: 6-14-13 Senate Author: Uresti et al. House Sponsor: Johnson

Senate Bill 553 amends the Education Code and Election Code to authorize an early voting clerk in an election to appoint a high school student as a student early voting clerk and to authorize a school district to adopt a policy excusing such a student from attending school for not more than two days.

Senate Bill 578

Senate Author: Duncan

Effective: 9-1-13

House Sponsor: Sheffield, J. D.

Current law requires the secretary of state to implement a program that authorizes participating commissioners courts to eliminate county election precinct polling places and establish countywide polling places for certain elections. Senate Bill 578 amends the Election Code to expand that authorization to include each primary election and runoff primary election if the county chair or county executive committee of each political party participating in a joint primary election agrees to the use of countywide polling places or the county chair or county executive committee of each political party required to nominate candidates by primary election agrees to use the same countywide polling places. The bill authorizes the governing body of a political subdivision to designate as the polling places for any required runoff election only the polling places located in the territory or in and near the territory of the political subdivision where eligible voters reside if the political subdivision is required to use countywide polling places or if the political subdivision holds an election jointly with a general election for state and county officers, an election held on the uniform election date in May, or an election on a proposed constitutional amendment.

Senate Bill 637 Effective: 9-1-13 Senate Author: Paxton House Sponsor: Flynn

Senate Bill 637 amends the Election Code to set out the information that a document ordering an election to authorize a political subdivision to issue debt must distinctly state and establishes public posting requirements for the election order.

Senate Bill 722 Effective: Vetoed Senate Author: Ellis House Sponsor: Johnson

Senate Bill 722 amends the Election Code in provisions relating to an individual's eligibility to serve as an interpreter in an election.

Reason Given for Veto: "Ensuring the integrity of our state's election process is a key component of providing a system of fair, open, and honest elections. Under current law, if a voter cannot communicate with poll workers in a common language, the voter is entitled to use an interpreter of the voter's choice who is a registered voter in that county. Often, this is a family member or other person in whom the voter personally has confidence.

"SB 722 would allow the authority conducting the election to select the interpreter, thus subjecting the voter to someone with whom they are not familiar. While an interpreter selected by the voter could not be the voter's employer, agent of the employer or agent of the voter's labor union, there would be no such bar on interpreters appointed by the entity conducting the election. In an election where the entity is an employer of many voters, such as a school bond election, this could lead to the perception of undue influence, as an administrator or other person with authority over likely voters is allowed to be present at the polls.

"Moreover, the elimination of the requirement that an interpreter selected by the voter be from the county will lead to the likelihood of undue influence being placed on the voter to agree to 'select' activists from outside the area with whom the voter is not familiar.

"The current system provides appropriate safeguards and ensures the integrity of our election system. This system should be retained."

Senate Bill 817 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Johnson

Senate Bill 817 amends the Election Code to change from the second Saturday in June to the second Saturday in April the date on which a political party nominating by convention is required to make its nominations for statewide offices at a state convention. The bill makes eligible a candidate for nomination or election to, or the holder of, an elective office of the federal, state, or county government to serve as a political party county or precinct chair if the party nominates by convention.

Senate Bill 904 Senate Author: Van de Putte Effective: See below House Sponsor: Morrison

Senate Bill 904 amends the Election Code to require the secretary of state to make a checklist or similar guidelines available for optional use by early voting clerks in processing a federal postcard application and providing balloting materials to a voter voting early by mail. The bill specifies that such a voter who completes a signature sheet is not required to complete a carrier envelope when returning a voted ballot. The bill revises certain election deadlines, including deadlines necessary to implement the federal Military and Overseas Voter Empowerment (MOVE) Act. These provisions are effective September 1, 2013. Effective December 31, 2016, the bill repeals a provision granting the secretary of state rulemaking authority to adopt rules relating to the implementation of certain voting and election procedures, including procedures necessary to implement the MOVE Act, and prohibits the secretary of state from adjusting or modifying affected election dates, deadlines, or procedures to implement the act under the repealed provision.

Senate Bill 910Senate Author: DuncanEffective: 9-1-13House Sponsor: Morrison

Senate Bill 910 amends the Election Code to authorize the submission of certain documents under Texas election law to be made by telephonic facsimile machine. Among other provisions relating to election practices and procedures, the bill requires information filed monthly with the secretary of state by certain entities regarding deceased Texas residents to be filed electronically unless the secretary of state waives this requirement. The bill specifies that documents the secretary of state submits to the attorney general in regard to a complaint are not considered public information except under certain circumstances. The bill revises certain

election-related deadlines and filing periods and includes among the costs of a recount that are assessable against the authority responsible for paying the expenses of an election the actual expense incurred in producing a printed ballot image from an electronic voting system record. Senate Bill 910 amends the Government Code to require the list of people who are excused or disqualified from jury service because they are not citizens of the United States that is filed with the secretary of state by the clerk of a court to be filed electronically.

## Redistricting

Senate Bill 2 (1st C.S.)

Senate Author: Seliger

House Sponsor: Darby

Senate Bill 2 ratifies and adopts as the permanent plan for districts used to elect members of the Texas Senate the interim redistricting plan ordered by the United States District Court for the Western District of Texas on February 28, 2012, in the case of *Davis*, et al. v. Perry, et al. (No. SA-11-CV-788), and identified as PLANS172 on the redistricting computer system operated by the Texas Legislative Council.

Senate Bill 3 (1st C.S.)

Senate Author: Seliger
House Sponsor: Darby

Senate Bill 3 describes the districts from which members of the Texas House of Representatives are elected and provides that one member is elected from each district.

Senate Bill 4 (1st C.S.)

Senate Author: Seliger
House Sponsor: Darby

Senate Bill 4 ratifies and adopts as the permanent plan for districts used to elect members of the United States House of Representatives from Texas the interim redistricting plan ordered by the United States District Court for the Western District of Texas on February 28, 2012, in the case of *Perez, et al. v. Perry, et al.* (No. SA-11-CV-360), and identified as PLANC235 on the redistricting computer system operated by the Texas Legislative Council.

# Voter Fraud, Voter Identification, and Voter Registration

House Bill 148 House Author: Burkett et al. Effective: 9-1-13 Senate Sponsor: Paxton et al.

House Bill 148 amends the Election Code to make it a criminal offense to compensate another person for mailing a carrier envelope as part of any performance-based compensation scheme based on a quota or number of ballots mailed; to engage in another practice that causes another person's compensation from or employment status with the person to be dependent on the number of ballots mailed; or, with knowledge that accepting compensation for such activity is illegal, to accept compensation for such activity. The bill also makes it a criminal offense to compensate another person for assisting voters as part of any performance-based compensation scheme based on a quota or the number of voters assisted; to engage in another practice that causes another person's compensation from or employment status with the person to be dependent on the number of voters assisted; or, with knowledge that accepting compensation for such activity is illegal, to accept compensation for such an activity. The bill makes each

#### **Elections**

offense a misdemeanor unless it is demonstrated at trial that the defendant has been previously convicted of the offense two or more times, in which case the offense is enhanced to a state jail felony.

House Bill 2233 House Author: Simmons Effective: 6-14-13 Senate Sponsor: Estes et al.

Current law requires the early voting ballot board, in making a determination of whether a voter's signature on a ballot application or a signature on the carrier envelope was executed by a person other than the voter, to compare the signatures with the voter's registration application. House Bill 2233 authorizes the board, in making this determination, to also compare the signatures with any two or more signatures of the voter made within the preceding six years and on file with the voter registrar.

House Bill 2263 House Author: Miller, Rick Effective: 6-14-13 Senate Sponsor: Huffman

Current law authorizes a voter whose registration certificate is lost or destroyed to obtain a replacement certificate only by delivering a written notice of the loss or destruction to the voter registrar. House Bill 2263 amends the Election Code to authorize such a voter to also obtain a replacement by delivering such notice electronically or by telephoning the registrar to request a replacement.

**House Bill 2465 Effective:** 9-1-13 **House Author:** Farias **Senate Sponsor:** Ellis

House Bill 2465 amends the Election Code to require any Internet website maintained by the secretary of state that permits a person to determine the person's voter registration status to indicate if the person is or may be on the suspense list.

House Bill 2512 House Author: Miller, Rick et al. Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 2512 amends the Transportation Code to include the secretary of state, for the purposes of voter registration or the administration of elections, among the limited entities to which information provided on a driver's license application relating to the applicant's social security number may be disclosed and requires the Department of Public Safety to disclose such information on request of the secretary of state.

House Bill 3593 House Author: Burnam et al. Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 3593 amends the Election Code to require the secretary of state to determine what information combinations identified as common to a voter and to an individual who is deceased constitute a weak match or a strong match in order to produce the least possible impact on Texas voters and to fulfill its responsibility to manage the voter rolls. The bill prohibits the secretary of state from making the determination that a voter is deceased based on a weak match and authorizes the secretary of state to determine that a voter is deceased based on a strong match. The bill authorizes the secretary of state to inform the county of the voter's residence that a weak match exists and requires the county to investigate the weak match.

The summaries for the following bills are in the listed chapters:

House Bill 1129 - Military Forces and Veterans

# **Emergency Response**

This chapter covers legislation on issues relating to disasters and emergencies, including emergency medical services, emergency communications, and fire suppression. Legislation affecting the licensing of emergency medical services providers is in the **Health and Medical Occupations** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 487 House Author: Bell et al. Effective: 5-24-13 Senate Sponsor: Nichols

House Bill 487 amends the Local Government Code to clarify the authority of the governing body of a municipality, the chief of a municipality's fire department, an emergency management director or coordinator designated for a municipality or county, a county commissioners court, a county judge, a county fire marshal, an incorporated volunteer fire department under contract with a county, or a volunteer fire department authorized to petition the commissioners court to provide fire-fighting equipment, as applicable, to request or accept certain disaster assistance to the extent the official or entity believes necessary to address a man-made or natural disaster. The bill grants an individual, association, corporation, or other private legal entity that provides such assistance immunity under the Civil Practice and Remedies Code from civil liability for an act or omission, other than reckless conduct or intentional, wilful, or wanton misconduct, that occurs in providing the assistance.

House Bill 712 House Author: Murphy Effective: 9-1-13 Senate Sponsor: Patrick

Previous law required certain counties that furnish firefighting equipment to a municipality or volunteer fire department to keep the equipment in good working order. House Bill 712 amends the Local Government Code to require a municipality or volunteer fire department that receives the equipment to keep the equipment in good working order.

House Bill 762 House Author: Guillen Effective: 9-1-13 Senate Sponsor: Carona

House Bill 762 amends Business & Commerce Code provisions relating to disaster remediation contracts to redefine "natural disaster" to include the occurrence of widespread or severe damage, injury, or loss of life or property related to any natural cause, including fire, flood, earthquake, wind, storm, or wave action, that results in a local disaster declaration by a county judge under the Texas Disaster Act of 1975.

House Bill 802 House Author: Rose Effective: 6-14-13 Senate Sponsor: Carona

House Bill 802 amends the Transportation Code to add a county-owned or county-leased emergency management vehicle that has been designated or authorized by the commissioners court to the types of vehicles that are considered to be authorized emergency vehicles under state law regarding the rules of the road.

House Bill 1090 House Author: Martinez et al. Effective: Vetoed Senate Sponsor: Hinojosa

House Bill 1090 amends the Education Code to require the board of regents of The Texas A&M University System to establish Texas Task Force 1 Type 3 Rio Grande Valley as a program of the Texas A&M Engineering Extension Service providing training and responding to assist in

search, rescue, and recovery efforts following natural or man-made disasters. The bill sets out the task force's responsibilities and training and assistance capabilities and requires the task force headquarters to be located in the Rio Grande Valley. The bill makes task force members responsible for certain task force-related costs and expenses but provides for the reimbursement of certain expenses and entitles members to workers' compensation insurance coverage in the same manner as Texas Task Force 1 members.

House Bill 1090 adds temporary provisions to the Government Code requiring the Department of Public Safety (DPS) to study Texas Task Force 1 Type 3 Rio Grande Valley, establishing the required components of the study, and requiring DPS to report the study's results to the legislature on or before the first anniversary of the bill's effective date.

House Bill 1090 amends the Government Code and Labor Code to authorize certain eligible municipalities to establish a Texas Task Force 2 program that provides the previously described training and response assistance following disasters. The bill provides for workers' compensation insurance coverage for a participating nongovernment member or local government employee member during activation or related training sessions of the task force and for the reimbursement of the State Office of Risk Management by the Texas Division of Emergency Management for actual medical and indemnity benefits paid on behalf of a covered member of the task force. The bill establishes immunity from civil liability for a municipality establishing Texas Task Force 2 or a member or nongovernmental member of the task force who provides labor or assistance to the division, with certain exceptions.

Reason Given for Veto: "House Bill 1090 requires the Texas A&M Board of Regents to establish a Texas Task Force 1 (TTF 1) Type 3 search and rescue team based in the Rio Grande Valley. The bill also codifies another search and rescue team, Texas Task Force 2 (TTF 2), which is run by the City of Dallas.

"However, the bill would make the state liable for any worker compensation claims resulting from training exercises conducted by TTF 2, shifting liability for a local activity to the state despite the fact the state has no control or oversight over the activity.

"Although without HB 1090 there will not be a requirement to create a Type 3 search and rescue team for the Rio Grande Valley in statute, I will instruct the Texas A&M Board of Regents and Texas Division of Emergency Management to take action to create a TTF 1 team that will be based in the Rio Grande Valley to assist with any disaster in that the region of the state."

House Bill 1768 House Author: Canales Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 1768 amends the Health and Safety Code to revise identification requirements for a fire hydrant or a metal flush valve that has the appearance of a fire hydrant and is located in a place that an entity responsible for providing fire suppression services in a fire emergency would expect a fire hydrant to be located and to require certain public water systems to implement those requirements. The requirements apply to a county, or a municipality in a county, that borders the United Mexican States or is adjacent to such a county; has a population of at least 400,000 or has a population of at least 20,000 and is adjacent to a county that has a population of at least 400,000; and is within 200 miles of the Gulf of Mexico. The bill does not apply within the jurisdiction of a governmental entity that maintains its own system for labeling or color coding its hydrants or to any public water system that has entered into a contract with a municipality or volunteer fire department to provide a water supply for fire suppression services if the contract specifies a different system for labeling or color coding hydrants.

**House Bill 1864 Effective:** 9-1-13 **House Author:** Wu **Senate Sponsor:** Estes

House Bill 1864 amends the Government Code to specify that the term "critical governmental facility" as it relates to energy security technologies includes a building that is owned by an

institution of higher education and that meets certain prescribed criteria. The bill requires the State Energy Conservation Office to establish guidelines for the evaluation to determine the feasibility of equipping a critical governmental facility with a combined heating and power system.

House Bill 1972 House Author: Kleinschmidt Effective: 9-1-13 Senate Sponsor: Hancock

Previous law regarding state and local administration of emergency communications defined "9-1-1 service" as a telecommunications service that provides the user of the public telephone system the ability to reach a public safety answering point by dialing 9-1-1. House Bill 1972 amends the Health and Safety Code to update the term to mean a communications service that connects users to such a point, to make provisions regarding liability of communications service and equipment providers in providing 9-1-1 service apply also to a developer of software used in providing 9-1-1 service and to certain other persons and entities involved in providing 9-1-1 service, and to update provisions relating to the confidentiality of information that a service provider or other entity furnishes to a governmental entity in providing 9-1-1 service. The bill requires the liability and confidentiality provisions to be interpreted to provide certain protections in the same manner as described by federal law. The bill's provisions do not expand or change the authority or jurisdiction of a public agency or the Commission on State Emergency Communications over commercial mobile service or wireline service or expand the authority of those entities to assess 9-1-1 fees.

House Bill 1972 amends the Penal Code to expand the conduct that constitutes the offense of making silent or abusive calls to a 9-1-1 service when there is no emergency to include requesting 9-1-1 services using an electronic communications device. The bill updates provisions relating to the conduct constituting the offense of interference with an emergency call to make the provisions applicable with respect to placing an emergency call and to include requesting assistance using an electronic communications device as such conduct.

House Bill 1973 House Author: Lucio III et al. Effective: 9-1-13 Senate Sponsor: Hegar

House Bill 1973 amends the Health and Safety Code to authorize the governing body of a municipality to adopt standards set by the Texas Commission on Environmental Quality (TCEQ) requiring a utility to maintain a minimum sufficient water flow and pressure to fire hydrants in a residential area located in the municipality or the municipality's extraterritorial jurisdiction. The bill requires TCEQ to establish such standards and sets out requirements and prohibitions regarding the standards. The bill requires a municipality with a population of less than 1.9 million that adopts standards or that seeks to use a utility's water for fire suppression to enter into a written memorandum of understanding with the utility regarding the use of the water. The bill sets out provisions relating to a utility's failure to comply with an adopted standard and provisions relating to the liability of a utility or municipality for a hydrant's or metal flush valve's inability to provide adequate water supply in a fire emergency.

House Bill 3096 House Author: Thompson, Senfronia

Effective: 6-14-13 Senate Sponsor: Eltife

House Bill 3096 amends the Government Code to exempt a public service provider serving 250,000 or fewer customers from statutory requirements regarding communications by public service providers during disasters and emergencies.

House Bill 3178 House Author: Phillips Effective: 6-14-13 Senate Sponsor: Estes

House Bill 3178 repeals Government Code provisions establishing procedures for mutual aid provided under the Texas Statewide Mutual Aid System by the political subdivisions in a state planning region in response to a request by a political subdivision in the region or outside of the region or by the state. The bill removes the deadline for confirming in writing a verbal request for mutual aid and makes the requirement that a local government entity requesting mutual aid assistance from another such entity under the system reimburse the actual costs of providing the assistance to the entity contingent on the assistance requiring a response that exceeds 12 consecutive hours.

Senate Bill 171 Senate Author: West Effective: 6-14-13 House Sponsor: Pickett

Senate Bill 171 amends the Government Code to require the chief of the Texas Division of Emergency Management to establish a workgroup of appropriate emergency management council members, local government officials, and nonprofit organizations to determine if a uniform application form for assistance following a disaster may be developed for use by state agencies and by persons requesting assistance from state agencies. The bill requires the workgroup to report its findings to the legislature before September 1, 2014.

Senate Bill 194 Senate Author: West
Effective: 9-1-13 House Sponsor: Coleman

Senate Bill 194 amends the Local Government Code to require a county commissioners court to adopt infrastructure standards that require at least two means of ingress and egress in certain residential subdivisions.

Senate Bill 223 Senate Author: Watson
Effective: 5-10-13 House Sponsor: Cortez et al.

Senate Bill 223 amends the Transportation Code to require the Department of Public Safety to designate vehicles of the Texas Division of Emergency Management that may be operated as authorized emergency vehicles.

Senate Bill 628 Senate Author: Watson et al. House Sponsor: Workman et al.

Senate Bill 628, to be known as the Regional Emergency Communications Act, amends the Health and Safety Code to authorize the governing bodies of each county and the principal municipality, in a region with a population of more than 1.5 million and composed of counties and municipalities that operate a 9-1-1 system solely through a regional planning commission, to adopt a resolution approving the creation of a regional emergency communications district and the county's or municipality's participation in the district. The bill designates such a district as a political subdivision of this state to carry out essential governmental functions and sets out provisions defining the territory of such a district and relating to the administration of a district.

Senate Bill 628 requires a district to provide 9-1-1 service to each participating jurisdiction, establishes that the digits 9-1-1 are the primary emergency telephone number in the district, and requires a 9-1-1 system to be capable of transmitting requests for emergency aid. The bill authorizes a district's board of managers to impose a 9-1-1 emergency service fee on service users in the district and sets out provisions relating to the imposition and collection of the fee. The bill sets out procedures for the dissolution of a district.

Senate Bill 628 authorizes a district's board of managers to issue bonds in the name of the district and sets out provisions relating to such bonds. The bill exempts from taxation a bond issued by a district, any transaction relating to a bond, and profits made in the sale or redemption of the bond.

Senate Bill 1010 Senate Author: Taylor

Effective: 9-1-13 House Sponsor: Bonnen, Greg

Senate Bill 1010 amends the Health and Safety Code to prohibit the owner, manager, or operator of a public facility, public conveyance, or public mode of transportation, or such a person's employee or agent, from denying admittance to a search and rescue dog, or the dog's handler, because of the dog's presence, or from requiring the handler to pay an additional fare, as applicable, because of the dog. The bill establishes the conduct that constitutes discrimination against a search and rescue dog or the dog's handler and prohibits a policy relating to the use of a public facility by certain persons from banning such a dog or handler from using that facility. The bill entitles a search and rescue dog's handler to full and equal access to all housing accommodations in Texas in the same manner as other members of the general public and prohibits the handler from being required to pay an extra fee, charge, or deposit for the dog. The bill makes it a misdemeanor offense punishable by a fine to discriminate against a search and rescue dog or the dog's handler and establishes a defense to prosecution if the actor requested the handler's credentials and the handler failed to provide the credentials. The bill establishes a handler's responsibilities in accompanying a search and rescue dog and provides for the civil liability of a handler, a local governmental unit, and a public servant with respect to search and rescue dogs. The bill authorizes a person to ask a handler to display proof that the handler is a person with a certification issued by a state or nationally recognized search and rescue agency.

Senate Bill 1086 Senate Author: Campbell et al. Effective: 9-1-13 House Sponsor: Isaac

Senate Bill 1086 amends the Health and Safety Code to establish provisions regarding fire hydrant flow and pressure standards applicable to a municipality with a population of more than 7,000 and less than 30,000 located in a county with a population of more than 155,000 and less than 180,000, and applicable to a municipality with a population of more than 11,000 and less than 18,000 located in a county with a population of more than 125,000 and less than 230,000. The bill requires the governing body of an applicable municipality to adopt certain standards requiring a utility to maintain a sufficient water flow and pressure to fire hydrants in a residential area or an industrial district located in the municipality or the municipality's extraterritorial jurisdiction. The bill sets out related provisions regarding applicable fire hydrants and related infrastructure, a memorandum of understanding between a utility and an emergency services district for fire hydrant testing and maintenance, the painting of fire hydrants, and immunity from liability.

Senate Bill 1086 expands the applicability of statutory provisions requiring the regulatory authority for a public utility to adopt standards for installing fire hydrants and maintaining sufficient water pressure to fire hydrants adequate to protect public safety in residential areas to include the previously described municipalities.

Senate Bill 1267

Effective: 5-10-13

Senate Author: Nichols
House Sponsor: Clardy et al.

Senate Bill 1267 amends the Education Code to grant an individual providing labor or assistance to the Texas Forest Service in the performance of certain fire suppression duties

#### **Emergency Response**

on privately owned land immunity from liability for civil damages, including personal injury, wrongful death, property damage, 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 proximately caused the loss and was performed with malice or constitutes gross negligence, recklessness, or intentional misconduct.

The summaries for the following bills are in the listed chapters: House Bill 746 - Health and Medical Occupations House Bill 3556 - Health and Medical Occupations Senate Bill 809 - Utilities

# **Energy Resources**

This chapter covers legislation relating to oil and gas and related operations, as well as legislation on energy efficiency, conservation, and clean energy projects. Legislation relating to electric, natural gas, and liquefied petroleum gas utilities is in the **Utilities** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 2446 House Author: Crownover et al.

Effective: 6-14-13 Senate Sponsor: Estes

House Bill 2446 transfers provisions relating to franchise tax credits for clean energy projects from the Government Code to the Tax Code. Previous law capped the amount of the franchise tax credit claimed for a report year at the amount of franchise tax attributable to the clean energy project for that report year. The bill instead caps the total credit that a taxable entity may claim for a report at the amount of franchise tax due by the taxable entity for the report after any applicable tax credits. The bill authorizes a taxable entity that is eligible to claim a credit that exceeds such cap to carry the unused credit forward for not more than 20 consecutive reports. The bill authorizes the entity designated in the certificate of compliance for a clean energy project to assign the credit to one or more taxable entities. The bill removes language providing for the calculation of the amount of the franchise tax credit for each report year. Previous law authorized the comptroller of public accounts to start issuing credits for clean energy projects on September 1, 2013. The bill moves that date to the later of September 1, 2018, or the expiration of an agreement under the Texas Economic Development Act regarding the clean energy project for which the credit is issued.

House Bill 2446 amends the Health and Safety Code to redefine "advanced clean energy project" under the Texas Clean Air Act to include certain natural gas projects.

House Bill 2446 amends the Natural Resources Code to redefine "clean energy project," as applicable to provisions relating to the verification, monitoring, and certification of such a project, to add a project to construct a natural gas-fueled electric generating facility. The bill prohibits an entity from submitting an application for certification of a project as a clean energy project before September 1, 2018, and authorizes only one clean energy project under a certificate of compliance to be a natural gas project.

Senate Bill 385 Senate Author: Carona Effective: 6-14-13 House Sponsor: Keffer

Senate Bill 385 establishes the Property Assessed Clean Energy Act in the Local Government Code to provide for the establishment of a program by a municipality or county that allows the municipality or county to enter into a written contract with a record owner of real property in a designated region to impose an assessment to repay the owner's financing of a qualified project on the owner's property. The bill provides for financing by a third party or the local government. The bill defines a qualified project as the installation or modification of a permanent improvement fixed to real property and intended to decrease water or energy consumption or demand. The bill limits its scope to privately owned commercial or industrial real property or residential real property with five or more dwelling units.

Senate Bill 385 sets out provisions regarding the designation of a region and the procedure for the establishment of a program and authorizes the local government to impose certain fees to offset the costs of administering the program. The bill sets out additional provisions relating

to, among other things, a required report for a proposed program and a required review for each proposed qualified project. The bill establishes that a contractual assessment under its provisions and any interest or penalties on the assessment is a first and prior lien against the real property on which the assessment is imposed, authorizes the local government to issue bonds or notes to finance qualified projects, and provides for the joint implementation of a program by a combination of local governments.

Senate Bill 514 Senate Author: Davis Effective: 6-14-13 House Sponsor: Wu

Senate Bill 514 amends the Natural Resources Code to entitle a saltwater pipeline operator to install, maintain, and operate a saltwater pipeline facility on a public road under specified conditions. The bill grants the Texas Transportation Commission, the commissioners court of a county, and the governing body of a municipality certain authority to require an operator to relocate such a facility at the operator's expense to accommodate a public work.

Senate Bill 533 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Keffer

Senate Bill 533 amends the Education Code and Government Code to require guidelines for awarding energy savings performance contracts at institutions of higher education and state agencies, respectively, to require the Texas Higher Education Coordinating Board and the State Energy Conservation Office, as applicable, to review any reports submitted to the coordinating board or office that measure and verify cost savings to an institution of higher education or state agency under such a contract, and to provide a periodic analysis based on the reports of those cost savings to the institution's governing board or state agency and the Legislative Budget Board until the analysis is no longer required to accurately measure cost savings.

**Senate Bill 900 Senate Author:** Fraser **Effective:** 9-1-13 **House Sponsor:** Wu

Senate Bill 900 amends the Natural Resources Code and the Utilities Code regarding the amounts of the administrative, civil, and criminal penalties for violating certain statutes under the jurisdiction of, rules or orders adopted by, or licenses, permits, or certificates issued by the Railroad Commission of Texas. The bill, among other things, increases the cap on certain penalties, including penalties specifically related to pipeline safety violations, and sets or increases caps on the maximum penalty for a related series of certain violations. Affected violations and offenses include the following:

- a violation of oil and gas provisions relating to safety or to the prevention or control of pollution;
- a violation of provisions governing the hazardous liquid or carbon dioxide pipeline transportation industry;
- the offense of intentionally violating provisions governing the hazardous liquid or carbon dioxide pipeline transportation industry or a related rule;
- the offense of intentionally injuring or destroying a pipeline facility;
- a violation of a safety standard adopted under provisions relating to gas pipeline safety;
- a violation of provisions relating to railroad commission safety rules regarding gas pipeline safety;
- a violation by a gas utility of gas pipeline provisions or a failure of the utility to perform a duty under those provisions or to comply with a railroad commission order;

- a violation by a gas utility of gas pipeline provisions, or a failure of the utility to perform
  a duty under those provisions or to comply with a railroad commission order, relating to
  pollution or public safety; and
- an offense by certain applicable persons relating to a wilful violation of provisions governing gas pipelines or the gas utility pipeline tax.

Senate Bill 900 establishes that a person who owns a natural gas pipeline, a liquefied natural gas pipeline, or an underground storage facility is not a gas utility under the same conditions that a person operating such a pipeline or facility is not a gas utility under provisions relating to the transportation of natural gas to and from a liquefied natural gas marine terminal. The bill specifies that such provisions do not create an exception to the applicability of a pipeline safety requirement provided under gas pipeline provisions or a penalty for a violation of such a requirement.

**Senate Bill 901 Senate Author:** Fraser **Effective:** 9-1-13 **House Sponsor:** Paddie

Senate Bill 901 amends the Natural Resources Code, Utilities Code, and Water Code to update certain references to federal law regarding natural gas underground storage facilities, pipeline transportation of hazardous liquids or carbon dioxide and related facilities, hazardous liquid salt dome storage facilities, gas pipelines and related facilities, and underground and aboveground storage tanks. The bill redefines "hazardous liquid" as applicable to provisions relating to the hazardous liquid or carbon dioxide pipeline transportation industry to include nonpetroleum fuel that is flammable, toxic, or corrosive or would be harmful to the environment if released in significant quantities.

Senate Bill 1063 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Kolkhorst

Senate Bill 1063 amends the Public Facility Corporation Act in the Local Government Code to specify that natural gas purchased by a public facility corporation for resale to a local government under an interlocal cooperation contract between the sponsor and the local government is considered a public facility for the purposes of the act.

#### **Fossil Fuels**

House Bill 878 House Author: Crownover et al. Effective: 9-1-13 Senate Sponsor: Estes

Previous law required a well operator to file with the Railroad Commission of Texas a copy of a basic electric log run after September 1, 1985, in conjunction with the drilling or deepening of an applicable well. House Bill 878 amends the Natural Resources Code to instead require such an operator to file with the railroad commission a copy of each electric log run after September 1, 2013, in conjunction with the drilling or deepening of such a well. The bill provides for the electronic filing of an electric log and for the filing of a copy of a cased hole log in lieu of an electric log. The bill also specifies that nothing in provisions relating to electric logs requires an operator to run an electric log in conjunction with the drilling or deepening of a well.

House Bill 878 increases the period that an electric log remains confidential under a request for confidentiality from a period of one year after the date that the drilling operation was completed to a period of three years after such date if the well is an onshore well or, if the well is a bay or offshore well, a period of five years after such date. The bill repeals provisions providing for an extension of a period of confidentiality.

#### **Energy Resources**

Previous law authorized the railroad commission, if an operator failed to file a required electric log, to refuse to assign an allowable or a change in allowable for production from the well for which the electric log is required until the operator filed the electric log with the railroad commission. House Bill 878 makes that authorization contingent on the well being completed as a producing well and authorizes the railroad commission to alternatively impose an administrative penalty on the operator for each well for which the operator failed to file an electric log.

**House Bill 2571 Effective:** 9-1-13 **House Author:** Keffer **Senate Sponsor:** Fraser

House Bill 2571 amends the Natural Resources Code to require a lessee of state land or minerals to produce information relating to the production, transportation, sale, and marketing of oil and gas requested by the commissioner of the General Land Office (GLO), the attorney general, or the governor by a certain deadline, with certain exceptions. The bill authorizes the commissioner to assess an administrative penalty against a lessee who fails to produce requested information in the required time by intentionally withholding information to which the GLO is legally entitled and sets out maximum daily penalties.

House Bill 2767 House Author: King, Phil et al. Effective: 9-1-13 Senate Sponsor: Estes

House Bill 2767 amends the Natural Resources Code to specify that, unless otherwise expressly provided by a legally binding document, when fluid oil and gas waste is transferred to a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use, the transferred material is considered to be the property of that person until the person transfers the waste or treated waste to another person for disposal or use. The bill further specifies that when a person who takes possession of fluid oil and gas waste for the purpose of treating the waste for a subsequent beneficial use transfers possession of the treated product or any treatment byproduct to another person for the purpose of subsequent disposal or beneficial use, the transferred product or byproduct is considered to be the property of the person to whom the material is transferred. The bill requires the Railroad Commission of Texas to adopt rules to govern the treatment and beneficial use of oil and gas waste and sets out related tort liability provisions.

House Bill 2982 House Author: Keffer Effective: 9-1-13 Senate Sponsor: Duncan

House Bill 2982 amends the Natural Resources Code to require safety standard rules of the Railroad Commission of Texas that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and to related facilities in rural locations to be based only on the risks the transportation and the facilities present to the public safety, with certain exceptions to maintain federal compliance and delegation. The bill removes language exempting the movement of hazardous liquids or carbon dioxide through gathering lines in rural locations from rules that adopt safety standards.

House Bill 2982 amends the Utilities Code to authorize the railroad commission by rule to establish certain safety standards and practices for gathering facilities and transportation activities in Class 1 locations.

House Bill 2982 authorizes the railroad commission to implement the bill's provisions only for certain specified purposes before September 1, 2015.

House Bill 3309 Effective: 9-1-13 House Author: Crownover Senate Sponsor: Estes

House Bill 3309 amends the Natural Resources Code to include in the composition of the oil and gas regulation and cleanup fund fees collected by the Railroad Commission of Texas for issuing a letter of determination regarding the total depth of surface casing required for a proposed oil or gas well. The bill specifies as a purpose of the fund the study and evaluation of electronic access to geologic data and surface casing depths necessary to protect usable groundwater in Texas.

Previous law provided for the collection of oil-field cleanup regulatory fees on oil and gas until the fund reached \$20 million and provided for the resumption of such collection when the fund fell below \$10 million. House Bill 3309 changes these threshold amounts to \$30 million and \$25 million, respectively.

The summaries for the following bills are in the listed chapters:

House Bill 2500 - Taxes and Tax Administration House Bill 2712 - Taxes and Tax Administration



### **Environment**

This chapter covers legislation on issues relating to environmental protection and regulation, including air and water quality, soil decontamination, waste disposal and recycling, and coastal management. Legislation on clean energy projects is in the **Energy Resources** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

### General

House Bill 622 House Author: Eiland Effective: 6-14-13 Senate Sponsor: Hegar

House Bill 622 amends the Natural Resources Code to make the General Land Office's report to the legislature on the effectiveness of the coastal management program biennial rather than annual.

House Bill 1079 House Author: Smith et al.

Effective: 6-14-13 Senate Sponsor: Hancock et al.

House Bill 1079 amends the Injection Well Act in the Water Code to require a new, amended, or renewed permit for the construction and operation of injection wells for mining of uranium to incorporate a table of pre-mining low and high values representing the range of groundwater quality within the permit boundary and area of review for each water quality parameter used to measure groundwater restoration in a restoration table required by the Texas Commission on Environmental Quality. The bill sets out criteria for establishing the values in the permit range table.

House Bill 1079 requires, if a restoration table value for a proposed or amended authorization to conduct mining and restoration activities in production zones within the boundary established in an injection well permit for mining of uranium exceeds the range listed in the permit range table such that it falls above the upper limit of the range, that the value within the permit range table be used or that a major amendment to the permit range table be obtained, subject to an opportunity for a contested case hearing or the hearing requirements of the Administrative Procedure Act. The bill changes the conditions under which an application for an authorization is an uncontested matter not subject to either hearing requirement. Alternatively, the bill makes the first application for an authorization for a production zone located within the boundary of a permit subject to the requirements of the Administrative Procedure Act relating to an opportunity for a contested case hearing and sets out requirements for the contents of the first authorization application. The bill specifies the conditions under which a subsequent authorization application for a production zone that is located within the same permit boundary as a production zone for which a first authorization was issued is subject to an opportunity for a contested case hearing or the Administrative Procedure Act hearing requirements.

House Bill 2290 House Author: Lozano et al. Effective: 6-14-13 Senate Sponsor: Estes

House Bill 2290 amends the Water Code to authorize the Texas Commission on Environmental Quality to allow a tax exempt local government or charitable organization that receives money from a respondent to implement a supplemental environmental project to use a portion of the money, capped at 10 percent of the direct cost of the project, for administrative costs associated with implementing the project.

House Bill 3459 House Author: Eiland Effective: 9-1-13 Senate Sponsor: Taylor

House Bill 3459 amends the Natural Resources Code to authorize the commissioner of the General Land Office by order to suspend action on conducting a line of vegetation determination for a period of up to three years from the date the order is issued if the commissioner determines that the line of vegetation was obliterated as a result of a meteorological event. The bill requires a public beach to extend to a line 200 feet inland from the line of mean low tide as established by a licensed state land surveyor for the duration of the order and, following the expiration of such an order, requires the commissioner to make a determination regarding the line of vegetation and sets out provisions regarding the determination. The bill requires the line of vegetation, as determined by the commissioner, to constitute the landward boundary of the area subject to public easement until the line of vegetation moves landward due to a subsequent meteorological event, erosion, or public use, or until a final court adjudication establishes the line in another place.

House Bill 3459 establishes that the line of vegetation for an area of public beach in which there is no clearly marked line of vegetation is dynamic and may move landward or seaward due to the forces of erosion or natural accretion. The bill adds to the list of artificial changes in the natural vegetation of an area that do not affect the line of vegetation of a public beach.

House Bill 3459 extends from two to three years the period for which the commissioner by order is authorized to suspend the submission of a request that the attorney general file a suit to obtain a temporary or permanent court order or injunction to remove a house from a public beach if the commissioner makes certain determinations.

House Bill 3459 establishes legislative findings regarding the Galveston-Houston region and its exposure to potential catastrophic storm surge. The bill requires the legislature to establish a joint interim committee to conduct a study of the effectiveness of the bill's implementation and the feasibility and desirability of creating and maintaining a coastal barrier system in Texas and of authorizing coastal property owners to grant easements to governmental entities to construct and maintain stabilized dunes in connection with or separately from the system.

Senate Bill 875 Senate Author: Eltife Effective: 9-1-13 House Sponsor: Smith

Current law requires a person who is in the business of recycling, shredding, or destroying plastic bulk merchandise containers to verify the identity of the seller or the seller's representative by means of photo identification before purchasing five or more containers from the same person. Senate Bill 875 amends the Business & Commerce Code to provide, as an alternative means of verification, that the purchaser of the containers may verify, in a manner determined by the purchaser, that the individual is acting on behalf of a corporation, business, government, or governmental subdivision or agency.

Senate Bill 875 prohibits such a purchaser from paying cash to an individual for the purchase of a plastic bulk merchandise container unless the purchaser verifies that the seller is acting on behalf of a corporation, business, government, or governmental subdivision or agency and requires the purchaser to record the method of payment for each transaction in which one or more containers are purchased. The bill imposes a civil penalty of up to \$5,000 for each violation of these provisions.

Senate Bill 1300 Senate Author: Eltife et al. Effective: 9-1-13 House Sponsor: Lewis et al.

Senate Bill 1300 amends the Texas Environmental, Health, and Safety Audit Privilege Act to expand the definition of "environmental or health and safety audit" to include a systematic

voluntary evaluation, review, or assessment of compliance with environmental or health and safety laws or with any permit issued under an environmental or health and safety law conducted by a person, including an employee or independent contractor of the person, that is considering the acquisition of a regulated facility or operation. Among other provisions, the bill provides for requirements and procedures relating to an audit that a person who is considering the acquisition begins before becoming the owner of a regulated facility or operation and revises conditions under which voluntary disclosure of an audit report or any information generated by an environmental or health and safety audit does not waive the privilege established under the Texas Environmental, Health, and Safety Audit Privilege Act.

## **Air Quality**

House Bill 788 House Author: Smith et al. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 788 amends the Health and Safety Code to authorize the Texas Commission on Environmental Quality (TCEQ) to issue a permit authorizing greenhouse gas emissions. The bill limits TCEQ's authority to impose an annual operating permit fee for emissions of greenhouse gas to the extent the fees are necessary to cover TCEQ's additional reasonably necessary direct costs of implementing the permitting process for greenhouse gas emissions.

**House Bill 2859 Effective:** 9-1-13 **House Author:** Harless **Senate Sponsor:** Patrick

House Bill 2859 amends the Health and Safety Code to increase from \$5 million per fiscal year to \$7 million per fiscal year the cap on the amount of fees collected from vehicle emissions inspection and maintenance programs that may be used for vehicle-related local initiative projects under the Texas Clean Air Act. The bill limits the additional \$2 million per fiscal year to be used for projects for coordinating with local law enforcement officials to reduce the use of counterfeit state inspection stickers.

Senate Bill 1727 Senate Author: Deuell et al. House Sponsor: Isaac et al.

Senate Bill 1727 amends the Health and Safety Code to revise provisions of the Texas emissions reduction plan relating to the plan's uses. Among other provisions, the bill includes the clean fleet program, the alternative fueling facilities program, the natural gas vehicle grant program, the clean transportation triangle program, the drayage truck incentive program, and certain other Texas Commission on Environmental Quality (TCEQ) developed programs among the programs for which TCEQ and the comptroller of public accounts are required to provide grants and other funding under the Texas emissions reduction plan. The bill authorizes TCEQ to establish and administer other programs that meet the plan's requirements.

Senate Bill 1727 requires TCEQ to provide specific eligibility requirements under the Texas clean fleet program and under the Texas natural gas vehicle grant program for projects relating to agricultural product transportation. The bill authorizes TCEQ to establish certain alternative minimum percentage reduction standards as an incentive for the conversion of heavy-duty diesel on-road vehicle engines or non-road engines to operate under a dual fuel configuration that uses natural gas and diesel fuels through a certified alternative fuel conversion system.

Senate Bill 1727 sets an expiration date of August 31, 2015, for the light-duty motor vehicle purchase or lease incentive program, limits the program to 2,000 vehicles for the state fiscal biennium beginning September 1, 2013, and revises certain provisions relating to the program,

including adding a \$2,500 incentive for an eligible new light-duty motor vehicle powered by compressed natural gas, liquefied petroleum gas, or electric drive. The bill also requires TCEQ to develop a purchase incentive program to encourage owners to replace drayage trucks with pre-2007 model year engines with newer drayage trucks.

Senate Bill 1727 revises the overall allocation of Texas emissions reduction plan funds, authorizes TCEQ to allocate unexpended money designated for certain programs, authorizes TCEQ to reallocate money designated for other programs, and authorizes money in the fund to be used by TCEQ for certain programs developed by TCEQ that lead to specified reduced emissions in a nonattainment area or affected county, that support congestion mitigation to reduce mobile source ozone precursor emissions, or that are necessary or effective in fulfilling TCEQ's duties and achieving its objectives, as may be appropriated for those programs. The bill requires TCEQ, if the legislature does not specify amounts or percentages from the total appropriation to be allocated to the plan's required programs, to determine the amounts of the total appropriations to be allocated to each of the required programs, such that the total appropriation is expended while maximizing emissions reductions.

Senate Bill 1727 revises the minimum capital expenditure threshold for new technology projects that reduce emissions of regulated pollutants from point sources to be considered for a grant under the new technology implementation grant program. The bill changes the required amount TCEQ awards for each vehicle being replaced under the Texas clean fleet program from an amount determined as certain percentages of the incremental cost for replacement to an amount that is an amount up to 80 percent of the total cost for replacement of a heavy-duty or light-duty diesel engine.

Senate Bill 1727 caps the amount of a standardized grant assigned under the grant schedule developed by TCEQ for the Texas natural gas vehicle grant program at 90 percent of the incremental cost of a natural gas vehicle purchase, lease, other commercial finance, or repowering, rather than limiting the grant to between 60 percent and 90 percent of such a cost.

Senate Bill 1727 includes nonattainment areas and affected counties of Texas among the areas for which TCEQ is required to award grants to support the development of a network of natural gas vehicle fueling stations. The bill removes a provision prohibiting TCEQ from awarding more than three station grants to any entity and raises the caps on grants for a compressed natural gas station, a liquefied natural gas station, and a station providing both liquefied and compressed natural gas. The bill further revises certain application requirements for such a grant.

Senate Bill 1727 requires TCEQ, for each eligible facility for which a recipient is awarded a grant under the alternative fueling facilities program, to award the grant in an amount equal to the lesser of 50 percent of the sum of the actual eligible costs incurred by the grant recipient within deadlines established by TCEQ to construct, reconstruct, or acquire the facility or \$600,000, rather than \$500,000.

Senate Bill 1756 Senate Author: Uresti House Sponsor: Villalba et al.

Senate Bill 1756 amends the Health and Safety Code to authorize an applicant to request the expedited processing of a permit application filed with the Texas Commission on Environmental Quality (TCEQ) under the Texas Clean Air Act if the applicant demonstrates that the purpose of the application will benefit the Texas economy. Among other provisions, the bill authorizes TCEQ to add a surcharge to an application fee for an expedited permit application in an amount sufficient to cover certain expenses relating to the expedited process.

### **Waste Disposal**

Senate Bill 347 Senate Author: Seliger Effective: 9-1-13 House Sponsor: Lewis

Senate Bill 347 amends the Health and Safety Code to establish the environmental radiation and perpetual care account in the general revenue fund and to require the Texas Commission on Environmental Quality (TCEQ) to deposit to the credit of the account money, security, and interest it receives under the Texas Radiation Control Act. The bill sets a \$100 million cap on the sum of the balances of the perpetual care account and the environmental radiation and perpetual care account, suspending the fees when this cap is reached and reinstating the fees when the sum of the balances falls to \$50 million or less. The bill authorizes TCEQ to provide for the decontamination, closure, decommissioning, reclamation, surveillance, or other care of a site or facility subject to TCEQ jurisdiction under the Texas Radiation Control Act.

Senate Bill 347, among other provisions, authorizes a compact waste disposal facility license holder, beginning September 1, 2015, to accept nonparty compact waste for disposal at the facility under certain conditions, authorizes TCEQ to assess an additional fee on a nonparty compact waste generator for failing to comply with volume reduction requirements, and revises provisions relating to certain fees.

Senate Bill 634 Senate Author: Davis et al. Effective: 9-1-13 House Sponsor: Collier

Senate Bill 634 amends the Health and Safety Code to define surface discharge from an on-site sewage disposal system as a public nuisance and to authorize a county to abate such a nuisance.

Senate Bill 819 Senate Author: Duncan House Sponsor: King, Susan

Senate Bill 819 amends the Health and Safety Code to raise from 10,000 to 12,000 the cap on the population of a county or municipality for which the Texas Commission on Environmental Quality may issue a permit authorizing the county's or municipality's governing body to dispose of demolition waste from certain abandoned or nuisance buildings.

The summaries for the following bills are in the listed chapters: House Bill 3233 - Water



# **Family Law**

This chapter covers legislation on issues relating to family law, the marriage relationship, spousal maintenance, child custody and support, parental rights, paternity, guardianship, adoption, foster care, family and domestic violence, child abuse and neglect, conservatorship, and child protective services. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Author: Ashby et al.

Senate Sponsor: Paxton

#### General

House Bill 869 Effective: 9-1-13

House Bill 869 amends Family Code provisions regarding marriage by proxy in Texas. The bill establishes that a person may assent to marriage by the appearance of an appointed proxy only if the person is a member of the armed forces of the United States stationed in another country in support of combat or another military operation and is unable to attend the ceremony. The bill amends a provision regarding a county clerk's authority to issue a marriage license for which both applicants are absent to remove a county clerk's authority to issue a license for applicants confined in a correctional facility and to update that authority regarding members of the armed forces as described by the bill. The bill revises the contents of the affidavit required to apply for a marriage by proxy to include a declaration regarding the specified military service and also revises Family Code and Health and Safety Code provisions regarding the maintenance and submission of records relating to a marriage license issued for an absent applicant.

House Bill 984 House Author: Elkins Effective: 9-1-13 Senate Sponsor: Huffman

House Bill 984 amends the Family Code to provide for an electronic form of certain health and education information required to be provided to an applicant for a marriage license.

House Bill 1366

House Author: Lucio III

Senate Sponsor: Rodriguez

Current law provides that certain interlocutory appeals stay the commencement of a trial in the trial court pending resolution of the appeal. House Bill 1366 amends the Civil Practice and Remedies Code to establish that an interlocutory appeal in a suit brought under the Family Code is an exception to this law.

House Bill 1366 amends the Family Code to specify that a waiver of the issuance or service of process executed by a party to a suit for the dissolution of a marriage is required to be sworn before a notary public who is not an attorney in the suit. The bill authorizes a court to award reasonable attorney's fees and expenses in a suit for the dissolution of a marriage and to order the fees and expenses and any postjudgment interest to be paid directly to the attorney who is authorized to enforce the order. The bill also shortens by four working days the deadline by which parties to certain suits affecting the parent-child relationship that are referred to associate judges must file a written request for a de novo hearing before the referring court and the deadline by which any other party to such a suit must file a request for a de novo hearing after the initial request was filed.

House Bill 2111 House Author: Strama Effective: 6-14-13 Senate Sponsor: Nelson

House Bill 2111 amends the Family Code to require, rather than authorize, the experiential life-skills training for youth transitioning from foster care to independent living who are age 14 or older to include training in certain practical activities but requires training in the use of public transportation only when appropriate. The bill requires a person with whom the Department of Family and Protective Services (DFPS) contracts for transitional living services for foster youth to provide or assist youth in obtaining services that will assist youth in developing skills in food preparation and nutrition education that promotes healthy food choices. The bill requires an entity with which DFPS contracts for transitional living services for foster youth, when appropriate, to partner with a community-based organization to assist the entity in providing the transitional living services.

**House Bill 2619 Effective:** 9-1-13 **House Author:** Naishtat **Senate Sponsor:** West et al.

House Bill 2619 amends provisions of the Family Code and the Education Code to establish procedures for determining and addressing the educational needs of children in the conservatorship of the Department of Family and Protective Services (DFPS). Among other provisions, the bill prescribes the role of a child's guardian ad litem or an attorney ad litem in determining whether the child's educational needs and goals have been identified and addressed, provides for the appointment of a surrogate parent for a child in the conservatorship of DFPS who is eligible to participate in a school district's special education program, and establishes requirements for notifying the court of persons designated or appointed to represent a child for purposes of special education services decision-making. The bill includes determinations regarding a child's education decision-maker and the child's education needs and goals as duties of the court during each permanency hearing and requires DFPS to develop a plan to ensure the educational stability of a foster child.

Current law entitles an enrolled high school student who is placed in temporary foster care by DFPS at a residence outside the attendance area for the school or outside the school district to complete high school at the school in which the student was enrolled at the time of the placement without payment of tuition. House Bill 2619 extends this entitlement to allow such a student enrolled in a primary or secondary public school to continue attending that school until the student successfully completes the school's highest grade level. The bill changes the deadline by which the school records for a student in substitute care are required to be transferred to the student's new school and expands the required duties of the Texas Education Agency in assisting with a student's transition from one school to another. The bill requires a school district to excuse a student who is a child in DFPS conservatorship from attending school for attending a mental health or therapy appointment or a specified court-ordered family visitation.

Senate Bill 330 Senate Author: Huffman et al.

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 330 amends the Family Code to entitle a social study evaluator to obtain from the Department of Family and Protective Services (DFPS) a complete, unredacted copy of any investigative record regarding abuse or neglect that relates to any person residing in the residence subject to the social study. The bill makes the records confidential and exempt from disclosure under state public information law or disclosure in response to a subpoena or a discovery request, but authorizes disclosure in the social study report of information obtained

to the extent the evaluator determines the information is relevant to the social study or a recommendation made in relation to a social study. The bill makes it a Class A misdemeanor offense for a person to disclose confidential information obtained from DFPS.

Senate Bill 717 Senate Author: West Effective: 6-14-13 House Sponsor: Naishtat

Senate Bill 717 amends the Family Code to authorize a minor to consent to housing or care provided to the minor or the minor's child or children, if any, through a transitional living program if the minor is 16 years of age or older and resides separate and apart from the minor's parent, managing conservator, or guardian and manages the minor's own financial affairs or if the minor is unmarried and pregnant or the parent of a child. The bill authorizes a transitional living program, with or without the consent of the parent, managing conservator, or guardian, to provide housing or care to the minor or the minor's child or children. The bill sets out notification requirements for the transitional living program regarding the minor's location and establishes provisions relating to the liability of a transitional living program.

Senate Bill 1317 Senate Author: Whitmire

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 1317 amends the Family Code to authorize a retired judge of a municipal court and a retired judge or magistrate of a federal court of Texas to conduct a marriage ceremony. The bill extends the validity of a marriage license from 30 days to 89 days after the license issuance date.

Senate Bill 1589
Senate Author: Zaffirini et al.
House Sponsor: Dukes

Senate Bill 1589 amends the Family Code to require the experiential life-skills training that a foster care provider is required to provide or assist youth who are age 14 or older in obtaining in order to improve their transition to independent living to include a financial literacy education program. The bill sets out specific content requirements for the instruction to be included in such a program; requires the program to assist a youth who has a source of income to establish a savings plan and, if available, a savings account that the youth can independently manage; and adds assisting a youth who is at least 18 years of age and who has a source of income in obtaining a savings or checking account to the services required to be provided by a person with whom the Department of Family and Protective Services contracts for transitional living services for foster youth.

## **Child Custody and Parental Rights**

House Bill 845 House Author: Lucio III Effective: 9-1-13 Senate Sponsor: West

House Bill 845 amends Family Code provisions relating to standard court orders for possession of a child in suits affecting the parent-child relationship. The bill specifies that written notice for purposes of such possession may be provided by e-mail or facsimile. The bill provides additional alternative beginning and ending possession times under the standard possession schedule for Mother's Day weekend and for Thursdays and weekends during the regular school term. The bill also repeals provisions relating to a petition by a conservator for additional periods of possession of or access to a child after the conclusion of the conservator's military deployment.

House Bill 1185 House Author: Thompson, Senfronia et al.

Effective: 9-1-13 Senate Sponsor: Hancock

House Bill 1185 repeals the Family Code provision that required relevant records relating to a child obtained by an attorney ad litem for the child, a guardian ad litem for the child, or an amicus attorney in certain suits affecting the parent-child relationship to be destroyed on termination of the representative's appointment.

House Bill 1206 House Author: Parker et al. Effective: 9-1-13 Senate Sponsor: Huffman

House Bill 1206 amends the Code of Criminal Procedure to require a local law enforcement agency, on receiving a report of a missing child taken or retained without the permission of the child's legal custodian for a period of not less than 48 hours, to immediately make a reasonable effort to locate the child and determine the child's well-being. The bill requires the agency, on determining the location of the child, if the agency has reason to believe that the child is a victim of abuse or neglect, to notify the Department of Family and Protective Services (DFPS) and authorizes the agency to take possession of the child. The bill authorizes DFPS, on receiving the agency's notice, to initiate an investigation into the allegation of abuse or neglect and to take possession of the child.

Senate Bill 429 Senate Author: Nelson House Sponsor: Raymond

Senate Bill 429 amends the Family Code to require a court, before approving a dismissal or nonsuit of a suit to terminate the parent-child relationship filed by the Department of Family and Protective Services, to consider whether the dismissal is in the best interest of each child affected by the suit and whether any orders for the conservatorship, possession of or access to, or support of each child affected by the suit continue in effect after the dismissal or nonsuit. The bill authorizes the court, before approving a dismissal or nonsuit of such a suit, to render an order for the conservatorship, possession of or access to, or support of each child affected by the suit that will continue in effect after the dismissal or nonsuit of the suit to terminate the parent-child relationship.

Reason Given for Veto: "S.B. 429 would create another law to address an issue judges already have the ability to address. The Texas Family Code already authorizes judges in suits affecting the parent-child relationship to consider whether a child custody or child support order is appropriate to protect the child's best interest."

Senate Bill 1422 Senate Author: West House Sponsor: King, Ken

Senate Bill 1422 amends the Family Code to establish that a digitized signature on an original petition or any other pleading or order in a suit affecting the parent-child relationship satisfies the requirements for and imposes the duties of signatories to pleadings, motions, and other papers identified under Rule 13, Texas Rules of Civil Procedure.

**Senate Bill 1759 Senate Author:** Uresti **Effective:** 9-1-13 **House Sponsor:** Lewis

Senate Bill 1759 amends Family Code provisions relating to the procedures for the appointment of and the duties of attorneys ad litem in certain suits affecting the parent-child relationship. The bill requires a court to appoint an attorney ad litem to represent the interests of certain parents in a child protection case in which the appointment of a conservator for the child is requested. The bill repeals the requirement for a court to appoint an attorney ad litem

in a suit by a governmental entity requesting temporary managing conservatorship of a child to represent the interests of an indigent parent who responds in opposition to the suit. The bill also establishes the powers and duties of an attorney ad litem appointed to represent the interests of a parent whose identity or location is unknown or who has been served by citation by publication.

Senate Bill 1759 requires a temporary restraining order or attachment of a child rendered in a suit by a governmental entity for an emergency order authorizing possession of the child to contain a specified statement regarding a person's right to counsel. The bill also sets out provisions regarding notice to each parent not represented by an attorney of the right to counsel and, if indigent, the right to a court-appointed attorney in certain adversary, status, and placement review hearings and establishes procedures to request such an appointment.

Among other provisions, Senate Bill 1759 revises the continuing legal education required for an attorney ad litem appointed for a child in a child protection proceeding and requires an attorney on the list maintained by the court as being qualified for appointment as an attorney ad litem for a child or parent, as applicable, in a child protection case to annually complete certain continuing legal education relating to the representation of a child or parent in such a proceeding.

## Divorce, Child Support, and Spousal Maintenance

House Bill 154 House Author: Taylor et al. Effective: 6-14-13 Senate Sponsor: West

Current law authorizes a man who, without obtaining genetic testing, either has signed an acknowledgment of paternity or is adjudicated to be the father of a child to file suit for termination of the petitioner's parent-child relationship. House Bill 154 amends the Family Code to extend the deadline to file such a suit to not later than the second anniversary of the date on which the petitioner becomes aware of the facts alleged in the petition indicating the petitioner is not the child's genetic father. The bill establishes that an order terminating the parent-child relationship based on the results of genetic testing, in addition to ending the petitioner's obligation for future child support as of the date the order is rendered, ends the petitioner's obligation to pay interest that accrues after that date on the basis of a child support arrearage or money judgment for a child support arrearage existing on that date.

House Bill 389 House Author: Thompson, Senfronia Effective: 9-1-13 Senate Sponsor: Rodriguez

House Bill 389 amends the Family Code to specify that the agreement for payment of maintenance that is enforceable by contempt is an agreement for periodic payments of spousal maintenance and to prohibit the enforcement by contempt of any provision of an agreed order for maintenance exceeding the amount of periodic support a court could have ordered. The bill authorizes a court to order income withholding in a proceeding in which there is a court-approved agreement for periodic payments of spousal maintenance voluntarily entered into between the parties but prohibits such an order to the extent that any provision of the order exceeds the amount of periodic support the court could have ordered or for any period of maintenance beyond the period the court could have ordered. The bill also specifies that a division of property and any contractual provisions under the terms of a court-approved agreement incident to divorce or annulment are enforceable in the same manner as a division of property provided for in a decree of divorce or annulment. The bill updates relevant enforcement provisions to reflect this inclusion.

House Bill 847 Effective: 6-14-13 House Author: Lucio III Senate Sponsor: Rodriguez

House Bill 847 amends Family Code provisions relating to motions to enforce a final order in a suit affecting the parent-child relationship. The bill establishes that a court, in hearing such a motion, is not precluded from awarding court costs and reasonable attorney's fees to the movant upon finding that the respondent is not in contempt with regard to the underlying order. The bill repeals a provision prohibiting the court from finding a respondent in contempt for failure to pay child support under certain conditions and a provision authorizing the court to award the petitioner court costs and reasonable attorney's fees in a child support enforcement hearing under certain conditions.

House Bill 1846 Effective: 9-1-13 House Author: Carter Senate Sponsor: Paxton

House Bill 1846 amends the Family Code to prohibit a court or the office of the attorney general from staying a license suspension order for failure to pay child support based on an obligor's compliance with a reasonable payment schedule unless the obligor makes an immediate partial payment in an amount specified by the court or attorney general's office. The bill expands the conditions under which a licensing authority may accept an application for license issuance or renewal, after having received notice of the obligor's failure to pay child support for a certain period, to include notification that the obligor made an immediate payment toward the arrearages owed and established a satisfactory payment schedule for the remainder.

House Bill 2621 Effective: 1-1-14 House Author: Creighton et al. Senate Sponsor: Williams

House Bill 2621 amends the Estates Code, as effective January 1, 2014, to establish that a disclaimer made by a beneficiary who is a child support obligor of estate property that could be applied to satisfy the beneficiary's child support obligation is not effective if the beneficiary owes child support arrearages that have been administratively determined by the office of the attorney general in a child support case or that have been confirmed and reduced to judgment. The bill authorizes the child support obligee to whom the arrearages are owed, after distribution of estate property to such a beneficiary, to enforce the child support obligation by a lien or by any other remedy provided by law. The bill also requires a disclaimer of estate property receivable by a beneficiary to include a statement regarding whether the beneficiary is a child support obligor described by the bill's provisions.

House Bill 3017 Effective: 9-1-13 House Author: Moody et al. Senate Sponsor: Van de Putte

House Bill 3017 amends Family Code provisions relating to the calculation of net resources for the purpose of determining child support liability. The bill includes U.S. Department of Veterans Affairs disability benefits, other than non-service-connected disability pension benefits, among the types of income considered resources. The bill authorizes a court, in determining whether an obligor is intentionally unemployed or underemployed, to consider evidence that the obligor is a veteran who is seeking or has been awarded either veteran disability benefits or non-service-connected disability pension benefits. The bill also updates language regarding the wage and salary presumption used in the absence of evidence of a party's resources.

Senate Bill 355

Effective: 9-1-13

Senate Author: West
House Sponsor: Lewis

Senate Bill 355 amends Family Code provisions relating to marriage licenses, protective orders, and child support to update and clarify the duties of the office of the attorney general. The bill removes a requirement that the premarital handbook developed by the child support division of the office of the attorney general be distributed to each marriage license applicant and instead requires a county clerk to inform each applicant of the online availability of the handbook or the process to obtain a paper copy. The bill requires an application for a protective order against family violence to state whether an applicant is receiving child support services from the office of the attorney general and, if the applicant is receiving such services, requires a copy of the order to be sent to the office of the attorney general. The bill also adds a statewide electronic filing system fund fee to the fees that may not be charged to the office of the attorney general or a private attorney or political subdivision that has entered into a contract to provide child support services.

Senate Bill 355 requires the office of the attorney general to make certain required income withholding for child support forms available to clerks of the court and requires the forms to be used for an order or judicial writ of income withholding and to request voluntary withholding. The bill requires an employer to remit all child support payments withheld from an employee's income to the state disbursement unit and authorizes the state disbursement unit to impose a payment processing surcharge of not more than \$25 for each such remittance that is not made by electronic funds transfer or electronic data interchange. The bill removes the requirement that the office of the attorney general notify the courts that the state disbursement unit has been established and revises related provisions regarding a notice of place of payment.

Senate Bill 355 authorizes the office of the attorney general, in determining the appropriate amount of child support, to consider evidence of the factors a court is required to consider in determining whether application of the child support guidelines would be unjust or inappropriate. If a determination is made to deviate from the guidelines, the child support review order must include the findings required to be made by a court in rendering a child support order. The bill authorizes, rather than requires, the office of the attorney general to file an appropriate child support review order under specified conditions and establishes that, if a party files a motion for a new trial for reconsideration of an agreed child support review order and the court grants the motion, the agreed review order filed with the clerk constitutes a sufficient pleading by the office of the attorney general for relief on any issue addressed in the order. Finally, the bill specifies that, in the enforcement or modification of a child support order, the office of the attorney general is not subject to a mediation or arbitration clause or requirement in the order to which the office of the attorney general was not a party and is not liable for any costs associated with mediation or arbitration arising from provisions in the order or another agreement of the parties.

## Domestic Violence, Child Abuse and Neglect, and Child Protection Services

House Bill 748 House Author: Raymond Effective: 6-14-13 Senate Sponsor: Nelson

House Bill 748 amends the Human Resources Code to require the Department of Family and Protective Services (DFPS) to apply for and actively pursue a waiver as authorized by the federal Child and Family Services Improvement and Innovation Act to allow DFPS to use funds available under the Social Security Act to conduct demonstration projects to accomplish one

or more specified goals relating to permanency for children in foster care, positive outcomes for infants, children, and families, the prevention of child abuse and neglect, and the reentry of children into foster care.

House Bill 843 House Author: Lucio III et al. Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 843 amends the Family Code to entitle a child for whom the Department of Family and Protective Services (DFPS) has been appointed temporary managing conservator to at least 10 days' notice of a permanency hearing regarding the child and to present evidence and be heard at the hearing if the child is 10 years of age or older or the court determines it is appropriate for the child to receive notice. The bill entitles a child for whom DFPS has been named managing conservator in a final order that does not include termination of parental rights to the same notice of a placement review hearing regarding the child and to present evidence and be heard at the hearing under the same conditions.

House Bill 915 House Author: Kolkhorst et al. Senate Sponsor: Nelson et al.

House Bill 915 amends provisions of the Family Code relating to the administration and monitoring of health care provided to foster children. The bill requires a guardian ad litem and an attorney ad litem appointed for a child in certain suits affecting the parent-child relationship to review the medical care provided to the child, to seek to elicit the child's opinion of the medical care provided, and in some instances, to advise a child of at least 16 years of age regarding the child's right to request to consent to the child's own medical care. The bill requires a court at each permanency hearing and at each placement review hearing to take certain actions or make determinations regarding the child's medical care, the child's opinion of the medical care provided, and, if the child is receiving psychotropic medication, the provision of medical care relating to that medication.

House Bill 915 requires the Department of Family and Protective Services (DFPS) to ensure that the transition plan for a youth in foster care taking prescription medication includes provisions relating to managing the use of the medication and managing the child's long-term physical and mental health needs after leaving foster care. The bill establishes training requirements for a person authorized to consent to medical care provided to a foster child related to the administration of psychotropic medication. The bill establishes the conditions under which consent to the administration of a psychotropic medication is valid for a child in foster care and sets out requirements for notification of a foster child's parents regarding a psychotropic medication prescribed to the child. The bill requires the court-reviewed summary of the medical care provided to a child to include information regarding non-pharmacological interventions that have been provided to a foster child receiving psychotropic medication and office visits with the prescribing medical professional and requires the person authorized to consent to medical treatment for such a foster child to ensure that the child has been seen by the prescribing medical professional at least once every 90 days.

House Bill 915 amends the Government Code to require the system implemented to monitor the prescribing of psychotropic drugs for certain children to include children in the conservatorship of DFPS who are eligible for both Medicaid and Medicare and children under the supervision of DFPS through an agreement under the Interstate Compact on the Placement of Children.

House Bill 1205 House Author: Parker et al. Effective: 9-1-13 Senate Sponsor: Carona

House Bill 1205 amends the Family Code to clarify the conduct that constitutes an offense relating to failure of a person to report abuse or neglect of a child. The bill makes it a Class A misdemeanor offense for certain specified professionals to knowingly fail to make such a report and enhances the penalty for such an offense to a state jail felony if it is shown on trial of the offense that the actor intended to conceal the abuse or neglect.

House Bill 1227 House Author: Dukes

Effective: 9-1-13 Senate Sponsor: Williams et al.

House Bill 1227 amends the Family Code to require the Department of Family and Protective Services (DFPS), subject to the availability of money, to develop an Internet application that allows a court-appointed volunteer advocate representing a child in the managing conservatorship of DFPS to access the child's case file through the department's automated case tracking and information management system and to add the volunteer advocate's findings and reports to the child's case file. The bill requires the court-appointed volunteer advocate to maintain the required confidentiality for the information accessed by the advocate through the system. The bill authorizes DFPS to use money appropriated to DFPS and money received as a gift, grant, or donation to pay for the costs of developing and maintaining the Internet application and authorizes DFPS to solicit and accept gifts, grants, and donations for such purposes. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules necessary to implement the bill's provisions.

House Bill 1228 House Author: Dukes et al. Senate Sponsor: Davis et al.

House Bill 1228 amends the Family Code to require a court to consider evidence of sexual abuse in certain suits affecting the parent-child relationship that involve conservatorship, possession, and access. The bill modifies a court's authority to terminate parental rights upon finding that a parent was convicted of an offense of continuous sexual abuse of a young child, sexual assault, aggravated sexual assault, or prohibited sexual conduct and that a child was conceived as a direct result of the parent's commission of the offense by making the court's authority conditional upon the parent being married to or cohabiting with the other parent for the two years after the child's birth. The bill adds a requirement for a court to terminate parental rights if it finds by clear and convincing evidence that a parent has engaged in conduct constituting a sexual offense described above, a child was conceived as a direct result of the conduct, and termination is in the best interest of the child. The bill authorizes a court to order a financially able person whose parental rights have been terminated with respect to a child conceived as a direct result of the conduct to pay child support.

House Bill 2620 House Author: Collier et al. Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 2620 amends the Health and Safety Code to create the task force on domestic violence, composed of 25 members appointed by the executive commissioner of the Health and Human Services Commission. The bill provides for the appointment of a presiding officer, establishes the duties of the task force, and requires the task force to submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, certain members of the legislature, and certain state officials containing the findings and legislative, policy, and research recommendations of the task force and a description of the activities of the task force. The task force is abolished January 1, 2016.

House Bill 3259 House Author: Wu

Effective: 9-1-13 Senate Sponsor: Huffman

House Bill 3259 amends the Family Code to require the records relating to the history of a child that the prospective adoptive parents of the child are entitled to examine to 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. The bill requires the Department of Family and Protective Services to provide such information to the prospective adoptive parents of the child at the request of a licensed child-placing agency or other person placing the child for adoption who does not have the information. The bill replaces references to audiotapes with references to audio recordings and references to videotaped interviews with references to video recordings of interviews in provisions relating to the release of a case record and the use, confidentiality, and ownership of certain information and records in an investigation of child abuse and neglect.

Senate Bill 44 Senate Author: Zaffirini et al. Effective: 9-1-13 House Sponsor: Burkett

Senate Bill 44 amends the Family Code to require the Department of Family and Protective Services (DFPS) to report the number of children who suffer from a severe emotional disturbance and for whom DFPS is appointed managing conservator because a person voluntarily relinquished custody of the child solely to obtain mental health services for the child. The bill requires DFPS to discuss with a person relinquishing custody of a child under such circumstances the option of seeking a court order for joint managing conservatorship of the child with DFPS if it is in the child's best interest. The bill requires DFPS and the Department of State Health Services (DSHS) to jointly study and develop recommendations to prevent the practice of parents relinquishing custody of children with a severe emotional disturbance and placement of children in the conservatorship of DFPS solely to obtain mental health services for the child and, as part of the study, to consider the advantages of providing mental health services using temporary residential treatment and intensive community-based services options. The bill requires the executive commissioner of the Health and Human Services Commission (HHSC) to review the recommendations developed by DFPS and DSHS and authorizes the executive commissioner to direct the implementation of any recommendation that can be implemented with DFPS's current resources. The bill sets out reporting requirements for DFPS and DSHS regarding the results of the study.

Senate Bill 44 amends the Government Code to expand the duties of the Council on Children and Families and requires the executive commissioner to review the council's recommendations relating to improving the system for serving families who relinquish, or are at risk of relinquishing, custody of a child solely to obtain mental health services for the child and direct implementation of any necessary policy changes that can be implemented using existing resources.

Senate Bill 66 Senate Author: Nelson
Effective: 9-1-13 House Sponsor: Laubenberg

Senate Bill 66 amends the Family Code to include an emergency medical services provider and a provider of services to, or an advocate for, victims of family violence among the members of the child fatality review team committee. The bill removes requirements that the committee issue a report for each preventable child death and publish an annual compilation of the reports and instead requires the committee to publish a biennial report containing aggregated child fatality data collected by local child fatality review teams, recommendations to prevent child fatalities and injuries, and recommendations on child protective services operations based on input from the child safety review subcommittee. The bill requires a copy of the report to be

submitted to the Department of State Health Services, in addition to other state agencies and officials, and requires a response to the committee's recommendations to be submitted October 1 of each even-numbered year.

Senate Bill 66 establishes the Protect Our Kids Commission to study the relationship between child protective services and child welfare services and the rate of child abuse and neglect fatalities. The bill sets out the commission's composition, additional duties, and reporting requirements.

Senate Bill 129 Effective: 6-14-13 Senate Author: Nelson et al. House Sponsor: Lewis

Senate Bill 129 amends the Family Code to expand the venue for filing an application for a protective order against family violence to include any county in which the family violence is alleged to have occurred.

Senate Bill 130 Effective: 6-14-13 Senate Author: Nelson et al. House Sponsor: Lewis

Under previous law, a prosecuting attorney representing a party in a family violence protective order proceeding was not precluded from representing the Department of Family and Protective Services (DFPS) in a subsequent action involving the party. Senate Bill 130 amends the Family Code to clarify that a prosecuting attorney, subject to the Texas Disciplinary Rules of Professional Conduct, is not precluded from representing a party in a family violence protective order proceeding and DFPS in any other action involving the party, regardless of whether the proceeding occurs before, concurrently with, or after the other action involving the party.

Senate Bill 245 Senate Author: West et al. Effective: 9-1-13 House Sponsor: Otto

Previous law established eligibility requirements for a public entity that operated as a children's advocacy center before November 1, 1995, or a nonprofit entity to enter into a contract with the statewide organization with which the Department of Family and Protective Services or the office of the attorney general contracts to provide training, technical assistance, and evaluation services for local children's advocacy center programs. Senate Bill 245 amends the Family Code to include among those eligibility requirements that an entity implement certain specified program components relating to a case tracking system, a child-focused setting, forensic interviews, certain support, specialized medical evaluation and treatment, mental health services, and the cultural competence and diversity of services available to center clients. The bill removes the requirement that a waiver of any eligibility requirement for a children's advocacy center granted by the statewide organization be identified in the written contract with the center.

Senate Bill 352 Senate Author: West

Effective: 9-1-13 House Sponsor: Gonzalez, Naomi

Senate Bill 352 amends the Family Code to require the Department of Family and Protective Services (DFPS), in a suit by a governmental entity to protect the health and safety of a child, to ensure that a parent who is otherwise entitled to possession of a child in the temporary conservatorship of DFPS and for whom the goal is parent-child reunification has an opportunity to visit the child not later than the third day after the date DFPS is named temporary managing conservator, except under certain conditions. The bill requires a temporary visitation schedule for the child's visits with each parent to be developed in collaboration with each parent before an adversary hearing in such a suit and a visitation plan to be developed not later than the

30th day after the date DFPS is named temporary managing conservator of the child. The bill provides for the amendment, review, modification, and implementation of a visitation plan by the court. The bill requires the court, in each permanency hearing in a review of the placement of a child under DFPS care, to review any visitation plan or amended plan and render any orders for visitation the court determines necessary.

Senate Bill 352 reenacts and amends a Government Code provision to entitle DFPS to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS that relates to a person who volunteers to supervise visitation under provisions relating to service plans and visitation plans for a child under DFPS care.

Senate Bill 423 Senate Author: Nelson House Sponsor: Raymond

Previous law required the Department of Family and Protective Services (DFPS) to establish a flexible response system to allow DFPS to screen out certain less serious cases of abuse and neglect and to administratively close those cases without providing services or making a referral to another entity for assistance. Senate Bill 423 amends the Family Code to require DFPS to conduct an alternative response to a report of abuse or neglect, as prescribed by the bill, if the report does not allege sexual abuse of a child, allege abuse or neglect that caused the death of a child, or indicate a risk of serious physical injury or immediate serious harm to a child. The bill establishes the circumstances under which DFPS is authorized to administratively close a reported case of abuse or neglect without completing the investigation or alternative response and without providing services or making a referral to another entity for assistance and authorizes DFPS to implement the alternative response in one or more DFPS administrative regions before implementing the system statewide.

Senate Bill 425 Senate Author: Nelson
Effective: 9-1-13 House Sponsor: Farney et al.

Senate Bill 425 amends the Family Code to require the Department of Family and Protective Services to consult with a child's caseworker, attorney ad litem, and guardian ad litem and any court-appointed volunteer advocate in making a decision regarding the placement of the child in contract residential care, rather than requiring consultation with only one of those individuals in making such a decision. The bill creates an exception to the requirement for an emergency placement that does not allow time for such consultations.

Senate Bill 430 Senate Author: Nelson House Sponsor: Guillen et al.

Senate Bill 430 amends the Family Code to require the Department of Family and Protective Services (DFPS) to implement a process to verify that each foster parent or relative or designated caregiver who is seeking monetary assistance or additional support services from DFPS for day care for a foster child or other child, as applicable, has attempted to find appropriate day-care services for the child through community services. The bill requires DFPS to specify the documentation the foster parent or relative or designated caregiver must provide to DFPS to demonstrate compliance. The bill prohibits DFPS from providing monetary assistance or additional support services to the foster parent or relative or designated caregiver, as applicable, for the day care without the required verification, unless DFPS determines the verification would prevent an emergency placement that is in the child's best interest.

Senate Bill 502 Effective: 9-1-13 **Senate Author:** West **House Sponsor:** Zerwas

Senate Bill 502 amends the Family Code to require the Department of Family and Protective Services (DFPS), before placing a child for whom DFPS is appointed managing conservator with a proposed relative or other designated caregiver, to arrange a visit between the child and the proposed caregiver and to provide the proposed caregiver with a form, which may be the same form DFPS provides to nonrelative caregivers, containing information about the child that would enhance continuity of care for the child. The bill authorizes DFPS to waive the applicable requirement if the relative or other designated caregiver has a long-standing or significant relationship with the child and has provided care for the child at any time during the 12 months preceding the date of the proposed placement.

Senate Bill 502 specifies that the \$1,000 maximum one-time cash payment provided to a caregiver under a caregiver assistance agreement on the initial placement of a child or a sibling group applies to each child and sets the minimum payment for placement of a sibling group at \$1,000 for the group with a limit of \$1,000 for each child in the group.

Senate Bill 534 Effective: 9-1-13 Senate Author: West House Sponsor: Dukes

Senate Bill 534 amends the Family Code to require the Department of Family and Protective Services (DFPS) to hold a permanency planning meeting for each child for whom DFPS is appointed temporary managing conservator not later than both the 45th day and five months after the date DFPS is named temporary managing conservator of the child. The bill requires DFPS to identify at the five-month permanency planning meeting any barriers to achieving a timely permanency for the child and to develop strategies and determine actions that will increase the probability of a timely permanency for the child. The bill authorizes the five-month planning meeting and any subsequent planning meetings to be conducted as a multidisciplinary permanency planning meeting if it is determined that such a meeting will assist DFPS in permanently placing the child with a caregiver and facilitate the child's exit from the conservatorship of DFPS. The bill establishes the persons required to be included in and notified of each multidisciplinary permanency planning meeting, except under certain circumstances.

Senate Bill 534 requires a placement review report filed with a court before a placement review hearing for a child under DFPS care to identify any placement changes that have occurred since the most recent court hearing concerning the child and describe any barriers for sustaining the child's placement, including any reason for which a substitute care provider has requested a placement change. The bill requires a substitute care provider for a child in DFPS care to include in the discharge notice the reason for the child's discharge and the provider's recommendation regarding a future placement for the child that would increase the child's opportunity to attain a stable placement, with an alternative method for providing that information in certain emergency circumstances.

Senate Bill 555 Effective: 9-1-13

Senate Author: Davis

House Sponsor: Laubenberg

Current law authorizes a court, in a protective order, to prohibit a party from removing a pet, companion animal, or assistance animal from the possession of a person named in the order and to prohibit a party found to have committed family violence from harming, threatening, or interfering with the care, custody, or control of such an animal possessed by a person protected by the order or by a member of the person's family or household. Senate Bill 555 amends the Family Code to extend these protections to animals in the actual or constructive care of such persons. The bill also amends the Penal Code to clarify that, for purposes of provisions

establishing the conduct that constitutes an offense relating to the violation of certain court orders or conditions of bond in a family violence case, possession of a pet, companion animal, or assistance animal includes actual and constructive care of the animal.

Senate Bill 769

Senate Author: Uresti

House Sponsor: McClendon

Senate Bill 769 amends the Family Code to require the Department of Family and Protective Services (DFPS) to establish a pilot program to provide specialized training by DFPS or another state agency to foster parents of children who have been traumatized or have serious mental health needs if such services can be provided using existing resources or if a local governmental entity or charitable organization is able to provide the training at no cost to the state. The bill requires DFPS to establish the pilot program in a county with a population of at least 1.5 million that is within 200 miles of the Texas-Mexico border, to coordinate the specialized training as part of community-based services and supports provided under a Wraparound individualized planning process for foster children as prescribed by the Texas Integrated Funding Initiative Consortium, and to evaluate the pilot program not later than the second anniversary of the date the program is established. The bill sets out reporting requirements for DFPS regarding the pilot program.

Senate Bill 771 Senate Author: Uresti et al. Effective: 1-1-14 House Sponsor: Raymond

Senate Bill 771 amends the Human Resources Code to require the Department of Family and Protective Services (DFPS) to develop and implement a training program that each employee who is newly hired or promoted to a management position in the child protective services division must complete before the employee begins serving in the management position. The bill requires the training program to be designed to assist the employee in developing certain skills to prepare the employee to assume management duties and authorizes DFPS to waive the training requirement for an employee who has completed another similar DFPS training program.

Senate Bill 886 Senate Author: Uresti Effective: 9-1-13 House Sponsor: Lewis

Senate Bill 886 amends provisions of the Family Code relating to extended foster care for certain young adults and the extended jurisdiction of a court in a suit affecting the parent-child relationship involving those young adults. Previous law defined "trial independence period" as a specified period of time during which a young adult exits foster care with the option to return under the continuing extended jurisdiction of the court. The bill instead establishes that a young adult is assigned trial independence status when the young adult does not enter extended foster care at the time of the young adult's 18th birthday or exits extended foster care before the young adult's 21st birthday and makes the status mandatory for a period of at least six months beginning on a specified date. A court order is not required for a young adult to be assigned trial independence status, but the bill authorizes a court to order such status to be extended beyond the mandatory period. The bill requires a young adult who enters or reenters extended foster care after a period of trial independence to complete a new period of trial independence and specifies that the trial independence status of a young adult ends on the young adult's 21st birthday.

Senate Bill 886 revises the date on which a court's jurisdiction over a young adult who is in extended foster care or who has been assigned trial independence status expires unless the court's jurisdiction is voluntarily extended by the young adult or the court extends jurisdiction for purposes of determining guardianship. The bill authorizes a court with extended jurisdiction

during trial independence, at the request of a young adult, to conduct certain hearings to review any transitional living services the young adult is receiving during trial independence. The bill specifies that a young adult for whom a guardian is appointed and qualifies is not considered to be in extended foster care or trial independence and that the court's jurisdiction ends on the date the guardian for the young adult is appointed and qualifies unless the guardian requests the extended jurisdiction of the court.

Senate Author: Carona

House Sponsor: Carter

Senate Bill 893 Effective: 9-1-13

Senate Bill 893 amends the Code of Criminal Procedure to authorize a court, in issuing a protective order for a victim of sexual assault or abuse, stalking, or trafficking, to prohibit an alleged offender from communicating in any manner with a protective order applicant or any member of the applicant's family or household except through the applicant's attorney or a person appointed by the court and amends the Penal Code to make it a Class A misdemeanor to knowingly violate such a prohibition.

Senate Bill 893 amends the Government Code to establish provisions relating to the collection and reporting of information by the Department of Public Safety regarding bond conditions imposed on a person subject to an active protective order for the protection of the victim in any family violence, sexual assault or abuse, or stalking case. The bill also amends the Penal Code to make it an offense to knowingly or intentionally commit certain acts in violation of a condition of bond set in a sexual assault or abuse or stalking case and related to the safety of a victim or the safety of the community.

The summaries for the following bills are in the listed chapters:

House Bill 570 - Criminal Justice House Bill 2719 - Corrections Senate Bill 832 - Public Education Senate Bill 1404 - Public Education

# **Government Purchasing**

This chapter covers legislation on issues relating to the procurement of goods and services by state and local governmental entities, including legislation on contracting and public works projects. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 535
House Author: Davis, Yvonne et al.
Senate Sponsor: Zaffirini et al.

House Bill 535 amends the Government Code provision requiring the comptroller of public accounts and all state agencies purchasing goods to give preference to goods produced or grown in Texas or offered by Texas bidders to include in that preference goods manufactured in Texas and to require the comptroller and all state agencies purchasing goods not only to give preference to but also promote the purchase of goods manufactured, produced, or grown in Texas or offered by Texas bidders.

Reason Given for Veto: "House Bill 535 requires state agencies, when purchasing goods, to give preference to goods 'manufactured' in Texas. Current law already requires state agencies to give preference to goods produced and grown in Texas. While I support and encourage our agencies to buy goods from Texas businesses, this bill simply does not change current law."

House Bill 768 House Author: Howard Effective: 6-14-13 Senate Sponsor: Watson

House Bill 768 amends the Government Code to include a technology facility among the types of projects that qualify for the contracting requirements described in provisions of law relating to public and private facilities and infrastructure.

House Bill 1050 House Author: Callegari Senate Sponsor: Fraser

House Bill 1050 amends the Government Code to prohibit a local government from entering into a contract to purchase construction-related goods or services through a purchasing cooperative formed under the Interlocal Cooperation Act in an amount greater than \$50,000 unless a person designated by the local government certifies certain facts in writing. The bill removes statutory provisions that set a limit on the number of certain civil works project contracts into which certain governmental entities or certain municipally owned water utilities may enter. The bill authorizes a governmental entity to require a design-build firm responding to a request for detailed proposals to identify its project team of companies that will fill key project roles and serve as key task leaders for multiple issues.

House Bill 1050 amends the Local Government Code to decrease from 500,000 to 300,000 the minimum population of a municipality authorized to delegate the approval of certain change orders for a public works contract.

Previous law prohibited the aggregate dollar amount of approved change orders for contracts relating to water district facilities from increasing the original contract price by more than 10 percent. House Bill 1050 amends the Water Code to increase the maximum authorized percent of change to 25 percent.

House Bill 1726 House Author: Bohac Effective: 6-14-13 Senate Sponsor: Zaffirini

House Bill 1726 amends the Government Code to authorize the comptroller of public accounts to contract with a vendor to oversee shipping logistics and coordination services for

all state agencies and requires the comptroller to pay the contract from the anticipated cost savings realized under the contract. The bill requires the vendor to arrange for the shipment of goods, parcels, and freight that is not excepted under the bill using the shipping company selected by the state agency through competitive bidding that provides the best value to the agency for the shipment.

House Bill 1965 House Author: Harper-Brown Effective: 9-1-13 Senate Sponsor: Zaffirini

House Bill 1965 amends the Government Code to require the quality assurance team created under the Information Resources Management Act to develop and recommend policies and procedures to improve state agency information resources technology projects and to develop and recommend procedures to improve the implementation of the state agency information resources technology projects by including considerations for best value and return on investment.

House Bill 1965 expands the duties of the Contract Advisory Team, changes the composition of the team, and sets out the criteria that must be included in a risk assessment. The bill requires the comptroller to oversee the activities and duties of the team and requires the attorney general's office to provide legal assistance to the team.

**House Bill 1994 Effective:** 9-1-13 **House Author:** Reynolds **Senate Sponsor:** Zaffirini

House Bill 1994 amends the Government Code to authorize a state agency to purchase an information technology commodity item through alternative means if the Department of Information Resources certifies in writing that the item is not available for purchase under an existing contract developed by the department.

House Bill 2422 House Author: Gonzales
Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 2422 amends the Government Code to authorize a state agency to consider advanced Internet-based computing service options in state purchasing and provides for the use of such services by state agencies.

House Bill 2873 House Author: Harper-Brown Effective: 9-1-13 Senate Sponsor: Zaffirini

House Bill 2873 amends the Government Code to require the Contract Advisory Team to identify the types of procurements that pose a low risk of loss to the state and develop a model contract management process for use with those procurements and to require the state agency contract management guide to include this model process and recommendations on the appropriate use of the model.

House Bill 3648 House Author: Harper-Brown Effective: 6-14-13 Senate Sponsor: Paxton

House Bill 3648 amends the Government Code to revise provisions relating to the award and performance of certain state contracts in the State Purchasing and General Services Act. The bill requires a performance contract for goods or services to substantially comply with the terms contained in the written solicitation for the contract and the terms considered in awarding the contract. The bill requires a state agency to hold a meeting to consider any material changes to the contract and revises the circumstances under which a nonresident bidder may be awarded a contract.

House Bill 3648 amends the Transportation Code to set out the circumstances under which the Texas Department of Transportation is required to give preference to certain private sector providers when awarding contracts, among other requirements.

Senate Bill 866 Senate Author: Paxton
Effective: 5-18-13 House Sponsor: Elkins et al.

Senate Bill 866 amends the Government Code to authorize the Department of Information Resources to establish or expand a statewide technology center to include participation by a local government or by two or more local governments that are parties to an interlocal agreement. The bill establishes a process for local government participation and selection and authorizes a local government selected for participation to contract with the department to receive services or operations through the center. The bill expands the information resources technologies that are excepted from the law governing state technology centers to include advanced communications services or information services, as those terms are defined by federal law.

Senate Bill 1195 Senate Author: Ellis et al.

Effective: 6-14-13 House Sponsor: Davis, Sarah

Senate Bill 1195 amends the Education Code to establish that a provision required by applicable law to be included in any contract for the acquisition of goods or services to which The University of Texas M. D. Anderson Cancer Center is a party is considered to be a part of the executed contract without regard to whether the provision appears on the face of the contract or whether the contract includes any provision to the contrary.

Senate Bill 1368 Senate Author: Davis

Effective: 9-1-13 House Sponsor: Alvarado et al.

Senate Bill 1368 amends the Government Code to clarify, for purposes of Texas public information law, the definition of "public information" and the types of media on which public information may be recorded. The bill requires a contract between a nongovernmental vendor and a state agency, board, commission, office, department, or other agency in the executive or legislative branch of government involving the exchange or creation of information that the state governmental entity collects, assembles, or maintains or has a right of access to be drafted in consideration of Texas public information law requirements and contain a provision that requires the vendor to make the information not otherwise excepted from disclosure under this law available in a specific format that is agreed upon in the contract and accessible by the public.

Senate Bill 1430 Senate Author: Hinojosa Effective: 6-14-13 House Sponsor: Herrero

Senate Bill 1430 amends the Government Code to increase the number of design-build civil works project contracts a governmental entity with a population of 500,000 or more within the entity's geographic boundary or service area or a municipally owned water utility with a separate governing board appointed by the governing body of such a municipality may award in any fiscal year. The bill increases the number of design-build civil works project contracts a governmental entity with a population of 100,000 or more but less than 500,000, or a governmental entity that is a board of trustees of a harbor and port facility in a municipality that has a population of more than 5,000 located on the Gulf of Mexico or a channel, canal, bay, or inlet connected to that gulf may award in any fiscal year.

#### **Government Purchasing**

Senate Bill 1430 amends the Local Government Code to change from 500,000 to 300,000 the minimum population of a municipality that is authorized to delegate to an administrative official of the municipality the power to approve change orders for public works contracts that involve a decrease or an increase of \$100,000 or less.

Senate Bill 1681 Senate Author: Zaffirini

Effective: 11-1-13 House Sponsor: Harper-Brown

Senate Bill 1681 amends the Government Code to revise provisions relating to the oversight and management of state contracts. Among other provisions, the bill requires the comptroller of public accounts to adapt an existing training program for contract managers to provide an abbreviated training program for members of the governing bodies of state agencies and requires all members of a governing body that enters into contracts to complete at least one course of this training. The bill revises the composition and duties of the Contract Advisory Team and requires the comptroller to oversee the activities of the team.

Senate Bill 1681 requires the comptroller to establish threshold requirements that exclude small or routine contracts, including purchase orders, from the application of statewide contract management law. The bill also exempts certain Health and Human Services Commission enrollment contracts from these statewide contract management provisions. The bill provides for a vendor performance tracking system that includes vendor performance reviews by the comptroller.

Senate Bill 1681 requires the comptroller to develop recommendations for contract terms regarding remedies for noncompliance by contractors and authorizes the comptroller to develop recommended contract terms that are generally applicable to state contracts and terms that are applicable to important types of state contracts.

The summaries for the following bills are in the listed chapters:

House Bill 194 - Military Forces and Veterans

House Bill 586 - Civil Remedies and Procedures

# **Health and Human Services**

This chapter covers legislation on issues relating to diseases, medical conditions and procedures, vaccinations and immunizations, health code enforcement, and financial, medical, and other services for individuals who are poor, elderly, or physically or mentally disabled. The chapter includes legislation relating to health and human services agencies, the provision of mental health services, health care facilities, nursing homes, assisted living facilities, protected health information, child care, Medicaid, CHIP, indigent health care, and the financing and administration of related health and human services programs. Legislation relating to hospital districts is in the **Special Districts** chapter, and legislation relating to adoption and foster care, domestic violence, and child protective services is in the **Family Law** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 2 (2nd C.S.)

Effective: See below

House Author: Laubenberg et al.

Senate Sponsor: Hegar et al.

House Bill 2 amends provisions of the Health and Safety Code and the Occupations Code relating to the regulation of abortion procedures, providers, and facilities. The bill requires a physician performing or inducing an abortion to have active admitting privileges at a hospital that provides obstetrical or gynecological health care services located not further than 30 miles from the location at which the abortion is performed or induced and to provide the pregnant woman with certain contact information for potential medical assistance needed after the abortion. The bill makes it a Class A misdemeanor offense punishable by a fine not to exceed \$4,000 for a physician in violation of these requirements.

House Bill 2 establishes the Preborn Pain Act to prohibit a physician from performing or inducing or attempting to perform or induce an abortion without determining the post-fertilization age of the unborn child and to prohibit a person from performing or inducing or attempting to perform or induce an abortion if it has been determined that the probable post-fertilization age of the unborn child is 20 or more weeks. The bill establishes the circumstances under which these prohibitions and requirements do not apply and the manner in which an abortion must be performed under such circumstances. The bill provides for the protection of the identity of a woman on whom an abortion has been performed or induced or attempted to be performed or induced in a civil or criminal proceeding or action involving a prohibited act under the Preborn Pain Act. The bill provides for the enforcement and judicial interpretation of the act, consistent with federal constitutional requirements. The bill makes it a prohibited practice for a physician or an applicant for a license to practice medicine to perform or induce or attempt to perform or induce an abortion in violation of the Preborn Pain Act and exempts a violation of the act from the criminal penalties provided under the Medical Practice Act.

House Bill 2 prohibits a person from knowingly giving, selling, dispensing, administering, providing, or prescribing an abortion-inducing drug to a pregnant woman for the purpose of inducing an abortion or enabling another person to induce an abortion unless the person is a physician and the provision, prescription, or administration satisfies the protocol tested and authorized by the United States Food and Drug Administration outlined on the final printed label of the drug. The bill sets out provisions relating to authorized dosage amounts of an abortion-inducing drug and establishes requirements for a physician giving, selling, dispensing, administering, providing, or prescribing an abortion-inducing drug, including examination,

documentation, and reporting requirements, requirements to provide certain information to the pregnant woman, and requirements for a follow-up visit with the woman. The bill establishes administrative penalties for a person who violates these prohibitions and requirements.

House Bill 2 requires the minimum standards for an abortion facility, on and after September 1, 2014, to be equivalent to the minimum standards adopted for ambulatory surgical centers and repeals a statutory provision prohibiting certain minimum standards for abortion facilities from being more stringent than Medicare certification standards. The bill requires the probable post-fertilization age of the unborn child to be included in the annual report required to be submitted to the Department of State Health Services by an abortion facility on each abortion performed at the abortion facility. The bill takes effect October 29, 2013, except for the repeal of provisions related to the minimum standards required of an abortion facility, which takes effect September 1, 2014.

House Author: Menendez

Senate Sponsor: Uresti

House Bill 489 Effective: 1-1-14

House Bill 489 amends Health and Safety Code and Human Resources Code provisions relating to the rights and responsibilities of persons with disabilities. The bill establishes conditions under which a food service establishment is prohibited from denying admittance to a service animal as defined by the bill. The bill limits the type of inquiry that a staff member of a food service establishment or a public facility may make if a person whose disability is not readily apparent is accompanied by a service animal. The bill revises the definition of "person with a disability" to specify it includes a person who has an intellectual or developmental disability as well as a person who has post-traumatic stress disorder. Among other provisions, the bill revises the penalty for discriminating against a person with a disability in connection with the use of a public facility and the penalty for using a service animal improperly.

**House Bill 595 Effective:** 9-1-13 **House Author:** Kolkhorst **Senate Sponsor:** Nelson

House Bill 595 amends the Health and Safety Code to abolish certain programs, systems, task forces, and advisory councils and committees relating to the eradication of pediculosis of minors, the encouragement of the provision of tertiary medical care, the reporting of potential exposure to Agent Orange, breast and lung cancer treatment education, breast cancer screening, osteoporosis education, and prostate cancer education. The bill amends the Government Code to delay the applicability of certain contract requirements relating to the implementation of the Medicaid Managed Care Program from August 31, 2013, to August 31, 2018.

House Bill 749

Effective: 9-1-13

House Author: Raymond et al.
Senate Sponsor: Lucio et al.

House Bill 749 amends the Agriculture Code to add temporary provisions requiring the Department of Agriculture to develop a five-year plan in collaboration with Baylor University's Texas Hunger Initiative and implement no-cost provisions to increase outcomes in the federal summer food service program for children. The bill makes the development and implementation of the plan contingent on sufficient funds being available from gifts, grants, and donations.

House Bill 908 House Author: Nevarez Effective: 6-14-13 Senate Sponsor: Uresti

House Bill 908 amends the Human Resources Code to include a licensed professional counselor who has training and expertise in issues related to abuse, neglect, and exploitation among those authorized to perform an assessment of an elderly or disabled person's

psychological status for purposes of a petition for an emergency order authorizing protective services without the elderly or disabled person's consent.

House Bill 970 House Author: Rodriguez, Eddie et al.

Effective: 9-1-13 Senate Sponsor: Deuell et al.

House Bill 970 amends the Health and Safety Code to redefine and expand the types of products included within the meaning of "cottage food production operation." The bill prohibits a cottage food production operation from selling potentially hazardous food to customers and specifies the types of food considered to be potentially hazardous. The bill clarifies the authority of the Department of State Health Services or other local health authority to act to prevent an immediate and serious threat to human life or health for purposes of provisions regulating cottage food production operations and prohibits a local government authority from regulating the production of food at such an operation. The bill establishes packaging requirements for foods sold by a cottage food production operation and training requirements for a person operating such an operation or processing, preparing, packaging, or handling cottage food

House Bill 970 amends the Local Government Code to prohibit a municipal zoning ordinance and a county zoning ordinance from prohibiting the use of a home for cottage food production operations, but specifies that the prohibition does not affect the right of a person to bring a cause of action for nuisance or other tort against an individual who uses the individual's home for cottage food production operations.

products. The bill prohibits a cottage food production operation from selling any food items

House Bill 1382 House Author: Simpson et al. Effective: 9-1-13 Senate Sponsor: Deuell

by mail order or at wholesale.

Previous law in the Health and Safety Code provided for the regulation of produce samples at municipally owned farmers' markets. House Bill 1382 amends that law to provide for the broader regulation of food samples at farms and farmers' markets. The bill, among other things, establishes certain proper food handling procedures and requires a person who sells or provides a sample of meat or poultry to comply with the Texas Meat and Poultry Inspection Act.

House Bill 1382 prohibits the executive commissioner of the Health and Human Services Commission or a state or local enforcement agency from adopting a rule requiring a farmers' market to pay a permit fee for conducting a cooking demonstration or providing samples of food if the demonstration or provision of samples is conducted for a bona fide educational purpose. The bill establishes the conditions under which a person may conduct a cooking demonstration at a farmers' market.

House Bill 1392 House Author: King, Susan et al. Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1392 amends the Health and Safety Code to establish requirements relating to the Department of State Health Services' (DSHS) response to a written request for information pertaining to the regulation of food or a written request regarding the applicability to a specific circumstance of a regulation or the requirements for compliance with the regulation and specifies that an official determination made in regard to the applicability of a regulation or compliance with a regulation is valid until the regulation that is the subject of the determination is amended by statute or rule. The bill prohibits an inspector from issuing a citation to a person for a violation of a food regulation if the person provides the inspector with an official determination made under the bill's provisions that contradicts the opinion of the inspector. The bill requires the executive commissioner of the Health and Human Services Commission

to adopt rules to implement the bill's provisions and to periodically evaluate DSHS food safety rules and modify the rules as necessary to improve consistency and communication in food regulation in Texas.

**House Bill 1396 Effective:** 9-1-13 **House Author:** King, Susan et al. **Senate Sponsor:** Nelson

House Bill 1396 requires the Department of Family and Protective Services and the Department of State Health Services to conduct a study on alcohol and controlled substances statistics. The study must determine whether either state agency currently compiles certain information relating to children who at birth tested positive for the presence of alcohol or a controlled substance, children who were removed from their homes and have been diagnosed with a disability or chronic medical condition resulting from the presence of such substances, and parents who test positive for such substances during a department investigation of a report of abuse or neglect of the parent's child. If neither agency is currently compiling that information, the study must also determine which agency can most effectively compile the information at the lowest cost and must estimate the cost associated with compiling, preparing, and posting the information. The bill sets out reporting requirements for the study.

House Bill 1545

Effective: 9-1-13

House Author: Allen et al.

Senate Sponsor: Ellis

House Bill 1545 requires the Governor's Committee on People with Disabilities, in coordination with rural and urban providers of certain public transportation services for people with disabilities, and paratransit advocacy groups, to conduct a study to determine the feasibility of standardizing the process of certifying an individual's eligibility for associated services in Texas and whether the current 21-day provision of services by such a provider is adequate to meet the needs of visitors with disabilities to locations served by the provider. The bill requires the committee, not later than January 1, 2015, to submit a report on the study findings to the governor, lieutenant governor, speaker of the house of representatives, and legislative standing committees with jurisdiction over transportation-related issues.

House Bill 1760 House Author: Darby Effective: 6-14-13 Senate Sponsor: Nelson

House Bill 1760 amends the Human Resources Code to authorize the Department of Aging and Disability Services (DADS) to accept gifts and grants of money, personal property, and real property from public or private sources to expand and improve the human services programs in Texas for the aging and disabled. The bill requires DADS to use such a gift or grant in accordance with any purpose expressly prescribed by the donor and authorizes DADS to decline the gift or grant if it cannot be economically used for that purpose. The bill requires DADS to keep a record of each gift or grant in the department's central office in the city of Austin. The bill repeals provisions relating to the authorization of DADS and the Health and Human Services Commission to solicit and accept certain gifts and grants.

House Bill 2020 House Author: Crownover et al. Effective: 6-14-13 Senate Sponsor: Deuell et al.

House Bill 2020 amends the Government Code to authorize a state agency to develop a wellness program designed to increase work productivity and capacity and reduce health insurance costs, to provide financial incentives for participation in such a wellness program after the agency establishes a written policy with objective criteria for providing the incentives, to offer certain on-site clinic or pharmacy services, and to adopt additional wellness policies as determined by the agency.

House Bill 2383 House Author: Eiland et al. Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 2383 amends the Human Resources Code to authorize the owner of a life insurance policy with a face amount of more than \$10,000 to enter into a life settlement contract under the Life Settlements Act for the benefit of a recipient of long-term care services and supports in exchange for direct payments to a health care provider or, if services are provided under the Medicaid program, to the state. The bill sets out minimum requirements relating to use of contract proceeds and provision of services under a life settlement contract, and requirements for a person who enters into a contract with an owner of a life insurance policy and for a life settlement contract provider who enters into life settlement contracts with owners of life insurance policies. The bill establishes guidelines for claims against a life settlement contract provider with whom an owner of a life insurance policy enters into a life settlement contract and authorizes the Texas Department of Insurance to conduct periodic market examinations of such providers. The bill exempts certain life insurance policies subject to a life settlement contract from certain antifraud initiative requirements relating to measures for resolving material inconsistencies between medical records and insurance applications if the contract has been in force at least five years.

House Bill 2383 requires the Health and Human Services Commission (HHSC) to educate applicants for Medicaid long-term care services and supports about options for life insurance policies and specifies that entering into a life settlement contract is not the sole method by which the owner of a life insurance policy may avoid having the policy considered as an asset or resource in determining Medicaid eligibility. The bill requires the executive commissioner of HHSC to adopt rules to implement the bill's provisions and prohibits the implementation of a provision on determination that such implementation is not cost-effective or feasible.

House Bill 2683 House Author: Price Effective: 1-1-14 Senate Sponsor: Nelson

House Bill 2683 makes certain provisions of the Health and Safety Code relating to the employment of persons convicted of certain offenses or listed in the nurse aide registry or employee misconduct registry applicable to an individual employer participating in the consumer-directed service option. The bill requires a facility, agency, individual employer, or financial management services agency on behalf of an individual employer, as applicable, to maintain a copy of the results of the required annual search of the employee misconduct registry and the nurse aide registry in the facility's or individual employer's books and records. The bill includes among the persons prohibited from employment by an individual employer or by certain facilities serving the elderly, serving persons with disabilities, or serving persons with terminal illnesses a person for whom the individual employer or the facility is entitled to obtain criminal history record information and who has been convicted of an offense of exploitation of a child, elderly individual, or disabled individual. The bill requires the Department of Aging and Disability Services (DADS) to complete a hearing requested by an employee relating to an occurrence of reportable conduct and complete the hearing record not later than the 120th day after the date DADS receives a request for a hearing.

House Bill 2683 expands the definition of "employee," for purposes of the employee misconduct registry, to include a person who works for an individual employer participating

in the consumer-directed service option, provides certain services to an individual receiving services through that option, and is not licensed by the state to perform those services.

**House Bill 3253 Effective:** 6-14-13 **House Author:** Zerwas **Senate Sponsor:** Nelson

House Bill 3253 amends the Health and Safety Code to revise certain requirements and procedures for the state registrar and a county clerk or local registrar relating to the notation of death on a person's birth certificate and authorizes the release of certain confidential birth certificate information held by the Department of State Health Services to a faculty member at a medical school for statistical or medical research.

**House Bill 3401 Effective:** 9-1-13

House Author: Raymond et al.
Senate Sponsor: Nelson

House Bill 3401 amends the Government Code to require the Health and Human Services Commission (HHSC) to work with community-based organizations to encourage individuals receiving benefits under the Temporary Assistance for Needy Families program, the Medicaid program, and the supplemental nutrition assistance program to access readily available and existing online information and programs, including information provided on HHSC's website, that provide nutrition and wellness education for the purpose of promoting healthy eating habits and a physically active lifestyle. The bill establishes reporting requirements for HHSC regarding the use of nutrition and wellness education information provided on the commission's website and authorizes the executive commissioner of HHSC to adopt rules to implement the bill's provisions.

**House Bill 3787 Effective:** 6-14-13 **House Author:** Perry **Senate Sponsor:** Nelson

House Bill 3787 amends the Transportation Code to authorize information provided on a driver's license application that relates to the applicant's social security number to be disclosed to the Health and Human Services Commission (HHSC) and to require the Department of Public Safety to disclose such information on the request of HHSC and for the purpose of assisting HHSC in determining an applicant's eligibility for any program administered by HHSC.

Senate Bill 49 Senate Author: Zaffirini et al. Effective: 6-14-13 House Sponsor: Burkett

Senate Bill 49 amends the Government Code to require a health and human services agency, for purposes of determining the appropriateness of transfers of a person with a disability from an institution to an appropriate setting in the community and developing required strategies to prevent the unnecessary placement in an institution of certain at-risk persons with disabilities, to presume the eligibility of a child residing in a general residential operation for transfer to an appropriate community-based setting. The bill includes a general residential operation in the definition of "institutional housing" for purposes of the voucher program for transitional living assistance for persons with disabilities.

Senate Bill 50 Senate Author: Zaffirini Effective: 9-1-13 House Sponsor: Guillen

Previously, the Children's Policy Council was required to assist applicable state health and human services agencies in developing, implementing, and administering family support policies and related long-term care and health programs for children. Senate Bill 50 amends the Human Resources Code to require the council to assist those agencies in developing,

implementing, and administering family support policies for children with disabilities relating to long-term services and supports, health services, and mental health services and to revise the composition of the council. The bill authorizes, rather than requires, the council to study and make recommendations in certain specified areas of study and revises certain of those areas to include mental health services. The bill requires the executive commissioner of the Health and Human Services Commission (HHSC), after evaluating and considering the recommendations reported from the council, to adopt rules to implement guidelines for providing mental health services to children with disabilities.

Senate Bill 50 amends the Government Code to authorize, rather than require, HHSC to seek input from the council in developing the procedures by which HHSC is required to conduct certain reviews regarding a child who is placed in an applicable residential institution, nursing facility, or group home.

Senate Bill 127 Senate Author: Nelson
Effective: 9-1-13 House Sponsor: King, Susan

Senate Bill 127 amends the Health and Safety Code to require the Department of State Health Services (DSHS), in collaboration with the Public Health Funding and Policy Committee, to develop funding formulas for federal and state funds appropriated to DSHS to be allocated to local health departments, local health units, public health districts, and health service regions' regional headquarters, based on population, population density, disease burden, social determinants of health, local efforts to prevent disease, and other relevant factors as determined by DSHS and the committee. The bill requires DSHS, in collaboration with the committee, to evaluate the feasibility and benefits of placing a cap on the percentage of public health funds that can be used on administrative costs at an applicable entity and to evaluate public health functions provided by DSHS and those entities to determine if another entity can provide those functions more effectively. The bill sets out reporting requirements for DSHS regarding the evaluations. The bill requires DSHS to create a policy to allow a local health department flexibility in the use of personnel and other resources during disaster response activities, outbreaks, and other appropriate public health threats.

Senate Bill 128 Senate Author: Nelson Effective: 6-14-13 House Sponsor: Naishtat

Senate Bill 128 updates references to the Texas Rehabilitation Commission in the Government Code and transfers and amends provisions of the Human Resources Code to reflect the transfer of the commission's powers and duties to the Department of Assistive and Rehabilitative Services.

Senate Bill 329 Senate Author: Huffman et al. Effective: 9-1-13 House Sponsor: Zerwas

Previous law prohibited a tanning facility from allowing a person younger than 16.5 years of age to use a tanning device and from allowing a person younger than 18 years of age to use a tanning device without proper written consent from the person's parent or guardian. Senate Bill 329 amends the Health and Safety Code to prohibit a tanning facility from allowing a person younger than 18 years of age to use a tanning device.

Senate Bill 360 Senate Author: Watson et al. House Sponsor: Lucio III et al.

Under previous law, a dog or cat in the custody of an animal shelter could be euthanized by administration of either sodium pentobarbital or commercially compressed carbon monoxide.

Senate Bill 360 amends the Health and Safety Code to authorize that euthanization only by administration of sodium pentobarbital. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules relating to the use of commercially compressed carbon monoxide for euthanizing an animal other than a dog or cat in the custody of an animal shelter.

Senate Bill 426 Senate Author: Nelson et al. Effective: See below House Sponsor: Zerwas

Effective September 1, 2013, Senate Bill 426 amends the Government Code to require the Health and Human Services Commission (HHSC) to create a strategic plan to serve at-risk pregnant women and families with children under the age of six through home visiting programs that improve outcomes for parents and families. The bill establishes the circumstances under which a pregnant woman or family is considered to be at-risk for purposes of enrollment in a program. The bill sets out the conditions that determine if a home visiting program classifies as either an evidence-based program or a promising practice program and requires HHSC to ensure that at least 75 percent of funds appropriated for home visiting programs are used in evidence-based programs. The bill requires HHSC to ensure that a home visiting program achieves favorable outcomes in a minimum number of specified areas of improvement and to adopt outcome indicators to measure the effectiveness of a program in achieving desired outcomes. The bill requires HHSC to prepare and submit an initial report on state-funded home visiting programs to specified legislative committees and sets out biennial HHSC reporting requirements, effective January 15, 2015, regarding state-funded home visiting programs.

Senate Bill 506 Senate Author: Watson

Effective: 5-18-13 House Sponsor: Thompson, Senfronia

Senate Bill 506 amends the Health and Safety Code to exempt a steam cooker, as defined by the bill, from statutory provisions requiring the registration, certification, and inspection of boilers.

Senate Bill 872 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Coleman

Senate Bill 872 amends the Health and Safety Code to authorize a county to credit certain county expenditures toward eligibility for state assistance under the Indigent Health Care and Treatment Act and sets out the conditions for the authorization.

Senate Bill 993 Senate Author: Deuell et al. Effective: 6-14-13 House Sponsor: King, Susan

Current law establishes the interagency coordinating group task force to help direct the interagency coordinating group for faith- and community-based organizations in carrying out the group's duties. Senate Bill 993 amends the Government Code to rename the task force as the Texas Nonprofit Council, revises the composition of the council, and establishes certain duties previously tasked to the interagency coordinating group as duties of the council. The bill provides for the election of a chair or chairs and a secretary from among the members of the council and establishes the terms for which council members are required to serve. The bill requires the council to prepare a biennial report detailing the council's work, exempts the council from statutory provisions relating to state agency advisory committees, and makes the council subject to the Texas Sunset Act.

Senate Bill 1060 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Zerwas

Senate Bill 1060 amends the Human Resources Code to require the Department of Assistive and Rehabilitative Services (DARS), on a periodic basis and at the request of the Legislative Budget Board (LBB), to evaluate the cost-effectiveness of existing family cost share provisions in the early childhood intervention program and to consider changes that may improve the cost-effectiveness of the program, including the adoption of a family cost share provision, under which the amount a family pays to participate in the early childhood intervention program is based on the amount of service the family receives under the program. The bill requires DARS to collect data sufficient to conduct the evaluations and to modify as necessary the Texas Kids Intervention Data System to accept adjusted family income data submitted by early childhood intervention program providers and to require all providers to enter adjusted family income data into the system. The bill requires DARS to implement any considered changes that DARS determines will make the family cost share provisions of the early childhood intervention program more cost-effective, if the changes will not make access to early childhood intervention services cost prohibitive for families. The bill requires DARS, not later than December 1, 2014, to conduct the initial cost-effectiveness evaluation, to implement any changes resulting from that evaluation, and to submit a report to the governor and the LBB summarizing the results of the initial evaluation and explaining any changes that were implemented.

Senate Bill 1609

Effective: 6-14-13

Senate Author: Schwertner
House Sponsor: Kolkhorst et al.

Previous law required each covered entity under statutory provisions relating to medical records privacy to provide a training program to employees of the covered entity regarding state and federal law concerning protected health information as it relates to the covered entity's particular course of business and each employee's scope of employment. Senate Bill 1609 amends the Health and Safety Code to require such a covered entity to provide training to employees of the covered entity regarding such law as necessary and appropriate for the employees to carry out the employees' duties for the covered entities. The bill lengthens the deadline by which an employee of a covered entity is required to complete the training, revises the frequency of and conditions under which an employee must receive the training, and specifies the length of time a covered entity is required to maintain an employee's signed training verification statement.

Senate Bill 1836 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1836 amends the Government Code to create the Texas Home Visiting Program trust fund to support the promotion of healthy early childhood. The trust fund is administered by the Office of Early Childhood Coordination of the Health and Human Services Commission and consists of money from voluntary contributions of persons requesting a copy or certified copy of a birth, marriage, or divorce record and persons applying for a marriage license on or after January 1, 2014. The money in the trust fund may be spent without appropriation by the office for the purpose of the Texas Home Visiting Program. The bill amends the Family Code, Health and Safety Code, and Local Government Code to establish the manner in which an applicable person may make a \$5 contribution to the fund and to provide for the collection and deposit of the contributions in the trust fund.

#### **Child-Care Services and Facilities**

House Bill 1648 House Author: Raymond Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1648 amends the Human Resources Code to establish that a photograph, videotape, audiotape, or other audio or visual recording, depiction, or documentation of a child that is made by the Department of Family and Protective Services in the course of an authorized inspection or investigation of certain child-care facilities and programs is confidential and is not subject to release under state public information law. The bill authorizes the release of such information only as required by state or federal law or rules adopted by the executive commissioner of the Health and Human Services Commission.

**House Bill 1741 Effective:** 12-31-13 **House Author:** Naishtat **Senate Sponsor:** West et al.

House Bill 1741 amends the Human Resources Code to require a licensed day-care center to equip each vehicle owned or leased by the facility that is designed to seat eight or more persons and used to transport children under the care of the facility with an electronic child safety alarm. The bill defines "electronic child safety alarm" and requires a licensed day-care center to ensure that the alarm is properly maintained and used when transporting children. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules to implement the bill's provisions.

Senate Bill 64 Senate Author: Nelson et al. Effective: 9-1-13 House Sponsor: Zerwas

Senate Bill 64 amends the Human Resources Code to require each child-care facility, other than a facility that provides care in the home of the facility's director, owner, operator, or caretaker, to develop and implement a policy to protect the children in its care from vaccine-preventable diseases. The bill requires this policy to include requirements relating to vaccination of facility employees, compliance verification, recordkeeping, authorized disciplinary actions, prohibited discrimination or retaliatory actions, and procedures for exempting a facility or employee from vaccination requirements.

Senate Bill 353 Senate Author: West Effective: 5-25-13 House Sponsor: Dukes

Senate Bill 353 amends the Human Resources Code to specify that the exemption from the requirement that an emergency shelter facility providing shelter to certain minors obtain a license issued by the Department of Family and Protective Services to operate a child-care facility or child-placing agency applies to a facility, other than a facility that would otherwise require a license as a child-care facility, that provides shelter or care to a minor and the minor's child or children, if any. The bill conditions such an exemption on the facility being currently under a contract with a state or federal agency or meeting certain contract eligibility requirements for family violence centers.

Senate Bill 427 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Raymond

Senate Bill 427 amends the Human Resources Code to exempt from licensing requirements a child-care facility operated by a nonprofit organization located in a municipality with a population of at least 600,000 that is in a county on the Texas-Mexico border that, in addition to

meeting other criteria, provides emergency shelter and care to certain children who are victims of human trafficking. The bill authorizes the Department of Family and Protective Services (DFPS) to designate a licensed day-care center or group day-care home for an unannounced biennial inspection, rather than an annual inspection, if the facility has a history of substantial compliance with minimum licensing standards. The bill includes a residential child-care facility among the facilities, homes, and agencies for which the director, owner, or operator is required to submit a complete set of fingerprints of specified persons for purposes of conducting a background and criminal history check.

Senate Bill 427 includes a family home among the facilities against which DFPS is authorized to impose an administrative sanction, as an alternative to an administrative penalty, for a violation of statutory provisions regulating those facilities or a related rule or order. The bill establishes the violations for which DFPS is authorized to impose an administrative penalty without first imposing a nonmonetary administrative sanction.

Senate Bill 427 prohibits a person from serving as a child-care administrator of a general residential operation without a license issued by DFPS and establishes additional eligibility requirements relating to criminal history and background checks for a new or renewal child-care or child-placing agency administrator's license. The bill authorizes DFPS to deny, revoke, suspend, or refuse to renew such a license, or place on probation or reprimand a license holder for engaging in conduct that makes the license holder ineligible for a permit for certain facilities or family homes or employment as a controlling person or service in that capacity in a facility or family home.

Senate Bill 428 Senate Author: Nelson House Sponsor: Raymond

Senate Bill 428 amends the Human Resources Code to exempt the director, owner, or operator of a residential child-care facility from the requirement to submit to the Department of Family and Protective Services (DFPS) information for use in conducting a background and criminal history check on a parent or other relative of a child who is a client in care at the facility if DFPS has on file for the parent or relative a background and criminal history check and the background and criminal history check was conducted within the two-year period preceding the date the parent or relative visits the client at the facility.

#### **Diseases and Medical Conditions**

House Bill 740 House Author: Crownover et al. Senate Sponsor: Deuell et al.

House Bill 740 updates provisions of the Health and Safety Code relating to newborn screening for certain disorders and requires the Department of State Health Services, with the advice of the Newborn Screening Advisory Committee, to authorize a newborn screening test for critical congenital heart disease at birthing facilities that meet certain test procedure and standards requirements. The bill requires a birthing facility to perform any such authorized screening test on each newborn who is a patient of the facility before the newborn is discharged from the facility, except under certain circumstances. The bill sets out provisions regarding additional screening tests for critical congenital heart disease, an attending physician's authority to delegate certain responsibilities to a qualified and properly trained person acting under the physician's supervision, and certain reporting requirements for a birthing facility regarding a confirmed case of a disorder for which a screening test is required. The bill revises the composition and duties of the Newborn Screening Advisory Committee.

House Bill 1204 House Author: Parker Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1204 amends the Government Code to designate October 1 as Influenza Awareness Day to raise awareness of the health risks associated with influenza and encourage Texans to take proactive measures to reduce exposure to those risks.

House Bill 1690 House Author: Fletcher Effective: 6-14-13 Senate Sponsor: Nelson et al.

House Bill 1690 amends the Health and Safety Code to authorize a peace officer to use reasonable force to secure the members of a group subject to an order to implement communicable disease control measures, property subject to quarantine under a court order, and a quarantine area and, except as directed by the Department of State Health Services or a health authority, to prevent individuals from joining, entering, or leaving the group, property, or quarantine area, as applicable. The bill provides for a peace officer's authority to prevent a person who is the subject of a protective custody order relating to the management of a communicable disease from leaving the facility designated to detain the person on a certain court finding, authorizes such an order and a related order for temporary detention to direct an emergency medical services provider to provide an ambulance and staff to immediately transport the person who is the subject of the order to an appropriate inpatient health facility, and authorizes the provider to seek reimbursement for the costs of the transport. The bill sets out the circumstances under which a judge is authorized to order that a person may appear for a hearing on a request for reexamination of an extended management order only by teleconference or another appropriate means. The bill makes it a Class A misdemeanor for a person who is subject to a protective custody order or temporary detention order relating to the management of a communicable disease to resist or evade apprehension by a sheriff, constable, or other peace officer enforcing the order or to resist or evade transport to an appropriate inpatient health care facility or other suitable facility under the order and makes it a Class A misdemeanor to assist such a person in resisting or evading that apprehension or transport.

House Bill 3285 House Author: Davis, Yvonne Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 3285 amends the Health and Safety Code to require that a report of certain health care-associated infections submitted to the Department of State Health Services (DSHS) by a health care facility, a pediatric and adolescent hospital, or a general hospital specify whether the infection resulted in the death of the patient while hospitalized and specifies that the summary of reported infections DSHS is required to make available to the public includes infections that resulted in the death of the patient while hospitalized. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules and procedures necessary to implement the bill's changes. The bill's provisions apply to a report that is made in or a DSHS summary that covers a reporting period beginning on or after March 1, 2014.

Senate Bill 495 Senate Author: Huffman et al. Effective: 9-1-13 House Sponsor: Walle et al.

Senate Bill 495 amends the Health and Safety Code to create the Maternal Mortality and Morbidity Task Force as a multidisciplinary advisory committee within the Department of State Health Services (DSHS). The bill requires the task force to study and review cases of pregnancy-related deaths and trends in severe maternal morbidity, determine the feasibility of the task force studying cases of severe maternal morbidity, and make recommendations to help reduce the incidence of pregnancy-related deaths and severe maternal morbidity in Texas.

The bill sets out provisions for the composition, operation, and administration of the task force and makes the task force subject to the Texas Sunset Act. The bill authorizes DSHS and the task force to consult with any relevant experts and stakeholders and, in gathering information, to consult with representatives of any relevant state professional associations and organizations. The bill authorizes DSHS on behalf of the task force to enter into agreements with institutions of higher education or other organizations.

Senate Bill 495 provides for the selection and review by the task force of cases of pregnancy-related deaths and severe maternal morbidity and for obtaining certain de-identified information relevant to a case under review. The bill provides for the confidentiality and privileged nature of information pertaining to a pregnancy-related death or severe maternal morbidity, specifies that such information or a task force work product is not subject to subpoena or discovery, and provides for the immunity of a task force member and certain persons who provide information, counsel, or services to the task force.

Senate Bill 495 authorizes DSHS to establish and maintain an electronic database to track cases of pregnancy-related deaths and severe maternal morbidity and prohibits information in the database from including identifying information. The bill exempts the disclosure of records pertaining to voluntary or therapeutic termination of pregnancy and prohibits those records from being collected, maintained, or disclosed under the bill's provisions. The bill sets out reporting requirements for DSHS and the task force and grants DSHS access to certain information that may include the identity of a patient to fulfill its duties under the bill's provisions.

Senate Bill 504 Senate Author: Deuell House Sponsor: King, Susan

Senate Bill 504 amends the Health and Safety Code to remove the requirement for the executive commissioner of the Health and Human Services Commission, in cooperation with the Texas Education Agency, to adopt rules for the mandatory spinal screening of children in grades six and nine in public and private schools for the purpose of detecting abnormal spinal curvature in those children and to require instead the adoption of rules requiring each public school to choose either to participate in the spinal screening program for students in those grades or to provide information developed by the Department of State Health Services on abnormal spinal curvature to the parents, managing conservators, or guardians of those students. The bill requires a school's chief administrator, if a student is exempt from screening because the screening conflicts with the tenets and practices of a recognized church or religious denomination of which the student is an adherent or a member, to make the specified information available to the exempted student's parent, managing conservator, or guardian.

Reason Given for Veto: "SB 504 would remove the state's requirement that schools screen all students in the 6th and 9th grades for spinal abnormalities.

"This screening detects spinal curvatures, helping avoid extensive surgery, scoliosis or abnormal curvatures later in life.

"To ensure children receive the attention and treatment they need for abnormal curvatures, Texas must remain vigilant and retain this required screening."

Senate Bill 519Senate Author: DeuellEffective: 9-1-13House Sponsor: King, Susan

Senate Bill 519 amends the Human Resources Code to update the definition of "autism and other pervasive developmental disorders" by referencing the most recent edition of the Diagnostic and Statistical Manual.

Senate Bill 793 Senate Author: Deuell House Sponsor: Laubenberg

Previous law required the newborn hearing screening required to be performed by a birthing facility through a program certified by the Department of State Health Services (DSHS) to be performed directly or through a transfer agreement. Senate Bill 793 amends the Health and Safety Code to require the screening to be performed either directly or through a referral to another program certified by DSHS. The bill includes among the exceptions to the screening requirement that the newborn was discharged from the birthing facility not more than 10 hours after birth and a referral for the newborn was made to a DSHS-certified program at another birthing facility or operated by a physician or health care provider.

#### **Health Care Facilities**

House Bill 15 House Author: Kolkhorst et al. Senate Sponsor: Nelson et al.

House Bill 15 amends the Health and Safety Code to require the executive commissioner of the Health and Human Services Commission (HHSC) to assign level of care designations to each hospital based on the neonatal and maternal services provided at the hospital. The bill requires the executive commissioner, in consultation with the Department of State Health Services (DSHS) and not later than March 1, 2017, to adopt rules for assigning level of care designations and sets out requirements for establishing the designations, criteria to qualify for each designation, and the process of assigning designations. The bill requires HHSC to study patient transfers that are not medically necessary and authorizes the executive commissioner, if it is determined to be desirable and feasible, to adopt rules addressing transfers that are not medically necessary but would be cost-effective. The bill provides for the confidentiality and privileged nature of all information and materials submitted by a hospital to DSHS for purposes of the hospital's level of care designation and prohibits a DSHS summary or disclosure from containing certain identifying information. The bill sets out requirements regarding the assignment and review of level of care designations and a request from a hospital to change a designation. The bill makes a hospital that does not meet minimum requirements for any level of care designation for neonatal or maternal services ineligible for applicable Medicaid reimbursement except under certain circumstances. The bill establishes the Perinatal Advisory Council, composed of 17 members appointed by the executive commissioner, to develop designation criteria and assignment processes and to make recommendations to the executive commissioner regarding level of care designations and neonatal and maternal outcomes. The bill sets out provisions relating to the operation and appointment of the council and subjects the council to provisions of the Texas Sunset Act. The bill establishes the dates by which a hospital must have a neonatal or maternal level of care designation as a condition of Medicaid reimbursement.

House Bill 729 House Author: Price Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 729 amends the Government Code and Health and Safety Code to expand the list of persons about whom certain health facilities or a private agency acting on behalf of such a health facility are entitled to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS to include a volunteer with the facility; an applicant for employment with or an employee of a person or business that contracts with the facility; a student enrolled in an educational program or course of study who is at the facility

for educational purposes; and an employee of or applicant for employment at a home and community support services agency, regardless of the nature of the employment duties. The bill adds these health facilities to the noncriminal justice entities to which a criminal justice agency may disclose criminal history record information that is the subject of an order of nondisclosure. The bill expands the list of persons about whom a public or nonprofit hospital or a hospital district is entitled to obtain criminal history record information from DPS to include a student enrolled in an educational program or course of study who is at the hospital or a hospital owned or operated by the district for educational purposes.

House Bill 1376 House Author: Kolkhorst Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1376 amends the Health and Safety Code to prohibit a freestanding emergency medical care facility that is exempt from certain licensing requirements from advertising or holding itself out as a medical office, facility, or provider other than an emergency room if the facility charges for its services the usual and customary rate charged for the same service by a hospital emergency room in the same region of the state or located in a region of the state with comparable rates for emergency health care services. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules for a notice to be posted in a conspicuous place in such a facility that notifies prospective patients that the facility is an emergency room and charges rates comparable to a hospital emergency room. The bill authorizes the commissioner of health to assess an administrative penalty against a hospital that violates the bill's provisions.

Senate Bill 492 Senate Author: Lucio

Effective: See below House Sponsor: Sheffield, J. D.

Senate Bill 492 amends the Health and Safety Code, the Government Code, and the Human Resources Code to provide for the licensing and regulation of prescribed pediatric extended care centers. The bill requires a separate license for each center located on separate premises and prohibits a person from operating a center on the same premises as certain facilities licensed by the Department of Aging and Disability Services (DADS) or the Department of State Health Services. The bill sets out provisions relating to license application, license issuance, renewal of a license, and notification of license expiration and exempts specified facilities from licensing requirements.

Senate Bill 492 establishes the powers and duties of the executive commissioner of the Health and Human Services Commission (HHSC) and DADS with regard to licensed prescribed pediatric extended care centers, including the authority to adopt rules and minimum center standards, inspect a center and require certain corrective actions, and set licensing fees. The bill provides for admission criteria for minor clients of a center; restrictions on center hours, services, and patient capacity; the display of a license by a center; complaint procedures; compliance with certain state laws; and the process by which a center may voluntarily discontinue operation.

Senate Bill 492 entitles DADS to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS that relates to a person required to undergo a background and criminal history check for purposes of prescribed pediatric extended care center licensing requirements. The bill requires HHSC to establish a separate provider type for prescribed pediatric extended care centers for purposes of enrollment as a provider for and reimbursement under Medicaid.

Senate Bill 492 includes provisions relating to the denial, suspension, or revocation of a license; scheduling a noncompliant center for a probation period; ordering the emergency

suspension of a license; a suit for injunction against a person who continuously violates statutory provisions, rules, and standards regulating licensed prescribed pediatric extended care centers; and the imposition of civil and administrative penalties. The bill makes it a Class B misdemeanor offense for a person to knowingly establish or operate a center without the appropriate license and specifies that each day a violation continues constitutes a separate offense. The bill takes effect September 1, 2013, except for provisions relating to general enforcement of licensing requirements and the imposition of an administrative penalty for related violations, which take effect January 1, 2015.

Senate Bill 944 Senate Author: Nelson Effective: 6-14-13 House Sponsor: Kolkhorst

Senate Bill 944 amends provisions of the Health and Safety Code relating to the nurse aide registry and criminal history checks of employees and applicants for employment in certain facilities serving the elderly, persons with disabilities, or persons with terminal illnesses to expand the definition of "facility" to include a mental health service unit of a hospital licensed under the Texas Hospital Licensing Law.

Senate Bill 945

Effective: 1-1-14

Senate Author: Nelson
House Sponsor: Davis, Sarah

Senate Bill 945 amends the Health and Safety Code to require a hospital to adopt a policy requiring a health care provider providing direct patient care at the hospital to wear a photo identification badge during all patient encounters, unless precluded by adopted isolation or sterilization protocols. The bill requires the badge to be of sufficient size, to be worn in a manner to be visible, and to clearly state at minimum the provider's first or last name, the department of the hospital with which the provider is associated, the type of license held by the provider, and the provider's status as a student, intern, trainee, or resident, if applicable.

Senate Bill 1191 Senate Author: Davis et al.

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 1191 amends the Health and Safety Code to prohibit a person from performing a forensic examination on a sexual assault survivor unless the person has at least basic sexual assault forensic evidence collection training or the equivalent education, which includes approved continuing medical or nursing education courses. The bill requires each health care facility that has an emergency department that is not designated in a community-wide plan as the community's primary health care facility for treating sexual assault survivors to develop a plan to train personnel on sexual assault forensic evidence collection. The bill requires such a facility to inform a sexual assault survivor that the facility is not the community's designated facility, to provide to the survivor the name and location of the designated facility, and to inform the survivor that the survivor is entitled to receive the care required to be provided to the survivor at the current facility or to be stabilized and transferred to and receive such care at the community's designated facility. The bill prescribes stabilization and transfer procedures for a sexual assault survivor who chooses to be transferred and specifies that each health care facility that has an emergency department must comply with statutory provisions relating to minimum standards for emergency services provided to survivors of sexual assault.

Senate Bill 1191 establishes that statutory provisions relating to emergency services for survivors of sexual assault do not affect participating entities of children's advocacy centers or the working protocols set forth by their multidisciplinary teams to ensure access to specialized medical assessments for sexual assault survivors who are minors and requires the Department

of State Health Services to post on its Internet website a list of all hospitals that are designated in a community-wide plan as the primary health care facility in the community for treating sexual assault survivors.

Senate Bill 1401 Senate Author: Carona

Effective: 6-14-13 House Sponsor: Rodriguez, Eddie

Senate Bill 1401 amends the Government Code to authorize a diagnostic laboratory to participate as an in-state provider under any program administered by a health and human services agency or the Health and Human Services Commission (HHSC) that involves diagnostic laboratory services, regardless of the location where any specific service is performed or where the laboratory's facilities are located if the laboratory or a parent, subsidiary, or other affiliate of the laboratory meets certain operational and minimum workforce requirements and the laboratory is otherwise qualified to provide the services under the program and is not prohibited from participating as a provider under any benefits programs administered by a health and human services agency or HHSC based on conduct that constitutes fraud, waste, or abuse.

## **Immunizations**

Senate Bill 62 Senate Author: Nelson
Effective: 10-1-13 House Sponsor: Laubenberg

Senate Bill 62 amends the Education Code to lower from 30 to 22 years of age the minimum age at which a student entering an institution of higher education or private or independent institution of higher education is exempt from providing certain evidence to the institution that the student has received a bacterial meningitis vaccine dose or booster within the required period of time. The bill requires the Department of State Health Services (DSHS) to develop and implement a secure, Internet-based process to be used exclusively at public junior colleges that elect to use the process to allow an entering student to apply online for an exemption from the bacterial meningitis vaccination requirement for reasons of conscience. The bill sets out requirements relating to the design of the Internet-based process and the exemption form to be used by students and requires DSHS to report to the legislature annually the number of exemption applications in the preceding academic year using the process. The bill establishes format and deadline requirements for an affidavit signed by a student stating that the student declines the vaccination for bacterial meningitis for reasons of conscience.

Senate Bill 62 amends the Health and Safety Code to exempt a person claiming an exemption from a required immunization using the Internet-based process from certain affidavit requirements.

Senate Bill 63 Senate Author: Nelson

Effective: 6-14-13 House Sponsor: Sheffield, J. D.

Senate Bill 63 amends the Family Code to authorize a child who is pregnant or is the parent of a child and has actual custody of the child to consent to the child's own immunization for a disease if the Centers for Disease Control and Prevention recommends or authorizes the initial dose of an immunization for that disease to be administered before seven years of age. The bill sets out provisions relating to such consent and authorizes a health care provider or facility to rely on the written statement of the child containing the grounds on which the child has capacity to consent to the child's immunization.

#### Medicaid and CHIP

House Bill 1605 House Author: Davis, Sarah et al. Effective: 9-1-13 Senate Sponsor: Huffman

House Bill 1605 amends the Government Code to require the Health and Human Services Commission (HHSC) to develop and implement a pilot program in Harris County to create pregnancy medical homes that provide coordinated evidence-based maternity care management to women who reside in the pilot program area and are recipients of medical assistance through a Medicaid managed care model or arrangement under the Medicaid managed care program. The bill requires HHSC, in developing the pilot program, to ensure that each pregnancy medical home created for the program provides a maternity management team that consists of certain health care providers in a single location; that conducts a risk-classification assessment for each pilot program participant on entry into the program to determine whether her pregnancy is considered high-risk or low-risk; that establishes an individual pregnancy care plan for each participant based on such assessment; and that follows the participant throughout her pregnancy in order to reduce poor birth outcomes. The bill authorizes HHSC to incorporate financial incentives to health care providers who participate in a maternity management team as a component of the pilot program. The bill establishes reporting requirements for the program and authorizes the executive commissioner of HHSC to adopt rules to implement the bill's provisions.

Senate Bill 7 Senate Author: Nelson et al. Effective: See below House Sponsor: Raymond

Senate Bill 7 amends provisions of the Government Code, the Health and Safety Code, and the Human Resources Code relating to the delivery and quality of certain health and human services. The bill requires the Health and Human Services Commission (HHSC) and the Department of Aging and Disability Services (DADS) to jointly design and implement an acute care services and long-term services and supports system for individuals with intellectual and developmental disabilities. Among other provisions, the bill:

- establishes the Intellectual and Developmental Disability System Redesign Advisory Committee to advise HHSC and DADS on the implementation of the system;
- sets out reporting requirements for HHSC regarding the implementation of the system and the role of local intellectual and developmental disability authorities as service providers;
- provides for the development and implementation of pilot programs to test one or more service delivery models involving a managed care strategy based on capitation to deliver Medicaid long-term services and supports;
- institutes the delivery of acute care Medicaid program benefits and certain basic attendant and habilitation services 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;
- provides for the transition of the provision of benefits for certain long-term care Medicaid waiver program recipients to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model; and
- revises the list of persons who are not required to obtain a home and community support services license.

Senate Bill 7 expands the state's Medicaid managed care program by:

- requiring mandatory participation in a Medicaid capitated managed care program for all
  persons eligible for acute care Medicaid benefits, but authorizing HHSC to implement
  alternative models or arrangements, including a traditional fee-for-service arrangement,
  if determined to be more cost-effective or efficient;
- requiring the expansion of the STAR + PLUS Medicaid managed care program to all areas
  of the state to serve individuals eligible for Medicaid acute care services and long-term
  care services and supports, including nursing facility benefits;
- providing for the development of a plan for the delivery of nursing facility benefits through the STAR + PLUS Medicaid managed care program and requiring the plan to be completed in a contract planning phase and an initial testing phase;
- establishing a mandatory STAR Kids capitated managed care program tailored to provide Medicaid benefits to children with disabilities, including children who are receiving benefits under the medically dependent children waiver program;
- establishing the STAR + PLUS Nursing Facility Advisory Committee, the STAR Kids managed care advisory committee, and the STAR + PLUS Quality Council;
- revising the elements required to be contained in a contract between a managed care
  organization and HHSC for the organization to provide health care services to recipients
  under the managed care program, including provisions relating to the payment of claims
  by an organization, an organization's system for tracking and resolving provider appeals
  related to claims payment, the organization's provider network and recipient access to
  care, and a prohibition against certain rate reductions; and
- revising provisions relating to the appointment, composition, meetings, powers and duties, and compensation of the state Medicaid managed care advisory committee.

Senate Bill 7 sets out additional provisions relating to individuals with intellectual and developmental disabilities, including provisions relating to the development and implementation of a comprehensive assessment instrument and a resource allocation process for those individuals, the development of additional housing supports for individuals with disabilities in urban and rural areas, and the development and implementation of specialized training for certain persons providing direct services and supports to individuals with intellectual and developmental disabilities and behavioral health needs who are at risk of institutionalization and of behavioral health intervention teams for those individuals. The bill requires HHSC and DADS to conduct a study to identify crisis intervention programs currently available to, evaluate the needs for appropriate housing for, and develop strategies for serving the needs of persons with Prader-Willi syndrome and requires HHSC to conduct a study to evaluate the need for applying income disregards to persons with intellectual and developmental disabilities receiving Medicaid benefits.

Senate Bill 7 contains provisions regarding quality-based outcomes, including provisions related to a clinical improvement program to identify goals designed to improve quality of care and care management and reduce potentially preventable events, a quality-based incentive program for managed care organizations that automatically enrolls a greater percentage of recipients who did not actively choose their managed care plan in a managed care plan that meets certain criteria, and 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. The bill revises provisions relating to the use of profits shared by a managed care organization by HHSC, the composition of the Medicaid and CHIP Quality-Based Payment Advisory Committee, the development of quality-based outcome and process measures and payment systems, conversion of outpatient hospital reimbursement systems under the child

health plan and Medicaid programs, transparency in the child health plan and Medicaid programs, annual quality-based outcome and process measures reporting requirements for HHSC, managed care organization premiums and incentives, adjustments to child health plan and Medicaid reimbursements to hospitals, and the goals of certain payment initiatives established by HHSC.

Senate Bill 7 requires HHSC to pursue and, if appropriate, implement premium rate-setting strategies that encourage provider payment reform and more efficient service delivery and provider practices. The bill includes provisions relating to data sharing to facilitate patient care coordination, quality improvement, and cost savings in health and human services programs; the alignment of service delivery areas under the Medicaid and child health plan programs; the implementation of a wellness screening program for Medicaid recipients designed to evaluate a recipient's risk for having certain diseases and medical conditions; the calculation of payments under certain supplemental hospital payment programs; and the transfer of certain funds to provide the program of all-inclusive care for the elderly services to certain eligible recipients who would otherwise receive services through the STAR + PLUS Medicaid managed care program. The bill's provisions are effective September 1, 2013, except for the authorization to expand the types of services a local mental health authority provides and the mental health disorders for which services are provided as part of an authority's disease management and jail diversion measures, which is effective January 1, 2014.

Senate Bill 8 Senate Author: Nelson et al. House Sponsor: Kolkhorst et al.

Senate Bill 8 amends provisions of the Government Code, Health and Safety Code, and Human Resources Code to address the provision and delivery of certain health and human services in Texas. The bill requires the executive commissioner of the Health and Human Services Commission (HHSC) to establish a data analysis unit designed to improve contract management, detect data trends, and identify anomalies relating to service utilization, providers, payment methodologies, and compliance with Medicaid and child health plan program provider contract requirements and prohibits those providers from engaging in marketing activity except under certain circumstances. The bill establishes requirements for HHSC to periodically review the prior authorization and utilization review processes within the Medicaid fee-for-service delivery model and to monitor Medicaid managed care organizations to ensure that the organizations are using the review processes to ensure the appropriate use of services.

Senate Bill 8 expands the responsibilities of the HHSC office of inspector general and authorizes the office to employ and commission peace officers to assist the office in investigating fraud, waste, and abuse in the Medicaid program. The bill sets out provisions for the delivery of medical transportation program services, including provisions relating to procuring managed transportation organizations to contract with certain medical transportation providers, contracting with certain transportation service area providers, and providing medical transportation program services in different areas of the state. The bill requires HHSC to enter into a memorandum of understanding with the Texas Department of Motor Vehicles and the Department of Public Safety to obtain the motor vehicle registration and driver's license information of providers of medical transportation services to confirm provider compliance with applicable requirements. The bill extends the applicability of certain contract requirements for an outpatient pharmacy benefit plan maintained by a managed care organization participating in the Medicaid managed care program until August 31, 2018.

Senate Bill 8 establishes additional licensing requirements for emergency medical services providers, including requirements to provide the Department of State Health Services (DSHS) with a letter of credit and HHSC with a surety bond and to obtain a letter of approval from

the municipality or county in which the applicant will provide services. The bill establishes qualification and continuing education requirements for the administrator of record for an emergency medical services provider. The bill sets out DSHS reporting requirements relating to licensing data and activities for emergency medical services provider licenses, provides for the suspension, revocation, or denial of an emergency medical services provider license, and places a moratorium on the issuance of new licenses for the period beginning September 1, 2013, and ending August 31, 2014.

Senate Bill 8 provides for the revocation of a provider's enrollment or denial of a person's application for enrollment as a Medicaid provider if the person has been excluded or debarred from participation in a state or federally funded health care program because of certain misconduct and for the electronic exchange of certain prior authorization requests in accordance with national standards. The bill revises the date on which the ineligibility period begins for a Medicaid provider found liable for committing an unlawful act. The bill provides for the review of and solicitation of input regarding laws and policies related to the use of non-emergent services provided by ambulance providers, the licensure of nonemergency transportation providers, the delegation of health care services by physicians or medical directors to qualified emergency medical services personnel, and physicians' assessment of patients' needs for purposes of ambulatory transfer or transport or other purposes. The bill requires HHSC to 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 Medicaid program by certain providers without electronic capabilities and requires the HHSC office of inspector general to review the manner in which the office investigates fraud, waste, and abuse in the supplemental nutrition assistance program and coordinates with other state and federal agencies in conducting those investigations.

Senate Bill 45

Senate Author: Zaffirini
Effective: 6-14-13

House Sponsor: Naishtat

Senate Bill 45 amends the Human Resources Code to require the Health and Human Services Commission to provide specified employment assistance and supported employment, as defined, to participants in certain specified Medicaid waiver programs.

Senate Bill 348
Senate Author: Schwertner et al.
House Sponsor: Kolkhorst

Senate Bill 348 amends the Government Code to require the Health and Human Services Commission's (HHSC) office of contract management to establish an annual utilization review process for managed care organizations participating in the STAR + PLUS Medicaid managed care program that includes, among other topics to be determined by HHSC, a thorough investigation of each managed care organization's procedures for determining whether a recipient should be enrolled in the STAR + PLUS home and community-based services and supports program. The bill specifies the process by which managed care organizations are to be reviewed by the office each fiscal year, but requires the office to use the newly established utilization review process to review each managed care organization participating in the STAR + PLUS Medicaid managed care program during the state fiscal biennium ending August 31, 2015. The bill requires HHSC, in conjunction with the office, to provide an annual report to the standing committees of the senate and house of representatives with jurisdiction over the Medicaid program regarding the utilization reviews and the efficiency of the program, the first of which must be provided not later than December 1, 2014. The bill prohibits a service provider who contracts with a managed

care organization from being held liable for the good faith provision of services based on an authorization from the organization if a utilization review results in a determination to recoup money from the organization.

Senate Bill 746 Senate Author: Nelson et al. Effective: 9-1-13 House Sponsor: Kolkhorst

Senate Bill 746 amends the Human Resources Code to bring provisions relating to Medicaid fraud protection into compliance with federal law. The bill revises the conduct for which a person is considered to have committed an unlawful act under the Medicaid program and makes it an unlawful act for a person to conspire to engage in any such conduct. The bill sets the statute of limitations for recovery by a person in an action relating to Medicaid fraud proceeding without the state's participation. The bill increases the cap on the amount a court may award on finding that an action relating to Medicaid fraud brought by a private person is based primarily on the disclosure of certain information.

Senate Bill 746 revises provisions relating to the validity of an action or claim brought by a person on the basis of information publicly disclosed in a state or federal criminal or civil hearing. The bill clarifies that dismissal of an action or claim by a court may proceed unless opposed by the attorney general or the person bringing the action is an original source of the information. The bill revises the conditions under which a person is entitled to compensation because of retaliation against the person for involvement in an action relating to Medicaid fraud and requires a person bringing suit relating to such retaliation to do so not later than the third anniversary of the date on which the retaliation occurs.

Senate Bill 1106 Senate Author: Schwertner et al. Effective: See below House Sponsor: Davis, John

Senate Bill 1106 amends the Government Code, effective September 1, 2013, to require the outpatient pharmacy benefit plan developed, implemented, and maintained by a Medicaid managed care organization for its enrolled recipients as part of a contract between the organization and the Health and Human Services Commission to meet certain requirements relating to the maximum allowable cost list and maximum allowable cost price information. The bill makes the maximum allowable cost list specific to a network pharmacy provider confidential but includes among the contract requirements, effective March 1, 2014, that a managed care organization or pharmacy benefit manager, as applicable, provide a process for each of its network pharmacy providers to readily access the maximum allowable cost list specific to the provider.

Senate Bill 1150

Effective: 9-1-13

Senate Author: Hinojosa et al.

House Sponsor: Guerra et al.

Senate Bill 1150 amends the Government Code to require the Health and Human Services Commission (HHSC) to develop and implement a provider protection plan that is designed to reduce administrative burdens placed on providers participating in a Medicaid managed care model or arrangement implemented under the Medicaid managed care program and to ensure efficiency in provider enrollment and reimbursement. The bill requires HHSC to incorporate the measures identified in the provider protection plan into each contract between a managed care organization and HHSC for the provision of health care services to recipients and establishes the elements required to be provided by the plan.

Senate Bill 1175

Senate Author: Deuell
Effective: 6-14-13

House Sponsor: Guillen

Senate Bill 1175 amends the Government Code to require the executive commissioner of the Health and Human Services Commission (HHSC), not later than September 1, 2014, by rule to establish a program to facilitate the reuse of durable medical equipment provided to recipients under the Medicaid program if it is determined to be cost-effective. The bill requires the program to include provisions for ensuring that reused equipment meets applicable standards of functionality and sanitation and that a Medicaid recipient's participation in the reuse program is voluntary. The bill includes provisions relating to immunity from liability of HHSC or a commission employee and a cause of action against HHSC or a commission employee as a result of the program. The bill requires the executive commissioner, in accordance with applicable law, to provide notice of each proposed rule, adopted rule, and hearing that relates to establishing the program.

Senate Bill 1221 Senate Author: Paxton
Effective: 6-14-13 House Sponsor: Smithee

Senate Bill 1221 amends the Insurance Code to prohibit an insurance company, health maintenance organization (HMO), or preferred provider organization (PPO) that contracts with a health care provider to provide services in connection with the Medicaid managed care program or the child health plan program (CHIP) from requiring the health care provider to provide access to or transfer the provider's name and contracted discounted fee for use with commercial health benefit plans issued to individuals and groups under statutory provisions relating to HMOs or preferred provider benefit plans. The bill authorizes an insurance company, HMO, or PPO to provide access to or transfer a provider's name and discounted fee only if the provider authorizes the access or transfer by signing a written notice provided by the insurance company, HMO, or PPO that indicates that the provider may be agreeing to apply the company's Medicaid or CHIP fee schedule to services provided to commercial insurance or HMO enrollees.

Senate Bill 1542 Senate Author: Van de Putte Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1542 amends the Government Code to require the Health and Human Services Commission (HHSC) to develop and implement a quality improvement process by which HHSC receives suggestions for clinical initiatives designed to improve the quality of care provided under the Medicaid program and the cost-effectiveness of the Medicaid program, conducts a preliminary review of each suggestion to determine whether the suggestion warrants further consideration and analysis, and conducts an analysis of clinical initiative suggestions that are selected for such analysis and of required clinical initiatives. The bill specifies the state officials and entities from which HHSC is required to solicit and accept suggestions for clinical initiatives and the types of initiatives for which HHSC may not accept a suggestion and on which HHSC is required to conduct an analysis and issue a final report. The bill establishes minimum requirements for the evaluation process for submission, preliminary review, analysis, and approval of a clinical initiative, specifies the elements required to be included in the analysis of a clinical initiative, and requires HHSC to prepare a final report based on the analysis of a clinical initiative. The bill establishes requirements for HHSC to maintain an Internet website related to the quality improvement process and provides for the implementation of a clinical initiative on the basis of HHSC analysis.

Senate Bill 1803

Senate Author: Huffman

House Sponsor: Kolkhorst et al.

Senate Bill 1803 amends provisions of the Government Code and Human Resources Code relating to the investigation of allegations of fraud or abuse and overpayments owed by providers in connection with the Medicaid program and other health and human services programs. The bill requires the Health and Human Services Commission office of inspector general to conduct a preliminary investigation of a complaint or allegation of Medicaid fraud from any source to determine whether there is a sufficient basis to warrant a full investigation and provides for the adoption of rules relating to the initiation and conduct of initiating a full scale fraud or abuse investigation, including minimum training requirements for investigators. The bill revises the circumstances under which a payment hold on claims for reimbursement submitted by a provider may be imposed by the office and requires the notice of such a payment hold to include the specific basis for the hold and a description of administrative and judicial due process remedies. The bill extends the time period within which a provider must request an expedited administrative hearing regarding a payment hold and establishes the hearing costs for which the state and the provider are responsible.

Senate Bill 1803 provides for the appeal of a final administrative order and establishes procedures relating to informal resolution meetings regarding a payment hold, making information regarding payment hold determinations public, notice of any proposed recoupment of an overpayment or debt arising out of a fraud or abuse investigation, the appeal of a determination to recover such overpayment or debt, and informal resolution meetings regarding the recovery. The bill requires the office of inspector general to employ a medical director and a dental director to ensure that investigative findings based on the necessity or the quality of certain medical or dental services or care have been reviewed by a qualified expert before the office imposes a payment hold or seeks recoupment of an overpayment, damages, or penalties.

### **Mental Health**

**House Bill 978 Effective:** 9-1-13 **House Author:** Raymond Senate Sponsor: Zaffirini

House Bill 978 amends the Health and Safety Code to place a relative or other responsible person who has a proper interest in a patient's welfare and who receives no remuneration, except for actual and necessary expenses, at the bottom of the prioritized list of people who may be authorized by a court to transport to a mental health facility a patient committed to the facility or admitted to the facility for emergency detention. The bill prohibits a person from transporting a patient to a mental health facility in another state for court-ordered inpatient mental health services unless transportation to that facility is authorized by a court order.

House Bill 1023 House Author: Burkett et al. Effective: 6-14-13 Senate Sponsor: Nelson

House Bill 1023 requires the Health and Human Services Commission (HHSC) or a health and human services agency designated by HHSC to use existing information and data available through certain specified state agencies, councils, and nongovernmental entities to make recommendations regarding mental health workforce shortages in Texas and, not later than September 1, 2014, to submit a related report to the governor, the lieutenant governor, the speaker of the house of representatives, and the appropriate standing committees of the legislature.

House Bill 1191 House Author: Burkett et al. Senate Sponsor: Zaffirini

House Bill 1191 amends the Government Code to require the Health and Human Services Commission to provide electronic access to referral information about housing options for persons with mental illness and sets out requirements for the information.

House Bill 1738 House Author: Naishtat et al. Senate Sponsor: Zaffirini et al.

House Bill 1738 amends the Health and Safety Code to authorize a peace officer who takes a person into custody for emergency detention without a warrant to immediately inform the person orally of the reason for the detention and that a staff member of the mental health facility will inform the person of the person's rights within 24 hours after the time the person is admitted to the facility. The bill requires such a peace officer to immediately file with a mental health facility a notification of detention and requires the facility where the person is detained to include the notification of detention in the person's clinical file. The bill requires the peace officer to give the notification of detention on a specified form and prohibits a mental health facility or hospital emergency department from requiring a peace officer to execute any form other than the specified form as a predicate to accepting the person for temporary admission. The bill grants a person apprehended, detained, or transported for emergency detention the right to a reasonable opportunity to communicate with a relative or other responsible person who has a proper interest in the person's welfare and requires the executive commissioner of the Health and Human Services Commission to by rule prescribe the manner in which such a person is informed of the person's rights.

House Bill 3793 House Author: Coleman Effective: See below Senate Sponsor: Hinojosa

House Bill 3793 amends the Health and Safety Code to authorize a local mental health authority to ensure the provision of treatment services to children and adults with a diagnosed mental health disorder that is not described by law in provisions relating to disease management practices and jail diversion measures of local mental health authorities. The bill requires the Department of State Health Services to require each local mental health authority to reduce the involvement of the criminal justice system in managing adults with the mental health disorders specified by the bill. The bill makes these provisions take effect January 1, 2014; all other provisions of the bill take effect September 1, 2013.

House Bill 3793 requires the Department of State Health Services, in conjunction with the Health and Human Services Commission, to develop a plan to allocate outpatient mental health services and beds in state hospitals to two specified groups of patients. The bill sets out requirements for the plan and provides for an advisory panel to assist the department in developing the plan. The bill establishes a deadline for the department to begin implementing the plan and to submit a related report to the legislature and governor. The bill requires the department to make every effort to contract with certain mental health services providers and facilities to ensure services and beds for the two groups of patients. The bill also requires the department to develop and implement a procedure to inform courts of commitment options.

House Bill 3793 requires the Department of State Health Services, to the extent that funds are appropriated to the department for such purposes, to provide grants to local mental health authorities for training mental health first aid trainers and for providing mental health first aid training to public school educators. The bill sets out requirements for the grant programs, and it requires a local mental health authority that receives a grant to submit related plans and reports to the department. The bill also establishes a reporting requirement for the department and

adds provisions relating to the liability of a person who has completed a mental health first aid training program. The bill amends the Education Code to require the State Board for Educator Certification to adopt rules that allow a public school educator to fulfill certain continuing education requirements by participating in a mental health first aid training program.

House Bill 3793 amends the Special District Local Laws Code to create the Hidalgo County Hospital District, subject to voter approval at a confirmation election. The bill provides for management of a confirmed district by a nine-member board of directors appointed by the governing bodies of certain municipalities in Hidalgo County and by the Hidalgo County Commissioners Court. The bill grants the district full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents, and it sets out related powers and duties, including the power of eminent domain. The bill's general financial provisions address the district's budget and debt limitation, among other provisions. The bill authorizes the district to issue general obligation bonds and impose a property tax, subject to voter approval, and to issue revenue bonds. The bill also authorizes dissolution of the district by majority vote and establishes other dissolution procedures, including procedures for imposing a tax to pay district debt.

Senate Bill 34 Senate Author: Zaffirini Effective: 9-1-13 House Sponsor: Naishtat

Senate Bill 34 amends the Health and Safety Code and the Code of Criminal Procedure to prohibit a person from administering a psychoactive medication to a client receiving voluntary or involuntary residential care services who refuses the administration except under certain circumstances. Among other provisions, the bill establishes the conditions under which consent to the administration of psychoactive medication given by a client or by a person authorized by law to consent on behalf of the client is valid and requirements for a treating physician in prescribing psychoactive medication and a physician who issues an order to administer psychoactive medication without consent due to a medication-related emergency.

Senate Bill 34 prohibits a person from administering a psychoactive medication to a client committed to a residential care facility who refuses to take the medication voluntarily except under certain circumstances. The bill sets out provisions relating to a physician's application for an order to authorize administration of a psychoactive medication regardless of a client's refusal and establishes the rights of a client for whom such an application is filed. The bill authorizes a court to issue an order authorizing the administration of one or more classes of psychoactive medications to certain clients, but only if the court makes certain findings regarding the administration of the proposed medication and the specific circumstances of the client. Senate Bill 34 sets out procedures for a hearing on an application to authorize the administration of a psychoactive medication, including jurisdiction, hearings de novo, transfer of the proceeding, and written notification of the court's determinations. The bill provides for authorizations required to be included in an order, the reauthorization or modification of an order, the effect of an order issued for certain clients confined in a correctional facility, and the appeal of an order.

Senate Bill 58 Senate Author: Nelson
Effective: 9-1-13 House Sponsor: Zerwas et al.

Senate Bill 58 amends the Government Code to require the Health and Human Services Commission (HHSC) to integrate behavioral health services and physical health services into the Medicaid managed care program. The bill requires a managed care organization that contracts with HHSC under the managed care program to develop a network of public and private providers of behavioral health services and to ensure adults with serious mental illness and children with serious mental disturbance have access to a comprehensive array of services.

The bill sets out requirements for HHSC in implementing the network and requires HHSC and the Department of State Health Services (DSHS), not later than December 1, 2013, to establish the Behavioral Health Integration Advisory Committee to address the planning and development needs of the behavioral health services network and issue formal recommendations to HHSC regarding implementation of the bill's requirements.

Senate Bill 58 requires DSHS to make grants to entities, including local governmental entities, nonprofit community organizations, and faith-based community organizations, to establish or expand community collaboratives that bring the public and private sectors together to provide services to persons experiencing homelessness and mental illness. The bill establishes procedures for awarding grants and requirements for entities awarded a grant, acceptable uses of grant money, elements that may be incorporated into a community collaborative, and required outcome measures for community collaboratives. The bill provides for annual review of a collaborative's efforts to meet outcome measures and the reduction and cessation of funding for collaboratives that do not meet those measures. The bill requires the executive commissioner of HHSC to adopt any rules necessary to implement provisions relating to behavioral health and physical health services and the community collaborative grant program.

Senate Bill 58 amends the Health and Safety Code to require DSHS to establish and maintain a public reporting system on performance and outcome measures relating to mental health and substance abuse services established by the Legislative Budget Board, DSHS, and HHSC. The bill sets out operational requirements for the system and posting requirements for DSHS and requires HHSC to conduct a study to determine the feasibility of establishing and maintaining the system.

Senate Bill 126 Senate Author: Nelson et al. House Sponsor: Davis, John

Senate Bill 126 amends the Health and Safety Code to require the Department of State Health Services (DSHS), in collaboration with the Health and Human Services Commission (HHSC), to 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, DSHS, and HHSC. The bill requires the system to allow external users to view and compare performance, outputs, and outcomes of community centers that provide mental health services, Medicaid managed care programs and pilot programs that provide mental health services, and agencies, organizations, and persons that contract with the state to provide substance abuse services. The bill establishes posting and public input requirements for DSHS and requires DSHS, to the extent possible, to include outcome measures that capture inpatient psychiatric care diversion, avoidance of emergency room use, criminal justice diversion, and the number of people served who are homeless. The bill requires HHSC to conduct a study to determine the feasibility of establishing and maintaining the public reporting system and to report the results of the study to the legislature and appropriate legislative committees.

Senate Bill 152Senate Author: Nelson et al.Effective: 6-14-13House Sponsor: Kolkhorst

Senate Bill 152 amends the Health and Safety Code to require the executive commissioner of the Health and Human Services Commission (HHSC) to adopt a policy requiring a state hospital employee to report suspected illegal drug use by another state hospital employee. The bill sets out provisions relating to competency training and other instruction required to be provided to state hospital employees and to direct care employees before the employee begins performing the employee's duties unsupervised. The bill requires the executive commissioner, not later than December 1, 2013, to adopt rules regarding refresher courses for employees and requires

the Department of State Health Services (DSHS) to ensure that each state hospital employee receives the training, regardless of when the employee was hired, not later than September 1, 2014. The bill requires DSHS to develop an information management, reporting, and tracking system for each state hospital to assist DSHS in monitoring serious allegations of abuse, neglect, or exploitation and to develop risk assessment protocols for state hospital employee use in identifying and assessing possible instances of abuse or neglect. The bill includes the El Paso Psychiatric Center among the facilities comprising DSHS.

Senate Bill 152 requires the HHSC office of inspector general, not later than May 1, 2014, to employ and commission peace officers to assist with investigations of an alleged criminal offense involving a patient at a state hospital. The bill sets out summary and annual status reporting requirements for the inspector general regarding state hospitals. The bill prohibits retaliation against a person, including a DSHS or state hospital employee, who in good faith cooperates with the inspector general.

Senate Bill 152 amends the Family Code and the Human Resources Code to establish reporting requirements for a person or professional who has cause to believe that an adult was a victim of abuse or neglect as a child and specifies that requirements to report suspected child abuse or neglect or suspected abuse, neglect, or exploitation of an elderly or disabled person apply without exception to an employee or member of a board that licenses or certifies a professional. The bill amends the Government Code to entitle DSHS to obtain criminal history record information that relates to certain persons who would be placed in direct contact with a patient at a state hospital and prohibits the release or disclosure of such information except under certain circumstances.

Senate Bill 294 Senate Author: Van de Putte Effective: 5-14-13 House Sponsor: Menendez

Senate Bill 294 amends the law to extend the Bexar County behavioral health intervention pilot project for children until September 1, 2023, and to require the local mental health authority involved in the pilot project to report biennially to the Department of State Health Services.

Senate Bill 421 Senate Author: Zaffirini et al. Effective: 9-1-13 House Sponsor: Naishtat

The 76th Legislature required the Health and Human Services Commission (HHSC) to form a consortium to expand the Texas Integrated Funding Initiative pilot project and to develop local mental health care systems in communities for minors who receive residential mental health services or who are at risk of residential placement to receive those services. Senate Bill 421 amends the Government Code to make the consortium a permanent, statewide program known as the Texas System of Care Consortium charged with responsibility for and oversight of a state system of care to develop local mental health systems of care in communities for certain minors who are receiving residential mental health services or inpatient mental health hospitalization or who are at risk of being removed from their home and placed in a more restrictive environment to receive those services, a residential treatment facility, or a facility or program operated by the Department of Family and Protective Services or an agency that is part of the juvenile justice system. The bill revises the composition of the consortium and modifies the duties of HHSC and the consortium to include developing an evaluation system to measure outcomes of state and local system of care efforts.

Senate Bill 421 requires the consortium to submit a biennial report to the legislature and the Council on Children and Families that contains an evaluation of the outcomes of the Texas System of Care and recommendations on strengthening state policies and practices that support

local systems of care. The bill specifies that HHSC and the Department of State Health Services, in jointly monitoring the progress of communities that implement a local system of care, must monitor cost avoidance and the net savings that result from implementing a local system of care.

Senate Bill 646

Effective: 9-1-13

Senate Author: Deuell
House Sponsor: Naishtat et al.

Senate Bill 646 amends provisions of the Health and Safety Code relating to court-ordered outpatient mental health services. The bill requires a judge, not later than the third day before the date of a hearing that may result in the judge ordering a patient to receive court-ordered outpatient mental health services, to identify the person the judge intends to designate to be responsible for those services and authorizes a court to designate a different person in an order directing a patient to participate in outpatient mental health services, if necessary. Under previous law, the person responsible for the patient's outpatient mental health services was required to submit to the court a general program of the treatment within two weeks after the court enters an order for outpatient mental health services. The bill instead requires the person to submit the program to the court before the hearing for an order for temporary mental health services, before the hearing for an order for extended mental health services, or before the court modifies an order for inpatient treatment, as appropriate. Among other provisions, the bill establishes the services required to be included in such a program and requires a court to order the patient to participate in the program but prohibits the court from compelling performance. The bill sets out the authorized actions a court may take if a patient is not complying with the court's order.

Senate Bill 646 establishes procedures relating to the evaluation of a patient apprehended for temporary detention to determine whether the patient presents a substantial risk of serious harm to the patient or to others and the release of a patient who is determined to not present such a risk. The bill requires the Department of State Health Services to prepare and submit to the legislature a report containing information about persons receiving court-ordered outpatient mental health services in Texas and the effectiveness of those services. The bill repeals provisions relating to a judge's authority to advise, but not compel, certain proposed patients to receive treatment with psychoactive medication as specified by the outpatient mental health services treatment plan, participate in counseling, and refrain from the use of alcohol or illicit drugs.

Senate Bill 718 Senate Author: West Effective: 6-14-13 House Sponsor: Burkett

Senate Bill 718 amends the Health and Safety Code to authorize certain persons to request admission for outpatient mental health services by filing a request with the administrator of the facility where admission is requested and to remove the authorization for a person younger than 16 years of age who is or has been married to make such a request. The bill sets out the conditions under which certain persons under the age of 18 may be involuntarily admitted to a mental health facility for inpatient or outpatient services and prohibits a person from transporting a patient to a mental health facility in another state for inpatient mental health services unless transportation to that facility is authorized by a court order.

Senate Bill 1842 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Naishtat

Senate Bill 1842 amends the Health and Safety Code to require the rules adopted by the executive commissioner of the Health and Human Services Commission relating to restraint and seclusion procedures at certain health care facilities to authorize certain registered nurses

who meet specified training requirements to conduct a face-to-face evaluation of a patient in a licensed hospital or mental health facility or in a state mental hospital not later than one hour after the time the use of restraint or seclusion is initiated. The rules must require a physician to conduct a face-to-face evaluation of a patient in the hospital or facility and to document clinical justification for continuing the restraint or seclusion before issuing or renewing an order to do so. The bill requires certain health care facilities to file with the Department of State Health Services a quarterly report required by the federal Centers for Medicare and Medicaid Services regarding hospital-based inpatient psychiatric services measures related to the use of restraint and seclusion, but not before January 1, 2014.

Senate Bill 1889

Effective: 9-1-13

Senate Author: Eltife
House Sponsor: Lavender

Senate Bill 1889 amends the Health and Safety Code to require the Department of State Health Services (DSHS), on petition by a state or local authority of another state, to enter into a reciprocal agreement with that authority to facilitate the return of a person committed to mental health facilities in Texas to the person's state of residence unless DSHS determines that the terms of the agreement are not acceptable. The bill establishes minimum requirements for such a reciprocal agreement relating to development of a process for returning persons committed to mental health facilities to their state of residence and requires DSHS to coordinate, as appropriate, with a mental health facility, a mental hospital, health service providers, courts, and law enforcement personnel located in the geographic area nearest the petitioning state. The bill creates an exception to the requirement that the state returning a committed patient to another state bear the expense of returning the patient if a cost-sharing arrangement is included in the reciprocal agreement.

# Nursing Home, Assisted Living, and Related Facilities

House Bill 33 House Author: Menendez Effective: 9-1-13 Senate Sponsor: Uresti

House Bill 33 amends provisions of the Health and Safety Code relating to the Health and Human Services Commission's (HHSC) informal dispute resolution process between assisted living facilities and the Department of Aging and Disability Services (DADS). The bill clarifies the types of disputes to be addressed by the process, provides for reimbursement of expenses and the confidentiality of certain information relating to the process, extends the deadline for completion of the process, adds requirements relating to submitting and sharing information and the consideration of arguments and information by HHSC and dispute resolution staff, and removes registration and disclosure requirements for an individual representing an assisted living facility in the process.

House Bill 33 establishes binding arbitration procedures to address disputes between an assisted living facility and DADS relating to a license renewal, suspension, revocation, or denial or the assessment of a civil or administrative penalty under the Assisted Living Facility Licensing Act. The bill sets out provisions relating to the election of arbitration, arbitration procedures, arbitrator qualifications, and procedures and enforcement requirements regarding an order entered by an arbitrator.

House Bill 33 amends the Government Code to require HHSC, not later than January 1, 2015, to use a negotiated rulemaking process and engage a qualified impartial third party to ensure the adoption of rules that are fair and impartial to all involved parties.

House Bill 1971 House Author: Davis, John et al.

Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 1971 amends the Health and Safety Code to authorize the Department of Aging and Disability Services (DADS) to develop and implement a pilot program to authorize the use of an accreditation survey from an accreditation commission that meets certain standards to fulfill the requirements for a life and safety code survey or inspection or another survey or inspection required by provisions of the Assisted Living Facility Licensing Act relating to licensing, fees, and inspections. If DADS implements the pilot program, the department may implement it with the goal that, not later than August 31, 2014, at least one assisted living facility will have used an accreditation survey for the purposes of the pilot program.

House Bill 2276 House Author: Crownover et al.

Effective: 9-1-13 Senate Sponsor: Taylor

House Bill 2276 amends the Health and Safety Code to require the Department of Aging and Disability Services, in addition to providing the required explanation of the programs and services for which a person with mental retardation who is seeking residential services is determined to be eligible, to ensure that each person inquiring about residential services receives a pamphlet or similar informational material explaining that any programs and services for which the person is determined to be eligible may be an option available to an individual who is eligible for those services and receives information relating to whether appropriate residential services are available in each program and service for which the person is determined to be eligible.

House Bill 2673 House Author: Price

Effective: 6-14-13 Senate Sponsor: Nelson et al.

House Bill 2673 amends the Government Code and the Health and Safety Code to entitle the Health and Human Services Commission (HHSC) to obtain certain criminal history record information that relates to an employee, job applicant, volunteer, or person applying to volunteer who would be placed in direct contact with a resident or client of certain residential facilities and expand the applicants for whom HHSC and certain other agencies are entitled to obtain such criminal history record information and required to perform state and federal criminal history background checks.

Previous law required the death of a person with an intellectual or developmental disability who, at the time of death, resided in or received services from certain ICF/IIDs or received certain services through a Section 1915(c) waiver program to be reviewed by an independent mortality review system established by the executive commissioner of HHSC. House Bill 2673 expands the scope of the review to include the death of a person who resided in such a facility or received such services at any time during the 24-hour period before the person's death and modifies certain requirements relating to the review of the death of a person receiving services through a Section 1915(c) waiver program.

House Bill 2673 requires the executive commissioner of HHSC to contract with an institution of higher education or a health care organization or association with experience in conducting research-based mortality studies to conduct these reviews, rather than to contract with a patient safety organization certified in accordance with federal law to conduct mortality reviews of persons with an intellectual or developmental disability. The bill revises certain reporting requirements for the organization contracted to conduct the mortality reviews. The bill provides for the confidentiality and privileged nature of certain reports and records relating to a mortality review and prohibits a member of the contracted organization's review team from testifying or being required to testify in a civil, criminal, or administrative proceeding as to observations, factual findings, or conclusions that were made in conducting a mortality review.

**House Bill 3196 Effective:** 9-1-13 **House Author:** Price **Senate Sponsor:** Nelson

House Bill 3196 amends the Health and Safety Code to increase from \$250 to \$375 the maximum amount of a fee for a license to establish, conduct, or maintain a convalescent and nursing home or a related institution and from \$10 to \$15 the maximum amount of the fee for each unit of capacity or bed space for which a license is sought. The bill extends the certification period for an institution that cares for persons with Alzheimer's disease and related disorders from annual to three-year certification. The bill requires the executive commissioner of the Health and Human Services Commission (HHSC) by rule to adopt a system for the staggered expiration of certifications in each three-year period and requires the Department of Aging and Disability Services to prorate the certification fee for a certificate with an expiration date that changes as a result.

House Bill 3196 amends the Human Resources Code to authorize the executive commissioner by rule to require an applicant for Medicaid beds in a nursing facility under a Medicaid bed waiver application to provide a performance bond or other financial security to ensure that the applicant meets time frame requirements but provides for the exemption of certain applicants. The bill sets out requirements for a performance bond and prohibits HHSC from requiring an applicant to obtain a performance bond from a specific insurance or surety agency, agent, or broker.

**House Bill 3729 Effective:** 9-1-13 **House Author:** Coleman **Senate Sponsor:** Van de Putte

House Bill 3729 amends the Health and Safety Code to specify that the provisional license issued by the Department of Aging and Disability Services (DADS) to a newly constructed assisted living facility that meets certain conditions is a six-month provisional license and is to be issued without conducting a life safety code inspection before issuance of the provisional license. The bill revises the conditions that must be met for DADS to issue such a provisional license.

Senate Bill 33 Senate Author: Zaffirini Effective: 5-25-13 House Sponsor: Naishtat

Senate Bill 33 amends the Health and Safety Code to require a state supported living center to permit a resident or the resident's guardian or legal representative to monitor the resident's room through the use of electronic monitoring devices. The bill prohibits a center from refusing to admit an individual to residency in the center and from removing a resident from the center because of a request to conduct authorized electronic monitoring, prohibits a center from removing a resident from the center because covert electronic monitoring is being conducted by or on behalf of a resident, and establishes the circumstances under which the placement and use of electronic monitoring equipment is considered to be covert. The bill sets out provisions regarding who may request electronic monitoring, who may request forms and other information relating to electronic monitoring required to be provided to a resident on admission to the center, and required consent of other residents of a room for which electronic monitoring is requested or in which electronic monitoring is being conducted and limitations on which such consent may be conditioned.

Senate Bill 33 sets out certain rights and responsibilities of both the center and a resident relating to electronic monitoring, including requirements regarding notice of electronic monitoring at the entrance of the center and outside a resident's room, the manner in which electronic monitoring equipment may be installed and electronic monitoring may be conducted, and payment for and maintenance of electronic monitoring equipment. The bill establishes provisions relating to criminal and civil liability relating to electronic monitoring, requirements

for reporting abuse, neglect, or exploitation of a resident, and the use of a tape or recording by a court or an administrative agency and the circumstances under which a tape or recording may be admitted into evidence. The bill authorizes the imposition of appropriate sanctions to enforce its provisions and makes it a Class B misdemeanor to interfere with an electronic monitoring device installed in a resident's room or a tape or audio recording made by such a device.

Senate Bill 747 Senate Author: Nelson Effective: 6-14-13 House Sponsor: Fallon

Senate Bill 747 amends the Health and Safety Code to specify that the independent ombudsman for state supported living centers is appointed by the governor for a two-year term expiring February 1 of odd-numbered years. The bill authorizes the reappointment of an ombudsman and establishes the term of the person serving as ombudsman on the effective date of the bill.

## The summaries for the following bills are in the listed chapters:

House Bill 2036 - Higher Education

Senate Bill 149 - State Government

Senate Bill 831 - Public Education

Senate Bill 1057 - Insurance

Senate Bill 1185 - Corrections

Senate Bill 1189 - Public Safety

Senate Bill 1300 - Environment

Senate Bill 1815 - Transportation

# **Health and Medical Occupations**

This chapter covers legislation on issues relating to health care and medical occupations, regulation, licensing, registration, and continuing education requirements. The chapter also includes legislation on the dispensing of certain controlled substances and prescription drugs. Legislation relating to the practice of veterinary medicine is in the **Occupational Regulation** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 588 House Author: Craddick Effective: 9-1-13 Senate Sponsor: Uresti

House Bill 588 amends provisions of the Occupations Code regulating the practice of physical therapy. The bill provides for the confidentiality of certain contact information maintained by the Executive Council of Physical Therapy and Occupational Therapy Examiners or the Texas Board of Physical Therapy Examiners for a licensed physical therapist or physical therapist assistant or an owner or manager of a registered physical therapy facility and requires such a person to provide the board with a business address or address of record that will be subject to disclosure. The bill removes a requirement regarding the display of a license renewal certificate by a license holder and revises license renewal requirements for a person whose license has been expired for 90 days or less, more than 90 days but less than one year, or one year or longer and for certain persons with an expired license who are currently licensed and in good standing in another state.

House Bill 646 House Author: Patrick et al. Senate Sponsor: Uresti

House Bill 646 amends the Occupations Code to require that one of the psychologists or one of the psychological associates appointed to the Texas State Board of Examiners of Psychologists practice as a licensed specialist in school psychology. The bill specifies that this requirement does not affect the entitlement of a member serving on the board immediately before the bill takes effect to serve for the remainder of the member's term and requires the governor, as the terms of board members expire, to appoint or reappoint a member who meets the bill's requirement.

House Bill 746 House Author: Ashby

Effective: 9-1-13 Senate Sponsor: Schwertner

House Bill 746 amends the Occupations Code to enact the Uniform Emergency Volunteer Health Practitioners Act, applicable to volunteer health practitioners who are registered with the bill's registration system that is administered by the Department of State Health Services (DSHS) and who provide health or veterinary services in Texas for a host entity while an emergency declaration is in effect. The bill provides for the Texas Division of Emergency Management's regulation by order of volunteer health practitioner services and certain other related matters while an emergency declaration is in effect and establishes consulting, coordinating, and compliance requirements for a host entity that uses volunteer health practitioners to provide health or veterinary services in Texas. The bill establishes content and functionality requirements for the volunteer health practitioner registration system, sets out DSHS's authorities and duties with respect to satisfying those requirements and managing licensing or criminal history record information of practitioners seeking registration, prohibits DSHS from allowing a registration

applicant who has an unacceptable licensing or criminal history to register, and prohibits such an applicant from serving as a volunteer health practitioner. The bill provides for the confirmation by DSHS that volunteer health practitioners used in Texas are registered with the system while an emergency declaration is in effect and specifies that a host entity is not required to use the services of a volunteer health practitioner even if the practitioner is registered with the system and the system indicates that the practitioner is licensed and in good standing and has an acceptable criminal history.

House Bill 746 authorizes a volunteer health practitioner registered with the system, licensed and in good standing in another state, and having an acceptable criminal history to practice in Texas while an emergency declaration is in effect to the same extent as such a practitioner licensed in Texas, with certain exceptions for a practitioner with a license that is suspended, revoked, subject to certain restrictions, or voluntarily terminated under threat of sanction.

House Bill 746 requires a volunteer health practitioner to adhere to the scope of practice for a similarly licensed practitioner established by Texas licensing provisions or other Texas laws but expressly does not authorize a volunteer health practitioner to provide a service outside the practitioner's scope of practice. The bill provides for the modification or restriction by the division or a host entity of the health or veterinary services that a volunteer health practitioner may provide and sets out the circumstances under which such a practitioner engages in unauthorized practice. The bill provides for the imposition of administrative sanctions by a licensing board or other disciplinary authority in Texas on a practitioner licensed in Texas for conduct outside of the state in response to an out-of-state emergency and on a practitioner not licensed in Texas for conduct in the state in response to an in-state emergency and provides for the reporting of an administrative sanction imposed on a practitioner licensed in another state to the appropriate licensing or disciplinary authority in other states.

House Bill 746 authorizes the division to incorporate into the emergency forces of Texas volunteer health practitioners who are not officers or employees of the state or a political subdivision of the state and to adopt rules to implement the bill's provisions, and sets out requirements for such rule adoption. The bill provides for the limited civil and vicarious liability of a volunteer health practitioner, with certain exceptions, and limits the civil liability of a person who operates, uses, or relies on information provided by the volunteer health practitioner registration system except in cases involving certain conduct.

House Bill 807 House Author: Zerwas Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 807 amends provisions of the Health and Safety Code and the Occupations Code relating to an application for and performance of a determination of mental retardation. The bill expands who is authorized to make such a determination by defining "authorized provider" to include a professional licensed to practice in Texas and certified by the Department of Aging and Disability Services (DADS), or a provider certified by DADS before September 1, 2013. The bill authorizes DADS to charge a reasonable fee for certifying such a provider. The bill exempts the activity or service of a person who is employed by a governmental agency from application of the Psychologists' Licensing Act if the person performs duties the person is employed by the agency to perform within the confines of the agency and if the person does not represent that the person is a psychologist. The bill exempts such a person from provisions relating to fee increases.

**House Bill 808 Effective:** 9-1-13 **House Author:** Zerwas **Senate Sponsor:** Deuell

House Bill 808 amends the Occupations Code to authorize a licensed psychologist, under certain conditions, to delegate any psychological test or service that a reasonable and prudent psychologist could delegate within the scope of sound psychological judgment to a provisionally licensed psychologist, a newly licensed psychologist who is not eligible for managed care panels, a person who holds a temporary license to practice psychology, and a person who is qualified to take an examination for a provisional license and is in the process of acquiring the supervised experience required for licensing. The bill establishes that the delegating psychologist remains responsible for the delegated psychological test or service and provides for the billing of a delegated test or service. The bill authorizes the Texas State Board of Examiners of Psychologists to determine whether a psychological test or service may be properly and safely delegated under the bill's provisions and whether a delegated act constitutes the practice of psychology and establishes that a person to whom a psychologist delegates a psychological test or service is not considered to be engaged in the independent practice of psychology without a license unless the person acts with the knowledge that the delegation and the action taken under the delegation violate statutory provisions regulating the practice of psychology and counseling.

House Bill 1395 House Author: King, Susan Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1395 amends the Health and Safety Code to exempt a person from licensing as a device distributor and manufacturer under the Texas Food, Drug, and Cosmetic Act if the person holds a registration certificate issued under statutory provisions regulating dental laboratories and engages only in conduct within the scope of that registration.

**House Bill 2627 Effective:** 9-1-13 **House Author:** Zedler **Senate Sponsor:** Eltife

House Bill 2627 amends the Occupations Code to authorize the Texas Optometry Board to issue and establish the terms of a remedial plan to resolve the investigation of a complaint filed under the Texas Optometry Act. The bill prohibits a remedial plan from containing a provision that revokes, suspends, limits, or restricts a person's license or other authorization to practice optometry or therapeutic optometry or that assesses an administrative penalty against a person and from being imposed or issued to resolve certain specified complaints. The bill provides for the removal of all records of a remedial plan from the board's records if a license holder successfully completes the terms of the plan, authorizes the board to assess a fee against a license holder participating in a remedial plan, and requires the board to adopt rules necessary to implement the bill's provisions not later than January 1, 2014.

House Bill 3556 House Author: Kolkhorst et al. Senate Sponsor: Nelson

House Bill 3556 amends the Health and Safety Code to require a person who applies for an emergency services provider license or for a renewal of such a license, in addition to the requirements for obtaining or renewing a license, to provide the Department of State Health Services (DSHS) with a letter of credit in varying amounts based on the date the license is issued, to provide the Health and Human Services Commission with a surety bond in the amount of \$50,000 if the applicant participates in the Medicaid program, the Medicaid managed care program, or the child health plan program, and to submit for DSHS approval the name and contact information of the provider's administrator of record. The bill establishes certain qualification and continuing education requirements for a licensed emergency medical services

provider administrator of record and exempts an emergency medical services provider directly operated by a governmental entity from those requirements. The bill establishes DSHS reporting requirements relating to licenses and activities for emergency medical services provider licenses.

House Bill 3556 sets out procedures for an emergency medical services provider to gain approval to operate in a municipality or county and restrictions on a provider expanding operations or stationing emergency services vehicles in areas not specifically approved. The bill authorizes the commissioner of health to suspend, revoke, or deny an emergency medical services provider license, other than a license for a provider directly operated by a governmental entity, on the grounds that an administrator of record, employee, or other provider representative has been convicted of or placed on deferred adjudication community supervision or deferred disposition for certain offenses or has been convicted of Medicare or Medicaid fraud, has been excluded from participation in the Medicaid program, or has a hold on payment for reimbursement under the state Medicaid program. The bill requires DSHS, before issuing an emergency medical services provider license, to be satisfied that the applicant possesses sufficient professional experience and qualifications to provide emergency medical services, has not been excluded from participation in the Medicaid program, and holds a required letter of approval.

Senate Bill 141 Senate Author: Huffman House Sponsor: Davis, Sarah

Senate Bill 141 amends the Occupations Code to revise the education and clinical residency requirements for a license to practice orthotics and prosthetics. The bill revises the education requirements for a student registration certificate issued to certain individuals working toward fulfilling the requirements for a license as an orthotist, prosthetist, or prosthetist orthotist and authorizes the Texas Board of Orthotics and Prosthetics to issue a certificate to such an individual who is a student currently enrolled in an applicable appropriately recognized and accredited graduate program in Texas in orthotics and prosthetics and who submits to the board a written certification from the graduate program in which the student is enrolled that the student has successfully completed the academic prerequisites to enter a professional clinical residency.

Senate Bill 166 Senate Author: Deuell et al. Effective: 9-1-13 House Sponsor: Larson

Senate Bill 166 amends the Transportation Code to make provisions relating to a hospital's authority to use electronically readable information from a driver's license or personal identification certificate also apply to a health care provider as defined by the bill.

**Senate Bill 227 Effective:** Vetoed **Senate Author:** Williams **House Sponsor:** Zerwas

Senate Bill 227 amends the Occupations Code to authorize a physician or therapeutic optometrist to dispense to a patient an aesthetic pharmaceutical in excess of the patient's immediate needs for a fee and without obtaining a license to practice pharmacy. The bill sets out notice, labeling, and recordkeeping requirements before such pharmaceuticals may be dispensed and prohibits a therapeutic optometrist from dispensing an aesthetic pharmaceutical that does not fall within the scope of practice of therapeutic optometry.

Senate Bill 227 requires the Texas Medical Board, the Texas State Board of Pharmacy, and the Texas Optometry Board to adopt rules governing the packaging, labeling, and dispensing of aesthetic pharmaceuticals and requires the Texas Medical Board and the Texas Optometry Board to adopt fees as necessary. The bill specifies that the aesthetic pharmaceutical group consists of bimatoprost, hydroquinone, and tretinoin.

Reason Given for Veto: "SB 227 would circumvent existing safeguards for the dispensing of certain prescription cosmetic drugs by allowing physicians and optometrists to sell these medications directly. It is the role of pharmacists-who are trained specifically in drug interactions, side effects and allergies-to dispense the medications. Additionally, the State Board of Pharmacy has the authority to inspect pharmacies to ensure drugs are stored securely and at safe temperatures.

"I share concerns from within the health care community that though these drugs are used for aesthetic purposes, they are still prescription-strength drugs with potentially dangerous side effects and interactions, and therefore should remain subject to existing safety protocols and oversight."

Senate Bill 312 Senate Author: Hegar Effective: 9-1-13 House Sponsor: Laubenberg

Senate Bill 312 amends provisions of the Occupations Code relating to the regulation of speech-language pathology and audiology and the fitting of hearing instruments. Among other provisions, the bill requires the State Board of Examiners for Speech-Language Pathology and Audiology and the State Committee of Examiners in the Fitting and Dispensing of Hearing Instruments, with the assistance of the Department of State Health Services, to jointly adopt rules to establish requirements for the fitting and dispensing of hearing instruments by the use of telepractice and authorizes the board and committee to adopt rules to provide for the practice of speech-language pathology or audiology and the fitting and dispensing of hearing instruments, as applicable, by the use of telepractice.

Senate Bill 312 removes a provision requiring that minimum coursework in audiology or speech-language pathology be completed by applicants based on the type of license and requiring the board to notify each examinee of the results of a license examination administered by the board. The bill provides for issuance of a license to a military spouse who meets certain practice and education requirements and authorizes the board by rule to establish a procedure to issue an audiologist license to a person who meets certain application and education requirements and who was licensed as an audiologist in Texas between September 1, 2007, and September 1, 2011. The bill repeals statutory provisions relating to the issuance of a temporary license, the issuance of a limited license to practice as a fully licensed speech-language pathologist in public schools, and the provision of information regarding continuing education requirements to license applicants and license holders.

Senate Bill 336 Senate Author: Rodriguez Effective: 9-1-13 House Sponsor: Moody

Senate Bill 336 amends the Code of Criminal Procedure to authorize the commissioners court of a county to appoint as a medical examiner, as an alternative to a physician licensed by the Texas Medical Board, a person who is licensed and in good standing as a physician in another state, who has applied to the board for a license to practice medicine in Texas, and who has been granted a provisional license by the board to practice in a location designated by the federal government as a health professional shortage area or designated by the federal or state government as a medically underserved area.

Senate Bill 365

Senate Author: Carona House Sponsor: Parker

Senate Bill 365 amends the Insurance Code to make certain podiatrists or therapeutic optometrists who join an established professional practice that has a current contract in force with a managed care plan eligible for expedited credentialing with respect to inclusion in the managed care plan issuer's health benefit plan network. For payment purposes only, the bill requires a managed care plan issuer to treat an applicant that meets the eligibility requirements for expedited credentialing as if the applicant were a participating provider in the health benefit

plan network when the applicant provides services to the managed care plan's enrollees. The bill authorizes the managed care plan to exclude the applicant from any listing of participating podiatrists or participating therapeutic optometrists, as applicable, pending the approval of a submitted application. The bill sets out provisions concerning the effect of an applicant's failure to meet the managed care plan issuer's credentialing requirements with respect to payments made to the applicant by the plan or an enrollee of the plan. The bill grants a managed care plan issuer that complies with the bill's provisions immunity from liability for damages arising out of or in connection with the payment by the issuer of an applicant podiatrist or of an applicant therapeutic optometrist as if the podiatrist or therapeutic optometrist were a participating provider in the health benefit plan network.

Senate Bill 632 Senate Author: Carona Effective: 9-1-13 House Sponsor: Lozano

Senate Bill 632 amends the Insurance Code to prohibit a contract between an insurer and an optometrist or therapeutic optometrist from limiting the fee the optometrist or therapeutic optometrist is authorized to charge for a product or service that is not a covered product or service. The bill also prohibits the contract from requiring a discount on such a product or service.

Senate Bill 913 Senate Author: Lucio Effective: 6-14-13 House Sponsor: Naishtat

Current law prohibits an applicant for a professional counselor license who has failed two successive examinations from reapplying for another examination until certain conditions are met. Senate Bill 913 amends the Occupations Code to make the prohibition applicable to an applicant who has failed three successive examination attempts.

Senate Bill 978 Senate Author: Deuell House Sponsor: Davis, Sarah

Senate Bill 978 amends the Occupations Code to condition the exemption from rules adopted by the Texas Medical Board regarding the use of anesthesia for an outpatient setting in which only local anesthesia, peripheral nerve blocks, or both are used on the use being in a total dosage amount that does not exceed 50 percent of the recommended maximum safe dosage per outpatient visit.

Senate Bill 1099

Senate Author: Zaffirini

House Sponsor: King, Susan

Senate Bill 1099 amends the Occupations Code to expand the designations a person, including the person's employee or other agent or representative, who is not a physical therapist is prohibited from using in connection with the person's name or business activity to include the letters "DPT" or "MPT."

Senate Bill 1643

Effective: 9-1-13

Senate Author: Williams et al.

House Sponsor: Alvarado

Senate Bill 1643 amends the Health and Safety Code to revise the health professionals authorized at the discretion of the director of the Department of Public Safety to access certain information submitted under the official prescription program and authorize certain pharmacists and health care professionals to access that information through a health information exchange. The bill provides for that information to be included in any form in the medical or pharmacy record of the patient who is the subject of the information and makes such information subject

to any applicable state or federal confidentiality or privacy laws. The bill extends the deadline by which the director is required to remove from the information retrieval system, destroy, and make irretrievable a record of a patient's identity submitted to the director.

Senate Bill 1643 expands the conduct that constitutes the state jail felony offense of unauthorized disclosure of information to include knowingly giving, permitting, or obtaining unauthorized access to information submitted to the director under the official prescription program. The bill creates the interagency prescription monitoring work group to evaluate the effectiveness of prescription monitoring under the Texas Controlled Substances Act and to offer recommendations to improve the effectiveness and efficiency of recordkeeping and other functions related to the regulation of dispensing controlled substances by prescription. The bill sets out the work group's composition and meeting and reporting requirements.

Senate Bill 1643 amends the Occupations Code to prohibit the Texas Medical Board from making a decision on an application for a pain management certificate submitted by an applicant who is under investigation by the board for a violation of the Medical Practice Act, board rules, or other law relating to the prescription, dispensation, administration, supply, or sale of a controlled substance until the board has reached a final decision on the matter under investigation. The bill specifies that a violation of provisions regulating pain management clinics or a rule adopted under those provisions is grounds for a temporary suspension or restriction of a license to practice medicine.

### **Pharmacists and Pharmacies**

Senate Bill 316 Senate Author: Uresti

Effective: 6-14-13 House Sponsor: Davis, Sarah

Senate Bill 316 amends the Occupations Code to require the Texas State Board of Pharmacy to develop a continuing education program regarding opioid drug abuse and the delivery, dispensing, and provision of tamper-resistant opioid drugs and authorizes the board by rule to require a holder of a license to practice pharmacy to satisfy a number of the license holder's required continuing education hours through attendance of such a program. The bill requires the standing committee of the senate that has primary jurisdiction over health and human services to conduct an interim study regarding opioid abuse and the provision of tamper-resistant opioids that includes an examination of matters relating to prescription opioid abuse and the use and effectiveness of tamper-resistant opioids. The bill authorizes the committee to establish appropriate criteria for the study to accomplish the study's purpose and requires the committee to submit a report of its findings and recommendations to the lieutenant governor and the speaker of the house of representatives for consideration by the 84th Legislature.

Senate Bill 404 Senate Author: Schwertner Effective: 9-1-13 House Sponsor: Davis, Sarah

Senate Bill 404 amends the Occupations Code to require the Texas State Board of Pharmacy to maintain the complainant's identity for each complaint received by the board and to prohibit the board from considering or acting on a complaint involving a violation alleged to have occurred more than seven years before the date the board receives the complaint. The bill requires a rule adopted by the board governing an informal proceeding relating to a disciplinary action against the holder of a pharmacy license to require notice of the time and place of an informal meeting to be given to the license holder not later than the 45th day before the date the meeting is held and sets out requirements relating to the notice. The bill requires the license

holder to provide to the board the license holder's rebuttal not later than the 15th day before the date of the meeting in order for that information to be considered at the meeting. The bill sets out requirements relating to recording of an informal meeting on request by a license holder under review, disposition of the recording, and a fee to cover the cost of making the recording.

Senate Bill 404 authorizes the board to issue and establish the terms of a remedial plan to resolve the investigation of a complaint relating to the Texas Pharmacy Act. The bill establishes the conditions under which a remedial plan may not be imposed or issued, provides for the removal of all records of a remedial plan if a license holder complies with and successfully completes the terms of the plan, and authorizes the board to assess a fee against a license holder participating in a plan. The bill requires the board to adopt rules as necessary to implement its provisions.

Senate Bill 500 Senate Author: Van de Putte Effective: 9-1-13 House Sponsor: Sheffield, J. D.

Senate Bill 500 amends the Occupations Code to increase from nine to 11 the number of members on the Texas State Board of Pharmacy by increasing to seven the number of members on the board required to be pharmacists and adding one member required to be a pharmacy technician. The bill prescribes minimum qualifications for the pharmacy technician board member, makes corresponding changes to the expiration of terms for board members, and removes the requirement that the board meet at least twice each year for the examination of applicants.

Senate Bill 869 Senate Author: Van de Putte Effective: 6-14-13 House Sponsor: Zedler

Senate Bill 869 amends provisions of the Occupations Code regulating the practice of pharmacy. The bill includes the training, qualifications, registration, and employment of a pharmacy technician trainee among the regulatory duties of the Texas State Board of Pharmacy and establishes minimum education requirements for a pharmacy technician trainee. The bill authorizes the board to use gifts, grants, and other funds and assets in accordance with state law, authorizes the board to take certain disciplinary action against an applicant for a pharmacist-intern registration or the holder of a current or expired pharmacist-intern registration, and revises the circumstances under which the board may discipline an applicant for or the holder of a current or expired license to practice pharmacy. The bill revises registration requirements for a pharmacy technician and a pharmacy technician trainee, prohibits a person from renewing a license to practice pharmacy or a pharmacy license under certain circumstances, and revises the information required to qualify for a pharmacy license.

Senate Bill 869 removes the requirement that a pharmacist notify the practitioner before dispensing a dosage form of a drug different from that prescribed, establishes criteria for the valid prescription of a controlled substance, and revises provisions requiring the display of licenses by a pharmacy. The bill modifies the entities to which information or material compiled by the board in connection with an investigation may be disclosed and requires a pharmacy technician or a pharmacy technician trainee to notify the board in writing of a change of address or employment. The bill adds the Texas State Board of Pharmacy to the list of entities to whom a criminal justice agency is authorized to disclose criminal history record information that is the subject of an order of nondisclosure.

Senate Bill 1100 Senate Author: Van de Putte Effective: 9-1-13 House Sponsor: King, Susan

Senate Bill 1100 amends the Occupations Code to prohibit a pharmacy from compounding and dispensing a sterile preparation unless the pharmacy holds a license as required by Texas State Board of Pharmacy rule. The bill sets out notification requirements regarding any adverse effects reported to the pharmacy or that are known by the pharmacy to be potentially attributable to a sterile preparation compounded by a pharmacy. The bill prohibits a pharmacy located in another state from shipping, mailing, or delivering to Texas a prescription drug or device dispensed or delivered as authorized by statutory provisions relating to compounded and prepackaged drugs unless the pharmacy meets or is exempt from licensing requirements.

Senate Bill 1100 expands certain licensing and disciplinary procedure provisions to apply to a pharmacy located in another state and a nonresident pharmacy, as applicable, rather than a Class E pharmacy, and requires a pharmacy located in another state that applies for a license to provide any information the board determines is necessary. The bill prohibits license issuance or renewal for a pharmacy that compounds sterile preparations unless the pharmacy has been inspected by the board, authorizes the board to inspect a nonresident pharmacy, specifies the conditions under which an inspection report for such a pharmacy issued by another state's pharmacy licensing board may be accepted as satisfying the inspection requirement, and requires a nonresident pharmacy to reimburse the board for all expenses incurred in inspecting the pharmacy. The bill requires the board to adopt rules necessary to implement the bill's provisions not later than March 1, 2014.

## Physicians, Physician Assistants, Dentists, and Nurses

House Bill 581 House Author: Howard et al. Effective: 9-1-13 Senate Sponsor: Lucio et al.

House Bill 581 amends the Occupations Code to authorize a nurse employed by a hospital operated by or on behalf of a state or local governmental entity to sue the entity for relief from certain retaliatory actions taken against the nurse and to waive the sovereign immunity of the entity for the limited purpose of maintaining such a lawsuit. The bill provides that such relief is in addition to any other remedies a nurse may have under state or federal law as a public employee and specifies the Government Code provisions relating to protections for public employees who report violations of law that are applicable to such a lawsuit. The bill also specifies the venue requirements for filing such a lawsuit and the requirements that a nurse who reports certain violations and patient care concerns must meet for relief to be authorized.

House Bill 1491 House Author: Branch et al. Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 1491 amends the Occupations Code to require the State Board of Dental Examiners to grant a temporary license for a dentist whose practice consists only of voluntary charity care to a reputable dentist who meets certain out-of-state licensing requirements and who, in addition to other criteria, has ceased practicing dentistry or is currently licensed in another state that the board has determined has licensing requirements that are substantially similar to the requirements of Texas. The bill establishes the scope of practice for a dentist issued such a temporary license, sets out disciplinary requirements for such a dentist, and requires the board to adopt rules to implement the bill's provisions.

House Bill 1803 House Author: Callegari Effective: 1-1-14 Senate Sponsor: Huffman

House Bill 1803 amends the Health and Safety Code to prohibit the public safety director of the Department of Public Safety (DPS) from requiring a licensed physician to have a separate controlled substances registration for each principal place of business or professional practice where the physician manufactures, distributes, analyzes, dispenses, or possesses a controlled substance. The bill establishes the period of validity of such a registration, provides for its expiration on the same date the physician's registration permit issued by the Texas Medical Board expires, and requires the public safety director to continue to send, for a specified period, renewal notices to controlled substances registrants who are physicians. The bill establishes registration renewal procedures and requirements, including payment of a nonrefundable registration fee capped at \$50, and requires the public safety director to adopt, in coordination with the board, any rules necessary to administer the controlled substances registration and renewal process.

House Bill 1803 amends the Occupations Code to require the Texas Medical Board to accept the renewal application and fee submitted by a physician for a controlled substances registration, to adopt related procedures, and to coordinate a physician's registration renewal with physician registration requirements so that the times of registration, payment, and notice are the same and are a minimal burden to the board and physicians. The bill requires the board to send a physician a registration permit renewal application notice and renewal notice for the physician's controlled substances registration with DPS at the same time. The bill clarifies the exemption of a clinic owned or operated by a certain physician or advanced practice nurse from statutory regulation of pain management clinics and establishes that a person who owns or operates a pain management clinic is engaged in the practice of medicine.

House Bill 3201 House Author: Kolkhorst Effective: See below Senate Sponsor: Nelson

House Bill 3201 amends the Occupations Code to require the State Board of Dental Examiners to collect an additional \$55 surcharge for dental license issuance and renewal fees with each surcharge collected to be deposited to the credit of the dental public assurance account in the general revenue fund and appropriated only to the board to pay for the board's enforcement program. The bill requires the board to collect and report on its use of certain information in conjunction with the issuance and renewal of each dental license regarding dentists employed by a license holder, a license holder's practice and status as a provider under the Medicaid or child health plan program, whether a license holder is employed by, contracts with, or owns all or part of a dental service organization, and whether a license holder or a license holder's practice is party to a dental service agreement. The bill requires a dental service organization to provide certain information to the board on request and provides for electronic submission of information required to be submitted to the board.

House Bill 3201 requires the board to inform a license holder being investigated by the board of the specific allegations against the license holder, prohibits a board member from expressing an oral or written opinion or serving as an expert witness in certain civil actions, and establishes preliminary complaint investigation procedures to determine whether to officially proceed on a complaint. The bill requires the board by rule to provide for expert panels appointed by the board to assist with complaints and investigations relating to professional competency by acting as expert dentist and dental hygienist reviewers. The bill establishes procedures for the review of a complaint by an expert panel and requirements for issuing a final written report

on the matter. The bill authorizes the board to delegate the disposition of certain complaints and establishes notification, rebuttal, and recording requirements for an informal settlement conference to resolve a complaint.

House Bill 3201 authorizes the parent or guardian of a child younger than 18 years of age to be present in the treatment room during the child's treatment or procedure, except under certain circumstances. The bill authorizes the board to issue and establish the terms of a remedial plan to resolve the investigation of a complaint and establishes requirements regarding the contents of a plan, the circumstances under which a plan may not be imposed or issued, and the assessment of fees against a license holder participating in a plan. The bill takes effect January 1, 2014, except for provisions requiring the board to adopt rules necessary to implement changes made by the bill, information to be collected by the board in conjunction with license issuance and renewal, and additional surcharges to be collected for license issuance and renewal, which take effect September 1, 2013.

Senate Bill 61 Effective: 9-1-13 Senate Author: Nelson et al. House Sponsor: Cortez

Senate Bill 61 amends the Occupations Code to provide for a military limited volunteer license to practice medicine. The bill requires a license applicant to have current or past authorization as a physician to treat military personnel or veterans and to be in good standing. The bill also authorizes a physician issued a license to practice medicine only at a clinic that primarily treats indigent patients and prohibits the physician from receiving compensation for those services.

Senate Bill 406 Effective: 11-1-13 Senate Author: Nelson et al. House Sponsor: Kolkhorst et al.

Senate Bill 406 amends provisions of the Occupations Code, Government Code, Health and Safety Code, and Human Resources Code relating to the practice of advanced practice registered nurses and physician assistants and the delegation of prescriptive authority by physicians to and the supervision by physicians of certain advanced practice registered nurses and physician assistants. The bill authorizes a physician to delegate to an advanced practice registered nurse or physician assistant the act of prescribing or ordering a drug or device through a prescriptive authority agreement, sets out eligibility requirements for a physician and an advanced practice registered nurse or physician assistant to enter into or be parties to the agreement and minimum requirements for the agreement, and provides for the regulation of agreements by the Texas Medical Board, the Texas Board of Nursing, and the Texas Physician Assistant Board.

Senate Bill 406 revises the limitations on delegating authority and specifies the circumstances under which a physician may delegate the prescribing or ordering of a Schedule II controlled substance. The bill includes provisions relating to a physician's authority to delegate the administration or provision of a drug and the prescribing and ordering of a drug or device at certain facility-based practice sites, a physician's authority to delegate the administration or provision of controlled substances during intrapartum and immediate postpartum care, physician assistant scope of practice and supervision requirements, advanced practice registered nursing scope of practice and specialized training requirements, and physician delegation and supervision under the pilot program to make available nurse practitioners or physician assistants in certain state office complexes. The bill repeals statutory provisions relating to a physician's delegating authority at sites serving certain medically underserved populations, physician primary practice sites, and certain alternate sites.

Senate Bill 406 modifies certain Medicaid managed care program contract requirements, establishes requirements regarding the availability of advanced practice registered nurses and

physician assistants to recipients under the Medicaid and Medicaid managed care programs, and authorizes an advanced practice registered nurse or physician assistant to order and prescribe durable medical equipment and supplies under the Medicaid program under certain circumstances.

Senate Bill 889 Senate Author: Uresti House Sponsor: Laubenberg

Senate Bill 889 amends the Occupations Code to increase from nine to 13 the number of members of the Texas Physician Assistant Board by increasing to seven the number of board members required to be a practicing physician assistant with at least five years of clinical experience as a physician assistant. The bill makes corresponding changes to the expiration of terms for board members and requires the board member designated by the governor as the presiding officer of the board to be a physician assistant member of the board.

Reason Given for Veto: "SB 889 would increase the size of the Texas Physician Assistant Board from nine members to 13, representing an unnecessary expansion of government. The board currently has three physician assistant members, three physician members, and three public members. Though most regulatory boards consist of a majority of members from the occupation they oversee, this board does not afford that advantage to physician assistants. However, physician assistants could be given a majority on their own board by amending the makeup of the existing, nine-member board. Expansion of board membership is not needed."

Senate Bill 949

Senate Author: Nelson

House Sponsor: Sheffield, J. D.

Senate Bill 949 amends the Occupations Code to redefine "license holder" for purposes of the Medical Practice Act as a person holding a license, permit, or certificate under the act. The bill exempts an applicant for a license to practice medicine from the requirement to pass each part of the examination within a certain time frame if the applicant is licensed and in good standing as a physician in another state, has been licensed for at least five years, does not hold a medical license in the other state that has or has ever had any restrictions, disciplinary orders, or probation, and will practice in a medically underserved area or a health manpower shortage area. The bill authorizes the Texas Medical Board by rule to establish a process to verify that a person who qualifies for the exemption practices only in such an area and repeals a provision establishing additional licensing eligibility requirements for certain alien applicants.

Senate Bill 1058 Senate Author: Nelson
Effective: 9-1-13 House Sponsor: King, Susan

Senate Bill 1058 amends provisions of the Occupations Code relating to the regulation of the practice of nursing. The bill revises the acts to which the Nursing Practice Act does not apply and requires the Texas Board of Nursing to develop a system for obtaining criminal history record information for a person accepted for enrollment in a nursing educational program that prepares the person for initial licensure as a registered or vocational nurse. The bill authorizes the board to develop a similar system for an applicant for enrollment in a nursing educational program and to file a petition for a declaratory order as to a person's license eligibility based on the results of the criminal history record information check performed on a person accepted or applying for enrollment in certain nursing educational programs. The bill requires the board by rule to adopt requirements for the petition and determination of license eligibility and establishes the deadline by which the board is required to make such a determination. The bill establishes continuing education requirements for all license holders in nursing jurisprudence and nursing ethics and for certain license holders in older adult or geriatric care.

Senate Bill 1058 authorizes the board to require a person determined to have committed a prohibited act in violation of the Nursing Practice Act to abstain from the consumption of alcohol or the use of drugs and to submit to random periodic screening for alcohol or drug use. The bill exempts a license temporarily suspended on the basis of drug and alcohol abuse from the prohibition against disciplinary action being taken by the board unless certain notice and hearing requirements are fulfilled. The bill provides for the disclosure of certain information relating to complaint and investigation proceedings for a nurse ordered to participate in a peer assistance program. The bill establishes procedures for the deferral of a final disciplinary action by the board. The bill removes the requirement for the executive director to report to the board on whether affected nurses accepted the corrective actions and authorizes the board to consider a corrective or deferred action taken against a person to be a prior disciplinary action under the Nursing Practice Act when imposing a sanction on the person for a subsequent violation.

## The summaries for the following bills are in the listed chapters:

House Bill 2 (2nd C.S.) - Health and Human Services House Bill 705 - Criminal Justice Senate Bill 414 - Higher Education Senate Bill 618 - Occupational Regulation



# **Higher Education**

This chapter includes legislation affecting the governance of the state's public colleges and universities and junior and community college districts in general and the mission, operation, and funding of specific institutions, as well as legislation affecting tuition, fees, and student financial aid and other higher education funding issues. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 1297 House Author: Alvarado et al. Senate Sponsor: Estes et al.

House Bill 1297 amends the Labor Code to require the Texas A&M Engineering Extension Service and each public community or technical college providing workforce training under the skills development fund to conduct a review of those training programs each even-numbered year to determine their effectiveness in improving the wages of participants who complete the programs and to identify strategies for improving the delivery of workforce training. The bill requires the service and those colleges to submit a report to the Texas Workforce Commission summarizing the results of the review.

House Bill 1752 House Author: Patrick et al. Senate Sponsor: Seliger

House Bill 1752 amends the Education Code to require the commissioner of higher education to establish through a competitive selection process a Texas Teacher Residency Program at a public institution of higher education that is committed to investing in teacher education and that will form a partnership with an area school district or open-enrollment charter school to provide employment to residents in the program, which must be designed to award master's degrees to program participants and lead to certification for participants who are not already certified teachers. The bill requires the institution to reward faculty instructing in the program, identify faculty who can prepare teachers to affect student achievement in high-need schools, provide institutional support of faculty working with the program by providing time to teach the courses and valuing the faculty's contributions with rewards in the university tenure process, and develop and implement a program that acknowledges and elevates the significance and professional nature of teaching at the primary and secondary levels.

House Bill 1752 sets out required program components, eligibility criteria for an individual's participation in the program, and requirements for the specific selection criteria to be established by the program for selecting individual program participants. The bill authorizes the commissioner to solicit and accept gifts, grants, and donations from public and private entities for the program and makes the program's establishment and maintenance contingent on the availability of sufficient funds for that purpose.

House Bill 2036 House Author: Branch
Effective: 6-14-13 Senate Sponsor: Watson et al.

House Bill 2036 amends the Government Code to create the Texas 2036 Commission to assess and identify the state's future higher education and workforce needs and the state's ability to meet those needs and to develop recommendations for meeting those needs by the state's bicentennial in 2036, including recommendations for achieving certain specified goals by that date. The bill sets out the composition of the commission and provides for the appointment

and reappointment of commission members other than the commission's ex officio member, the designation of presiding officers, and the reimbursement of members for certain expenses. The bill requires the commission to meet at the call of the presiding officers and as provided by commission rule. The bill also authorizes the commission to adopt rules as necessary.

House Bill 2036 requires the commission to carry out its functions with an emphasis on the state's changing demographics and, not later than January 1 of each odd-numbered year, to report to the legislature its assessment of the state's ability to meet the state's future higher education and workforce needs and its recommendations for meeting those needs. The bill's provisions expire and the commission is abolished January 1, 2037.

House Bill 2099 House Author: Guillen

**Effective:** 9-1-13 **Senate Sponsor:** Hinojosa et al.

House Bill 2099 amends the Education Code to require the Texas Higher Education Coordinating Board to adopt by rule both an electronic common admission application form for use by a person seeking admission as a student to an undergraduate nursing education program at an institution of higher education and a similar electronic form for use by a person seeking such admission as a transfer student if the coordinating board determines that adoption of such forms would be cost-effective for nursing schools.

House Bill 2099 requires the coordinating board, if the coordinating board directs an advisory committee to assist the coordinating board in exercising its authority regarding an off-campus course in nursing education, including clinical coursework, to require the advisory committee to include or consult with one or more degree-granting private postsecondary educational institutions or private career schools and colleges in Texas.

House Bill 2099 requires the coordinating board to establish and administer a program to provide student loan repayment assistance for nurses serving on the faculties of nursing degree programs at public, private, or independent institutions of higher education in positions that require an advanced degree of professional nursing who apply and qualify for the assistance. The bill sets out eligibility criteria for program participants and for loans to which repayment may be applied; caps an individual's assistance at \$7,000 per year for up to five years of full-time employment in such a position; and sets out the manner of delivery for such assistance. The bill requires the coordinating board, in each state fiscal year, to reallocate to the nursing faculty loan repayment assistance program for a particular year any money in the physician education loan repayment assistance for certain physician education loans. Any money so reallocated that is not used for nursing faculty loan repayment assistance in that fiscal year is treated as if that unused amount had not been reallocated in that fiscal year.

The bill authorizes the coordinating board to solicit and accept gifts and grants for programrelated purposes and requires the board to adopt administrative rules as necessary and to distribute those rules to the appropriate entities.

Senate Bill 31 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Patrick

Senate Bill 31 amends the Education Code to prohibit the Texas Higher Education Coordinating Board from including in a funding formula applicable to an institution of higher education any semester credit hours earned for dual high school and college course credit at the institution unless those credit hours are earned through a course in the institution's core curriculum that provides course credit; a career and technical education course applicable to any certificate or associate's degree offered by the institution that provides course credit; or a foreign language course. The bill exempts a course completed by a high school student as part of the early college

education program established and administered by the commissioner of education from the prohibition against inclusion of certain dual credit course hours in the funding formula.

Senate Bill 67 Senate Author: Nelson Effective: 9-1-13 House Sponsor: Branch

Senate Bill 67 amends the Education Code to require the annual report submitted by each institution of higher education to the Texas Higher Education Coordinating Board regarding all research conducted at the institution to include the amounts spent by the institution on human embryonic stem cell research and adult stem cell research during the year covered by the report and the source of that research funding. The bill requires the coordinating board, not later than January 1 of each year, to submit to the legislature information regarding human stem cell research obtained from those reports.

Senate Bill 497 Senate Author: Seliger et al. Effective: 6-14-13 House Sponsor: Branch

Senate Bill 497 amends the Education Code to prohibit an institution of higher education from requiring a student to complete more than the minimum number of semester credit hours required by the Southern Association of Colleges and Schools for a student to earn an associate's degree, unless the institution determines that there is a compelling academic reason for requiring the additional semester credit hours. The bill exempts from this prohibition an associate's degree awarded by an institution to a student enrolled in the institution before the 2015 fall semester and specifies that the exemption does not prohibit the institution from reducing the number of semester credit hours the student must complete to receive the degree. The bill authorizes the Texas Higher Education Coordinating Board to review one or more of an institution's associate's degree programs to ensure compliance.

Senate Bill 498 Senate Author: Seliger et al. House Sponsor: Guillen et al.

Senate Bill 498 amends the Education Code to decrease from 90 credit hours to 66 credit hours the minimum number of cumulative credit hours required to be successfully completed by a student enrolled in a general academic teaching institution before that credit may be applied to an associate's degree to be awarded by a lower-division institution of higher education previously attended by the student, if the student earned at least 30 credit hours at that lower-division institution.

Senate Bill 1159

Senate Author: Van de Putte
House Sponsor: Patrick

Senate Bill 1159 amends the Education Code to enact Andrew's Law to provide for readmission to graduate and professional programs of military personnel who were admitted to the programs but did not enroll in or finish the programs because of military deployment. The bill also requires the Legislative Budget Board to conduct a study of state and federal higher education benefits for veterans and other military personnel and their dependents and to include data on the use of the benefits in certain specified categories.

Senate Bill 1525Senate Author: ZaffiriniEffective: 6-14-13House Sponsor: Patrick

Senate Bill 1525 amends the Education Code to include certain disability awareness training, including a review of applicable statutory requirements and institutional policies for providing

reasonable accommodations and modifications to meet the needs of students with disabilities, in the risk management programs required for members and advisors of student organizations at postsecondary educational institutions.

Senate Bill 1531 Senate Author: Seliger et al. Effective: 9-1-13 House Sponsor: Branch

Senate Bill 1531 amends the Education Code to require a general academic teaching institution other than a public state college to provide to each first-time entering undergraduate student, including an incoming transfer student, a comparison of the average total amounts of tuition and fees paid by a full-time student who graduates from the institution in four, five, and six academic years, respectively; an estimate of the average earnings lost by a recent graduate as a result of graduating after five or six years instead of four; and a list of actions the student can take to facilitate the student's timely graduation and contact information for support services available at the institution to assist the student in that effort.

Senate Bill 1590 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Branch

Senate Bill 1590 amends the Education Code to include insurance as a possible topic to be covered by the personal financial literacy training offered by a general academic teaching institution, as determined by the Texas Higher Education Coordinating Board, and to require the curriculum and instructional materials developed by the Texas Education Agency (TEA) in collaboration with the Office of Consumer Credit Commissioner and the State Securities Board for use in TEA's financial literacy pilot program for public school districts to include information about the use of insurance as a means of protecting against financial risk.

Senate Bill 1720 Senate Author: Patrick et al. Effective: 6-14-13 House Sponsor: Clardy

Senate Bill 1720 amends the Education Code to require the Texas Higher Education Coordinating Board to provide assistance in the repayment of eligible student loans for an eligible person who agrees to teach mathematics or science full-time for four consecutive years in a school district that receives federal funding, plus an additional four consecutive school years in any Texas public school, with certain exceptions to the requirement for those consecutive years of employment. The bill sets out eligibility requirements for a person's receipt of such loan repayment assistance under the math and science scholars loan repayment program and requires the coordinating board to determine the annual amount of the loan assistance payments in any year to an eligible person based on available funding and other relevant considerations.

Senate Bill 1720 establishes the mathematics and science teacher investment fund as a dedicated account in the general revenue fund, consisting of donations received for the fund and interest and other earnings from the fund's investment, to be used solely to provide repayment assistance under the program, including related administrative costs. The bill limits the total amount of loan repayment assistance paid under the program to the total amount of money available in the fund and caps at 4,000 the number of eligible persons who may be provided assistance under the program in any school year, following a three-year incremental escalation of that cap. The bill provides for an eligible person's continued receipt of loan repayment assistance after the first four years required for the initial eligibility but limits the amount of assistance the person may receive to 75 percent of the maximum annual amount determined by the coordinating board if the person transfers after the first four years to a school that does not receive federal funds.

## **Governance and Policy**

House Bill 31 House Author: Branch et al. Effective: 6-14-13 Senate Sponsor: Zaffirini

House Bill 31 amends the Government Code to require the governing board of a general academic teaching institution or of a university system that includes one or more component general academic teaching institutions, for any regularly scheduled board meeting for which public notice is required, to post as early as practicable in advance of the meeting on the institution's or system's Internet website, as applicable, any written agenda and related supplemental written materials, other than confidential material protected from disclosure under the state's public information law, that are provided to the board members in advance of the meeting by the institution or system for the members' use during the meeting. The bill requires such a board to broadcast the meeting, other than any portions of the meeting lawfully closed to the public, over the Internet in the manner prescribed by law for Internet broadcasting of open meetings and to record the broadcast and make that recording publicly available in an online archive located on the institution's or university system's website.

House Bill 2051 House Author: Villalba et al. Effective: 6-14-13 Senate Sponsor: Carona

House Bill 2051 amends an Education Code provision authorizing an institution of higher education, to the extent authorized by the institution's governing board, to accept equity interests in certain organizations. The bill authorizes the institution to accept these interests to support the activities of centers established by the institution for commercializing technology owned by the institution, to accept convertible promissory debt instruments issued by the organizations, or to accept a combination of equity interests and debt instruments.

House Bill 2760 House Author: Branch et al. Effective: 6-14-13 Senate Sponsor: Birdwell

House Bill 2760 amends the Education Code to authorize the board of regents of the Texas State Technical College System and a public junior college, with the approval of the Texas Higher Education Coordinating Board, to enter into a partnership agreement designed to coordinate the management and operations of the institutions and to enhance the delivery of technical education programs across Texas. The bill sets out the terms and conditions to be addressed by the partnership agreement and provides for the joint use of personnel, the assignment of support services management and operations, and the acquisition and use of physical facilities under the agreement.

House Bill 2760 establishes that a facility used for the purpose of the partnership agreement is not considered a facility used to operate a system extension program providing training in the fields of Technical-Vocational Education. The bill entitles the system to receive state appropriations on the same formula basis as if the system did not enter into a partnership agreement and entitles any other participating institution of higher education to state appropriations on the same formula basis as other similar institutions of higher education.

Senate Bill 15Senate Author: Seliger et al.Effective: VetoedHouse Sponsor: Branch

Senate Bill 15 amends the Education Code to expand the responsibilities of each governing board of an institution of higher education and the scope of the training required of each board member; to require the publication of each board report, recommendation, or vote on

the board's Internet website not later than the end of the next business day after the date of the report, recommendation, or vote; and to prohibit a board member who has not received training on ethics, conflicts of interest, and the role of a board member from voting on certain budgetary or personnel matters.

Senate Bill 15 requires each university system administration, in consultation with the system's governing board, to evaluate the president or other chief executive officer of each component institution and assist the officer in the development and achievement of performance goals and, if necessary based on the president's performance, recommend termination of the president's employment. The bill authorizes a university system's governing board to terminate a president's employment only after receiving a recommendation to that effect but establishes that the board is not required to act on that recommendation. The bill prohibits a governing board from unreasonably or unduly interfering with the day-to-day operations of the institutions under its governance. The bill also specifies expiration dates for the terms of office for regents at Midwestern State University, the University of North Texas System, and the University of Houston.

Reason Given for Veto: "As governor, I have focused on making higher education more affordable, accountable and accessible, and I will continue to support innovative ideas that will improve the quality of our universities.

"Limiting oversight authority of a board of regents, however, is a step in the wrong direction. History has taught us that the lack of board oversight in both the corporate and university settings diminishes accountability and provides fertile ground for organizational malfeasance.

"I am committed to improving higher education and making sure students and taxpayers receive the greatest value for the investment they make in higher education. We have achieved great success to that end, and must continue to build upon it.

"Strengthening our institutions is crucial to keeping Texas competitive and a magnet for business relocation, expansion and start-ups, which provide jobs and allow our citizens to prosper and build better lives for themselves and their families. Texas institutions of higher education have the opportunity to make our state even greater than it is today, and we must insist on finding ways to utilize innovative techniques and technology to make college more attainable for all. By implementing efficiencies designed to improve access and lower the cost to students, including reducing tuition, and providing an accountable and quality education we can prepare our students for a successful future."

Senate Bill 146

Senate Author: Williams

Effective: 6-14-13

House Sponsor: Kolkhorst

Senate Bill 146 amends the Government Code to entitle a public institution of higher education to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS that relates to a student, or to an applicant for admission as a student, who applies for on-campus housing at the institution. The bill limits the use of the information by the institution's chief of police or housing office to the purpose of evaluating current students or applicants for enrollment who apply for on-campus housing and requires the institution to notify a student of any use of the information to deny the student the opportunity to live in on-campus housing. The bill prohibits the release or disclosure of the information except on court order or with the consent of the person who is the subject of the information. The bill requires all criminal history record information obtained about a person to be destroyed by the institution's chief of police or housing office, as applicable, as soon as practicable after the beginning of the academic period for which the person's housing application was submitted.

Senate Bill 1019 Senate Author: Estes Effective: 9-1-13 House Sponsor: Frank

Senate Bill 1019 amends the Education Code to authorize the governing board of an institution of higher education that does not have under its control at least \$25 million in book value of endowment funds to contract to pool funds with another institution that meets the \$25 million endowment fund threshold and have its funds invested by that governing board under prudent person standards.

Senate Bill 1604 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Howard

Senate Bill 1604 authorizes the board of regents of The University of Texas System to acquire by purchase, exchange, gift, or otherwise, for campus and other university purposes, all or any part of the land described by the bill, and all improvements located on the land, in or near the City of Brownsville.

Senate Bill 1604 amends the Property Code to exempt residential property for which an institution of higher education is a co-owner from provisions authorizing a co-owner of residential property who occupies the property, has a residence homestead exemption, and has paid all of the property taxes due on the property without contribution from the other co-owner to act in the name of and on behalf of another co-owner as an agent and attorney-in-fact with respect to entering into any contract that encumbers the property.

Senate Bill 1604 amends the Education Code to revise the membership of the board of directors of The University of Texas Investment Management Company (UTIMCO); repeal provisions relating to the location and operation of the Jennie Sealy Hospital and the R. Waverly Smith Pavilion at The University of Texas Medical Branch at Galveston; remove a limitation on the authority of The Texas A&M University System board of regents to grant, sell, lease, or otherwise dispose of land and mineral interests under its jurisdiction that restricted such disposition to lands and mineral interests that do not comprise any portion of Texas A&M University's original main campus; and repeal provisions relating to the grant, sale, or lease of the surface estate of the original main campus property.

## **Junior Colleges**

House Bill 407 House Author: King, Phil et al. Senate Sponsor: Birdwell

House Bill 407 amends the Education Code to add the territory within Hood County to the service area of the Weatherford College District.

House Bill 2448 House Author: Turner, Sylvester Effective: 6-14-13 Senate Sponsor: Whitmire et al.

House Bill 2448 amends the Education Code to require the governing board of a public junior college district that includes at least six campuses to allow a person who resides outside the district, in the taxing district of a contiguous public junior college district, and in an area designated as a super neighborhood by a municipality with a population greater than two million, to pay tuition and fees at in-district rates for enrollment at a district campus located within that designated area.

House Bill 2474 Effective: 6-14-13 House Author: King, Phil Senate Sponsor: Estes

House Bill 2474 amends the Education Code to authorize revenue bonds issued by the governing body of a county or school district for the purpose of financing the purchase of land for or the construction of a junior college district branch campus, center, or extension facility to be secured by a trust indenture, a deed of trust, or a mortgage granting a security interest in that land or facility.

House Bill 2474 adds to the permissible uses of the proceeds of a junior college district branch campus maintenance tax the making of lease payments, under an agreement between the applicable junior college district and the political subdivision that levies the tax, to the political subdivision for facilities owned by the political subdivision and used exclusively by the branch campus.

House Bill 2668 Effective: 6-14-13 House Author: Vo Senate Sponsor: Davis

House Bill 2668 amends the Government Code to establish Internet posting and broadcast requirements applicable to meetings of the governing board of certain junior college districts.

House Bill 3332 Effective: 6-14-13 House Author: Keffer Senate Sponsor: Fraser

House Bill 3332 amends the Education Code to exempt territory located in Brown County from the prohibition against the annexation of territory by a junior college district if a campus of the Texas State Technical College System is located outside the junior college district and within the county in which the territory is located. The bill adds Brown County to those counties in which Texas Higher Education Coordinating Board approval is not required in order for a campus or extension center of the Texas State Technical College System to offer a vocational or technical program within a junior college district's taxing district that also operates a vocational and technical program.

House Bill 3659 Effective: 9-1-13 House Author: Reynolds Senate Sponsor: Ellis

House Bill 3659 amends the Education Code to add the territory within the part of the Fort Bend Independent School District that is located in the municipalities of Houston and Pearland to the Houston Community College System District's service area.

Senate Bill 414

Senate Author: Ellis et al.

Effective: 6-14-13 House Sponsor: Davis, Sarah et al.

Senate Bill 414 amends the Education Code to require the Texas Higher Education Coordinating Board, using existing funds, to conduct a study of regional workforce needs in Texas to determine the regions that would benefit from the authorization of bachelor's degree programs in the fields of nursing and applied sciences at public junior colleges serving those regions and to determine appropriate metrics to assess whether a public junior college should offer those degree programs. The bill requires the coordinating board to consult with representatives of certain stakeholders in conducting the study and to submit the study's results and recommendations for action to each legislative standing committee with primary jurisdiction over higher education not later than August 1, 2014.

Senate Bill 1855

Effective: 9-1-13

Senate Author: Eltife
House Sponsor: Lavender

Senate Bill 1855 amends the Education Code to expand the Texarkana College District's taxing district to include all of Bowie County, rather than only part of the municipality of Texarkana and part of the Pleasant Grove Independent School District, and to authorize the college district's governing board by resolution or board order to decrease the number of board members from nine to seven, with four members elected from respective commissioner precincts and three members elected at large. The bill requires the resolution or order to establish transition terms of office to conform to elections held in even-numbered years and staggered six-year terms.

### **Specific Institutions**

House Bill 870 House Author: Bell et al. Senate Sponsor: Hegar et al.

House Bill 870 amends the Education Code to make Prairie View A&M University eligible for a distribution from the research development fund for a state fiscal year but only on the condition that the university not be eligible for an appropriation or distribution from the Texas competitive knowledge fund for the same fiscal year. The bill further conditions the university's eligibility for the 2016-2017 state fiscal biennium on appropriations for that fiscal year for distribution from the research development fund to eligible institutions that received distributions in the preceding state fiscal biennium being not less than the amount previously appropriated for distribution to those same institutions, such that any distribution to Prairie View A&M University does not reduce the distributions to those eligible institutions below their prior levels.

House Bill 1753 House Author: Patrick Senate Sponsor: Hancock

House Bill 1753 authorizes the board of regents of The University of Texas System to acquire by purchase, exchange, gift, or otherwise, for campus expansion and other university purposes of The University of Texas at Arlington, all or part of the property in the city of Arlington that is included within the boundaries specified by the bill but without any express grant of the power of eminent domain over the property.

House Bill 1843 House Author: Branch Senate Sponsor: Seliger

Current law provides an exception to the state's top 10 percent rule that allows The University of Texas at Austin to limit offers of automatic admission for an academic year to first-time resident undergraduate students who qualify for such admission under that rule, if the number of qualified applicants exceeds the number required to fill 75 percent of the university's enrollment capacity designated for that year for first-time resident undergraduate students, by using a percentile ranking system until enough qualified applicants have been offered admission to fill that percentage of capacity. Another provision of that law, however, prohibits the university from limiting offers of admissions under those conditions after a specified academic year. House Bill 1843 amends the Education Code to extend that exception to allow the university to limit offers of admission under the 10 percent rule by means of such mechanism for two additional academic years, up to and including admissions for the 2017-2018 academic year.

House Bill 1844 House Author: Branch et al. Effective: 9-1-13 Senate Sponsor: West

House Bill 1844 amends the Education Code to rename The University of Texas Southwestern Medical Center at Dallas as The University of Texas Southwestern Medical Center and amends the Government Code, Health and Safety Code, and Occupations Code to make conforming and nonsubstantive changes. The bill establishes that a reference in law to The University of Texas Southwestern Medical Center at Dallas means The University of Texas Southwestern Medical Center at Dallas is available for the use and benefit of The University of Texas Southwestern Medical Center.

**House Bill 2892 Effective:** 6-14-13 **House Author:** Raney **Senate Sponsor:** Hegar

House Bill 2892 amends the Education Code to remove a limitation on the authority of The Texas A&M University System board of regents to dispose of lands and mineral interests under its jurisdiction that restricted such disposition to lands and mineral interests that do not comprise any portion of the original main campus of Texas A&M University. The bill repeals provisions relating to requiring any grant, sale, or lease of the surface estate of the original main campus property to be approved by an act of the legislature and authorizing the board to grant certain leases and enter into certain agreements with regard to the university's original main campus, as delineated in the provisions.

House Bill 3640 House Author: Pitts Effective: 6-14-13 Senate Sponsor: Birdwell

House Bill 3640 amends the Education Code to include an extension center in Ellis County among the components of the Texas State Technical College System.

House Bill 3792 House Author: Coleman Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 3792 amends the Education Code to establish that the statutory authority for the levy of the intercollegiate athletics fee on each student enrolled at Texas Southern University expires on the next September 1 following the fifth anniversary of the effective date of the most recent amendment or reenactment of the statute unless the legislature reenacts the statute before that date.

Senate Bill 24 Senate Author: Hinojosa et al. Effective: 6-14-13 House Sponsor: Oliveira et al.

Senate Bill 24 amends the Education Code to abolish The University of Texas—Pan American (UTPA) and The University of Texas at Brownsville (UTB) and instead establish a new university in South Texas within The University of Texas System consisting of academic campuses and other academic operations in Cameron and Hidalgo Counties, the medical school and other programs authorized for The University of Texas Health Science Center—South Texas, the facilities and operations of the Lower Rio Grande Valley Academic Health Center, and an academic center in Starr County. The bill sets out procedural provisions relating to the new university's creation, the employment of UTPA and UTB faculty and staff at the new university, the admission of UTPA and UTB students to the new university, and the use of facilities under the management and control of the system by UTPA and UTB until the new university begins operation.

Senate Bill 24 sets out provisions relating to the courses and degrees to be offered at the university, the conduct of the university as a university of the first class, adequate physical facilities for use by the university, gifts and grants, and joint faculty appointments. The bill entitles the university, if the bill receives the necessary vote, to participate in the permanent university fund to the same extent as similar component institutions of the university system.

Senate Bill 24 requires the board of regents of The University of Texas System to establish a center for border economic and enterprise development and The Texas Academy of Mathematics and Science at the university and sets out provisions and procedures governing the two entities, including provisions entitling the academy to allotments from the foundation school fund for each enrolled student as if the academy were a school district without a tier one local share.

Senate Bill 120 Senate Author: Rodriguez et al.
Effective: 5-18-13 House Sponsor: Gonzalez, Naomi et al.

Senate Bill 120 amends the Education Code to establish the Texas Tech University Health Sciences Center at El Paso as a component institution of the Texas Tech University System under the direction, management, and control of the system's board of regents and to set out the board's powers and duties with respect to the center, which include the authority to prescribe courses leading to customary degrees and to adopt rules as necessary to conduct a health sciences center of the first class.

Senate Bill 120 sets out provisions relating to affiliation or coordination agreements with other entities, the provision of physical facilities for the center, the establishment of a teaching hospital for the center, continuing supervision of the center by the Texas Higher Education Coordinating Board, and the solicitation, acceptance, and administration of gifts and grants from any public or private person or entity for the use and benefit of the center. The bill entitles the center to participate in the constitutionally appropriated higher education fund and establishes guidelines for the center's establishment as it relates to existing system programs and facilities located in El Paso.

Senate Bill 566
Senate Author: Eltife et al.
House Sponsor: Clardy et al.

Senate Bill 566 amends the Education Code to authorize the board of regents of The University of Texas System to establish and maintain a pharmacy school as a professional school of The University of Texas at Tyler, to prescribe courses leading to customary degrees offered at other leading American schools of pharmacy, and to award those degrees. The bill requires the board to provide for the school's operations and capital expenses to be supported by tuition, gifts, grants, and other institutional or system funds available for that purpose, other than higher education formula funding for instruction, operations, or infrastructure for which the school is ineligible.

Senate Bill 691 Senate Author: Eltife
Effective: 6-14-13 House Sponsor: Lavender

Senate Bill 691 amends the Education Code to authorize The Texas A&M University System board of regents to impose an intercollegiate athletics fee of up to \$9 per semester credit hour, for up to 12 credit hours per regular semester or summer session, on each student enrolled at Texas A&M University—Texarkana contingent on the fee's approval by a majority vote of the students participating in a general student election held at the university for that purpose. The bill authorizes an increase in the fee amount above the cap from one academic year to the next only if approved by a majority vote of the students participating in a general student election held for that purpose or, if the amount of the increase does not exceed five percent, by

a majority vote of the legislative body of the university's student government. The bill prohibits the fee from being levied after the fifth academic year in which the bill is first imposed or, if the university has issued bonds payable from the fee, after the academic year in which those bonds have been fully paid.

Senate Bill 974 Senate Author: Campbell et al. House Sponsor: Isaac et al.

Senate Bill 974 amends the Education Code and the Government Code to change the name of Texas State University—San Marcos to Texas State University and to specify that Texas State University has a campus located in the city of Round Rock, in addition to the campus located in the city of San Marcos.

Senate Bill 1145 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Bell

Senate Bill 1145 amends the Education Code to raise from \$10 per credit hour to \$12.60 per credit hour the cap on the intercollegiate athletics fee that may be imposed on each student enrolled at Prairie View A&M University by The Texas A&M University System board of regents and to authorize an increase in the fee amount above the cap from one academic year to the next if the increase is approved by a majority vote of the students participating in a general student election held at the university for that purpose or, if the amount of the increase does not exceed five percent, the increase is approved by a majority vote of the legislative body of the university's student government. The bill removes a provision capping the total amount of the fee imposed on a student for a semester or session at the amount imposed on a student enrolled in 15 semester credit hours during that semester or session.

Senate Bill 1145 postpones the fee's expiration date from September 1, 2013, to September 1, 2018, unless before that latter date the board of regents issues bonds payable from the fee, in which case the authorization to impose the fee expires at the end of the semester or session in which the bonds are fully paid.

Senate Bill 1165 Senate Author: Hegar Effective: 5-10-13 House Sponsor: Miller, Rick

Senate Bill 1165 sets out legislative findings with regard to the transfer of real property on which the University of Houston–Sugar Land is now located to the University of Houston System by the Texas Department of Transportation and requires the ownership and transfer documents for the property, in order to clarify legislative intent and in accordance with the findings, to be amended to state that the University of Houston–Sugar Land shall use the property "for higher education purposes" consistent with the purposes of the university.

Senate Bill 1313 Senate Author: Schwertner Effective: 6-14-13 House Sponsor: Otto

Senate Bill 1313 amends the Education Code to establish the Correctional Management Institute of Texas for the training of criminal justice professionals, under the supervision and direction of the president at Sam Houston State University, with headquarters at that university. The bill requires the president of the university to establish reasonable charges for participation in institute training programs by participants who are not Texas residents and requires the participation costs of participants who are Texas residents, including tuition, books, room, board, and travel costs, to be paid from the Correctional Management Institute of Texas and

Criminal Justice Center Account in the general revenue fund. The bill authorizes the institute to provide fee-based training and professional development programming using funds other than appropriated funds.

Senate Bill 1810 Senate Author: Ellis
Effective: 9-1-13 House Sponsor: Coleman

Senate Bill 1810 amends the Education Code to establish that the statutory authority for the levy of the intercollegiate athletics fee on each student enrolled at Texas Southern University expires on the next September 1 following the fifth anniversary of the effective date of the most recent amendment or reenactment of the statute unless the legislature reenacts the statute before that date.

## Student Financial Aid; Tuition and Fee Exemptions

House Bill 29 House Author: Branch et al. Senate Sponsor: Seliger

House Bill 29 amends the Education Code to require the governing board of a general academic teaching institution other than a public state college to offer entering undergraduate students, including transfer students, the opportunity to participate in a fixed tuition price plan under which the institution agrees not to increase tuition charges per semester credit hour for a participating student for at least the first 12 consecutive semesters that occur after the date of the student's initial enrollment. Fees charged by an institution to a participating student are capped at the fees charged to a similarly situated nonparticipating student if the institution offers other tuition payment options.

House Bill 2000 House Author: Thompson, Senfronia

Effective: 6-14-13 Senate Sponsor: Hancock

Current law exempts a nonprofit religious school from regulation as a career school if the school applies for an exemption and the Texas Workforce Commission declares that the school is exempt under state law. House Bill 2000 amends the Education Code to prohibit a nonprofit religious school that participates in federal student financial aid programs from being exempted by the commission unless certain conditions exist relating to the school's accreditation, years of operation in Texas, ownership, and degree plans. The bill requires the Texas Higher Education Coordinating Board to address student complaints relating to nonprofit religious schools that are exempt from regulation as a career school under the bill and are subject to regulation by the board.

House Bill 2550 House Author: Patrick Effective: 9-1-13 Senate Sponsor: Zaffirini

House Bill 2550 amends the Education Code to require the institution of higher education closest geographically to a public high school in Texas identified by the Texas Higher Education Coordinating Board as substantially below the state average in the number of graduates who enroll in higher education institutions to enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions. The bill requires the institution to include the plan and the plan's results in its annual report to the coordinating board; requires the coordinating board to include a

summary of those results in its annual "Closing the Gaps" progress report; and repeals provisions relating to a previous higher education assistance plan and higher education enrollment assistance program.

House Bill 2550 requires the coordinating board, using funds appropriated for graduate medical education residency program expansion, to award one-time planning grants to entities in Texas that have never had a graduate medical education program and are eligible for Medicare funding of graduate medical education; grants for graduate medical education programs to enable those programs to fill accredited but unfilled first-year residency positions; 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; and, if appropriated funds are still available after all eligible applications for the preceding grants have been funded, grants to support residents who have completed at least three years of residency and whose residency program is in a field in which Texas has less than 80 percent of the national average of physicians per 100,000 population.

House Bill 2550 requires the coordinating board, subject to available funds and with the authorized use of up to three percent of appropriated funds for administrative costs, to establish a grant program to award incentive payments to medical schools that administer innovative programs designed to increase the number of primary care physicians in Texas. The bill also requires the coordinating board to 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.

House Bill 2550 authorizes a physician to complete one or more years of practice required to be eligible for physician loan repayment assistance in a location other than a designated health professional shortage area, after funds have been fully allocated for the program year to physicians who qualify based on practice in such a designated shortage area, if, during the applicable year or years, the physician provides health care services to a designated number of patients who are recipients under Medicaid or the Texas Women's Health Program according to criteria established by the coordinating board in consultation with the Health and Human Services Commission (HHSC). The bill requires HHSC, for the purposes of physician loan repayment assistance, to seek any federal matching funds that are available and requires any such funds to be to be deposited in the physician education loan repayment program account for the limited purpose of providing loan repayment assistance to physicians who establish eligibility based on the provision of health care services to Medicaid recipients and child health plan program enrollees.

Senate Bill 490 Effective: 6-14-13 **Senate Author:** Seliger **House Sponsor:** Patrick et al.

Senate Bill 490 amends the Education Code to set the tuition equalization grant eligibility requirements for a person initially awarded a grant before the 2005-2006 academic year to expire January 1, 2016, and to make those requirements inapplicable to the award of grants for an academic year after the 2014-2015 academic year.

Senate Bill 620 Effective: 9-1-13 Senate Author: Van de Putte House Sponsor: Allen

Senate Bill 620 amends the Education Code to require the Texas Higher Education Coordinating Board to provide assistance in the repayment of student loans for speech-language pathologists and audiologists who apply and qualify for assistance. The bill sets out the conditions of eligibility for such assistance and authorizes a qualifying speech-language

pathologist or audiologist to receive repayment assistance grants of up to \$9,000 per year for an eligible recipient who holds a doctoral degree, or up to \$6,000 per year for an eligible recipient who holds a master's degree, for up to five years of employment by a public school or a communicative disorders program at a public, private, or independent institution of higher education.

Senate Bill 680 Senate Author: West et al. Effective: 6-14-13 House Sponsor: Patrick

Senate Bill 680 amends the Education Code to require the Texas Higher Education Coordinating Board to establish and administer, or to contract with one or more entities for the administration of, a temporary pilot program at selected postsecondary educational institutions to ensure that students of those institutions are informed consumers with regard to all aspects of student financial aid. The bill requires the coordinating board to select at least one institution from each of certain specified categories of postsecondary educational institutions to participate in the program and, in doing so, to give priority to institutions that have a three-year cohort student loan default rate, as reported by the U.S. Department of Education, of more than 20 percent or that has above average growth as compared to the rates of other postsecondary educational institutions in Texas. The bill requires the coordinating board to submit an annual report, beginning in 2016, to the governor, the lieutenant governor, and the speaker of the house of representatives regarding pilot program outcomes, as reflected in the federal student loan default rates reported for the participating institutions, and requires each participating institution to submit a report to the same entities regarding pilot program outcomes at the institution, as reflected in the federal student loan default rate reported for the institution. The bill's provisions expire December 31, 2020.

Senate Bill 976 Senate Author: West

Effective: 6-14-13 House Sponsor: Branch et al.

Senate Bill 976 amends the Education Code to authorize the Texas Higher Education Coordinating Board to temporarily approve for participation in the tuition equalization grant program a private or independent institution of higher education that previously qualified as an approved institution but no longer holds the same accreditation as public institutions of higher education. The bill requires such an institution, in order to qualify, to be accredited by an accreditor recognized by the coordinating board; to be actively working toward the same accreditation as public institutions of higher education; to be participating in the federal financial aid program; and to be a "part B institution" as defined by federal law. The bill authorizes the coordinating board to grant temporary approval for a period of two years and to renew the approval once.

Senate Bill 1210 Senate Author: Zaffirini et al. Effective: 6-14-13 House Sponsor: Branch

Senate Bill 1210 amends the Education Code to condition a graduate or undergraduate student's continued receipt of a tuition or fee exemption or waiver at a public institution of higher education for a subsequent semester or term, after initially qualifying for the exemption or waiver for a semester or term at that institution, on the person's maintaining a grade point average that satisfies the institution's requirement for satisfactory academic progress toward a degree or certificate in accordance with the institution's financial aid eligibility policy and, if the person is an undergraduate student, on the person's not having completed as of the beginning of the semester or term a number of semester credit hours that is considered to be excessive, unless the person is permitted to complete those hours on a showing of good cause.

Senate Bill 1210 specifies certain types of credit hours included and excluded in a determination regarding whether the person has completed a number of semester credit hours that is considered to be excessive and requires each institution of higher education to adopt a policy to allow a student who fails to maintain a grade point average as required by the bill's provisions to receive an exemption or waiver in any semester or term on a showing of hardship or other good cause such as a severe illness or other debilitating condition, certain family responsibilities, or active military duty. The bill excepts certain tuition and fee waivers and exemptions from the conditions of eligibility for continued receipt.

Senate Bill 1210 limits the applicability of a mandatory or discretionary exemption or waiver from the payment of tuition or other fees to courses for which an institution of higher education receives formula funding.

#### The summaries for the following bills are in the listed chapters:

House Bill 1284 - Criminal Justice

House Bill 2473 - Special Districts

House Bill 2549 - Public Education

Senate Bill 62 - Health and Human Services

Senate Bill 359 - Taxes and Tax Administration

Senate Bill 533 - Energy Resources

Senate Bill 860 - Public Education

Senate Bill 939 - Public Education

Senate Bill 1158 - Military Forces and Veterans

Senate Bill 1907 - Public Safety

### Insurance

This chapter covers legislation generally relating to the regulation of the business of insurance in Texas, including legislation relating to coverages provided by certain insurance plans and the regulation of companies and individuals licensed to sell insurance or annuities. In addition, the chapter covers legislation relating to the functions and operations of the Texas Department of Insurance, the Texas Automobile Insurance Plan Association, and the Texas Windstorm Insurance Association. The chapter also contains legislation relating to the regulation of navigators operating under the federal Patient Protection and Affordable Care Act, restrictions on the provision by the Department of State Health Services of services that will be impacted by a health insurance exchange, and the authorized use of a wireless communication device to display motor vehicle financial responsibility. Legislation relating to workers' compensation insurance is in the Labor and Employment chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 1183 House Author: Guillen Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 1183 amends the Insurance Code to prohibit a licensed insurance adjuster from adjusting a loss related to roofing damage on an insurer's behalf if the adjuster is a roofing contractor or otherwise provides roofing services or roofing products for compensation or is a controlling person in a roofing-related business. The bill prohibits a roofing contractor from acting as an adjuster or public adjuster or advertising to adjust claims for any property for which the contractor is providing or may provide roofing services, regardless of whether the contractor is a licensed insurance adjuster or licensed public insurance adjuster. The bill requires the commissioner of insurance to adopt rules necessary to implement and enforce the bill's provisions.

House Bill 1305 House Author: Sheets Effective: 9-1-13 Senate Sponsor: Carona

House Bill 1305 amends the Insurance Code to increase to a third-degree felony the penalty for acting as an insurance agent after license suspension or revocation.

House Bill 1405 House Author: Smithee Effective: 1-1-14 Senate Sponsor: Carona

House Bill 1405 amends the Insurance Code to require a managing underwriter, rather than a surplus lines agent, to collect, report, and pay the surplus lines insurance premium tax if the surplus lines agent places an insurance policy with the managing underwriter. However, the bill authorizes the surplus lines agent and the managing underwriter to enter into a written agreement, at or before the time coverage is bound under a policy, providing that the surplus lines agent, rather than the managing underwriter, is responsible for filing, reporting, collection, payment, and all other requirements relating to the surplus lines insurance premium tax and surplus lines insurance in general. The agreement may apply to multiple policies or to all policies between the surplus lines agent and the managing underwriter. The bill requires the surplus lines agent and the managing underwriter to maintain a record of the agreement in connection with each policy to which the agreement applies.

House Bill 2163 House Author: Eiland

Effective: 9-1-13 Senate Sponsor: Van de Putte

Current law requires an insurer not organized under Texas law that is subject to examination to reimburse the Texas Department of Insurance (TDI) for the salary and expenses of each examiner participating in the insurer's examination and for other TDI expenses that are properly allocable to the department's participation in the examination. House Bill 2163 amends the Insurance Code to require TDI to also impose an annual assessment on such insurers in an amount sufficient to meet all other expenses and disbursements necessary to comply with Texas laws relating to the examination of insurers. The bill requires the amount of the assessment to be computed in the same manner as the amount of the similar annual assessment imposed on domestic insurers. The bill expands the authorized uses of assessments and fees collected by TDI in relation to the examination of insurers and other regulated entities to include reimbursement of the TDI operating account for administrative support costs and reimbursement of premium tax credits for examination costs and examination overhead assessments.

**House Bill 3460 Effective:** 6-14-13 **House Author:** Eiland **Senate Sponsor:** Carona

Current law provides for the confidentiality of certain information that is reported, disclosed, or obtained under statutory provisions relating to insurance company holding systems. House Bill 3460 amends the Insurance Code to expand the types of information to which that law applies and to add any state, federal, or international regulatory agency functioning in an official capacity to the list of entities to which the commissioner or another person is authorized to disclose such information if the recipient agrees in writing to maintain the confidential and privileged status of the documents or other information and verifies in writing the legal authority to do so. The bill authorizes the commissioner to receive such documents or information and to maintain as confidential or privileged any document or information received by the commissioner with notice or an understanding that the document or information is confidential or privileged under the laws of the jurisdiction of the entity that provides the document or information.

Current law also requires a domestic insurer to give the commissioner notice of the insurer's intent to enter into certain transactions and prohibits the insurer from entering into the transaction if the commissioner disapproves the proposed transaction during the period for notice. The bill applies such law to a loan or other extension of credit to a person who is not an affiliate if the insurer makes a loan or extension of credit with the agreement or understanding that the proceeds of the transaction are to be used to make loans or extensions of credit to, to purchase assets of, or to make investment in an affiliate of the insurer making the loan or extension of credit, provided the transaction exceeds a specified threshold amount. The bill also revises the applicability of such law with respect to transactions between the insurer and any person in the insurer's insurance holding company system and repeals a provision that requires an insurer to obtain commissioner approval before entering into certain such transactions.

Senate Bill 183 Senate Author: Carona Effective: 9-1-13 House Sponsor: Sheets

Current law authorizes the Texas Department of Insurance (TDI) to address a reasonable inquiry to any insurance company or an agent or other holder of an authorization relating to the person's business condition or any matter connected with the person's transactions that TDI considers necessary for the public good or for the proper discharge of TDI's duties. Senate Bill 183 amends the Insurance Code to extend the deadline by which a person receiving such an inquiry is required to respond from not later than the 10th day to not later than the 15th day after the date the inquiry is received. The bill requires TDI, if it receives written notice from the

person that additional time is required to respond to the inquiry, to grant a 10-day extension of the time to respond. The bill requires TDI to maintain a record of all such inquiries made by the department.

Senate Bill 411 Senate Author: Carona Effective: 9-1-13 House Sponsor: Eiland

Senate Bill 411 amends the Insurance Code to require an insurer to respond to a request from the Texas Department of Insurance (TDI) for relevant information or material relating to a matter under investigation for insurance fraud not later than the 15th day after the date the request is received. The bill requires TDI to extend the period 10 days on written request of the insurer.

Senate Bill 531 Senate Author: Duncan Effective: 9-1-13 House Sponsor: Smithee

Senate Bill 531 amends the Government Code to authorize a governmental unit that establishes a self-insurance fund to purchase reinsurance for a risk covered through the fund. The bill authorizes any law requiring insurance to be satisfied by coverage provided through the fund. Additionally, the bill authorizes any law requiring a certificate of insurance or an insurance agent's signature, countersignature, or approval to be satisfied by a certificate of coverage issued on behalf of the governmental unit demonstrating that coverage is provided through the fund.

Senate Bill 569 Senate Author: Carona Effective: 6-14-13 House Sponsor: Morrison

State law authorizes an applicant for an insurance adjuster license to claim an exemption from the examination generally required for licensure by completing a course in adjusting losses and passing a related examination. Senate Bill 569 amends the Insurance Code to require the applicant to take the required examination in a testing environment that is controlled, supervised, and proctored by a disinterested third party approved by the commissioner of insurance to administer the examination.

Senate Bill 631 Senate Author: Carona Effective: 6-14-13 House Sponsor: Morrison

Senate Bill 631 amends provisions of the Insurance Code relating to special deposits that an insurer may be required to make under certain potentially hazardous conditions. Previous law required the commissioner of insurance to issue an order approving or denying an application from an insurer requesting substitution or withdrawal of a deposit held under those provisions. The bill instead requires the commissioner to issue a letter approving or an order denying such an application.

Senate Bill 733 Senate Author: Carona Effective: 5-18-13 House Sponsor: Sheets

Senate Bill 733 amends the Insurance Code to make the state open meetings law applicable to a meeting of the governing committee of the Texas Automobile Insurance Plan Association. The bill authorizes the governing committee to meet by telephone conference call, videoconference, or other similar telecommunication method for any meeting purpose and sets out requirements for such a meeting.

Current law requires the association's plan of operation to include an incentive program to target underserved geographic areas. Senate Bill 733 authorizes, rather than requires, the

plan of operation to include other incentive programs encouraging authorized insurers to write insurance on a voluntary basis and minimizing the use of the association as a means to obtain insurance.

Senate Bill 733 removes from the requirement that the association file its insurance rates with the Texas Department of Insurance for approval the requirement that the filing be done annually. Previous law required the commissioner to hold a hearing before approving, disapproving, or modifying any rate filed by the association and to provide to all interested parties an opportunity to review each filing. The bill limits the applicability of such requirements to a rate that exceeds 105 percent of the current average rate for each coverage written through the association on the date of the filing. For a rate that does not meet that description, the bill requires the commissioner, within 30 days, to approve or disapprove the rate based on whether the rate meets applicable standards. The bill authorizes certain extensions to the approval period and establishes that the rate is considered approved if the commissioner fails to act within the appropriate time period. The bill authorizes the association to use a rate that does not require a hearing on the later of the date specified by the association in the filing or the date the rate is approved or considered approved and requires the commissioner to give written notice to the association of the approval or disapproval of the rate.

Senate Bill 734 Senate Author: Carona Effective: 6-14-13 House Sponsor: Smithee

Senate Bill 734 amends the Insurance Code to set out provisions governing the licensing and operation of captive insurance companies. The bill specifies the types of insurance that a captive insurance company is authorized to write and provides for a captive insurance company's authority to provide reinsurance. The bill sets out provisions governing the formation of a captive insurance company. The bill prescribes the amount of reserves that a captive insurance company is required to maintain and requires a captive insurance company to use specified accounting principles.

Senate Bill 734 requires an entity to hold a certificate of authority issued by the Texas Department of Insurance before engaging in business as a captive insurance company domiciled in Texas and establishes certain eligibility requirements for such a certificate of authority. The bill requires a captive insurance company to meet capital and surplus requirements in an amount determined by the commissioner of insurance, which may not be less than \$250,000. The bill prescribes the information that must be included on an application for a certificate of authority and requires payment of an application fee in the amount of \$1,500 or a greater amount set by the commissioner by rule. The bill sets the maximum application fee for a complete application filed on or before December 30, 2018, at \$1,500. The bill requires the commissioner to conduct an examination of each applicant and sets out procedures for the commissioner's approval or denial of an application.

Senate Bill 734 establishes annual reporting requirements for a captive insurance company and sets out provisions relating to captive insurance company investments. The bill requires an amendment to a captive insurance company's certificate of formation to be filed with and approved by the commissioner and requires a captive insurance company to notify the commissioner when issuing policyholder dividends. The bill prohibits a captive insurance company from joining or contributing financially to certain entities and funds. The bill establishes the grounds on which the commissioner is authorized to revoke or suspend a captive insurance company's certificate of authority.

Senate Bill 734 authorizes the commissioner to adopt rules establishing standards to ensure that an affiliated company is able to exercise control of the risk management function of any controlled unaffiliated business to be insured by a captive insurance company and authorizes

the commissioner to approve the coverage of such risks by a captive insurance company until the rules are adopted. The bill requires a captive management company to register with the commissioner before providing captive management services to a licensed captive insurance company. The bill establishes that a captive insurance company is subject to premium maintenance tax. The bill requires the commissioner to adopt rules and procedures necessary to implement the bill's provisions relating to the licensing and operation of captive insurance companies. The bill sets out provisions relating to the confidentiality of information filed by an applicant or captive insurance company under the bill's provisions and relating to the redomestication of captive insurance companies.

Senate Bill 734 imposes an annual premium tax on each captive insurance company that receives gross premiums subject to taxation and sets out provisions relating to the imposition, collection, and reporting of that tax.

Senate Bill 734 amends the Tax Code to clarify a statutory provision that exempts certain insurance organizations, title insurance companies, and title insurance agents from the franchise tax on the basis of insurance premium tax payment.

Senate Bill 840 Effective: 9-1-13 Senate Author: Hancock House Sponsor: Eiland

Senate Bill 840 amends the Insurance Code to establish that it is not a prohibited practice to give, provide, or allow or offer to give, provide, or allow an item that is a promotional advertising item, educational item, or traditional courtesy commonly extended to consumers and that is valued at \$25 or less in connection with an offer or sale of an insurance policy or contract.

Senate Bill 841 Effective: 9-1-13 Senate Author: Hancock House Sponsor: Smithee

Senate Bill 841 amends the Insurance Code to exempt an insurer from the prohibition against owning, developing, or holding an equity interest in any residential property or subdivision, single or multiunit family dwelling property, or undeveloped real property to subdivide for or develop residential, single or multiunit family dwellings if the insurer has admitted assets of \$10 million or more.

Senate Bill 841 clarifies the authorization for an insurer other than a life, accident, and health insurer to invest the insurer's funds in excess of minimum capital and surplus in a foreign commonwealth, territory, or possession of the United States or a foreign country other than Canada or to invest in debt obligations and investments within one of those commonwealths, territories, possessions, or countries. The bill caps the aggregate amount of an insurer's debt obligations or investments within a single foreign jurisdiction, as to a debt obligation or investment within a foreign jurisdiction that is rated one or two by the securities valuation office, at 10 percent of the insurer's admitted assets and clarifies that the limitations on the investments apply to both foreign jurisdictions and foreign securities.

Senate Bill 951 Effective: 6-14-13 Senate Author: Carona House Sponsor: Eiland

Senate Bill 951 amends the Insurance Code to change the applicability of statutory provisions regulating surplus lines insurance to make such provisions applicable to surplus lines insurance if the home state of the insured, as that term is defined by the bill, is Texas.

State law conditions an eligible surplus lines insurer's authority to provide surplus lines insurance on whether the full amount of required insurance cannot be obtained, after a diligent effort, from an insurer authorized to write and actually writing that kind and class of insurance in Texas. Senate Bill 951 specifies that such law is inapplicable to insurance procured for an

exempt commercial purchaser if the agent procuring or placing the insurance discloses to the exempt commercial purchaser certain information regarding comparable insurance that may be available from the admitted market and if, after receiving such notice, the exempt commercial purchaser requests in writing that the agent procure the insurance from or place the insurance with an eligible surplus lines insurer. The bill requires the surplus lines agent to include evidence establishing that the insured qualified as an exempt commercial purchaser and that the agent complied with the exemption criteria in the record maintained by the agent for the surplus lines contract. The bill defines "exempt commercial purchaser" and requires the commissioner of insurance to periodically make certain adjustments to that definition.

Senate Bill 951 requires an alien surplus lines insurer to be listed on the Quarterly Listing of Alien Insurers maintained by the International Insurers Department, National Association of Insurance Commissioners. The bill exempts a listed alien surplus lines insurer from a requirement for an eligible surplus lines insurer to maintain capital and surplus in an amount of at least \$15 million and removes provisions prescribing minimum capital and surplus requirements for an eligible surplus lines insurer that is an insurance exchange created by the laws of another state. The bill removes provisions requiring an alien surplus lines insurer to satisfy certain trust fund requirements.

Senate Bill 951 requires an insurer to comply with all applicable nationwide uniform standards for surplus lines eligibility adopted by Texas in accordance with federal law in order to issue surplus lines insurance in Texas.

Senate Bill 951 repeals certain eligibility requirements for surplus lines insurers relating to good reputation and prompt service; competence, trustworthiness, and experience; statutory penalty payment; and premium tax payment. The bill repeals provisions authorizing an insurer group that includes unincorporated individual insurers to maintain a trust fund that meets certain criteria as an alternative to complying with the prescribed minimum capital and surplus requirements for surplus lines insurers. The bill repeals provisions that establish certain conditions under which the commissioner is authorized or required, as applicable, to exempt an eligible surplus lines insurer from the prescribed minimum capital and surplus requirements.

Senate Bill 1006 Senate Author: Carona Effective: 6-14-13 House Sponsor: Sheets

Previous law required that each policyholder dividend distributed by an automobile or casualty insurer be approved by the commissioner of insurance and required that each policyholder dividend under a workers' compensation insurance policy be approved by the Texas Department of Insurance (TDI). Senate Bill 1006 amends the Insurance Code to limit those requirements to a dividend in an amount that exceeds 10 percent of surplus. The bill requires the insurer to provide notification of each distribution to the commissioner or TDI, as applicable, if the amount of the policyholder dividend does not exceed 10 percent of surplus.

Senate Bill 1006 makes statutory provisions prohibiting an insurer from paying a dividend except from surplus profits arising from the insurer's business applicable only to shareholder dividends.

Senate Bill 1074 Senate Author: Hegar

Effective: 9-1-13 House Sponsor: Bonnen, Greg

Senate Bill 1074 amends the Insurance Code to authorize a required notice or other written communication with a party in an insurance transaction, or that is to serve as evidence of insurance coverage, to be delivered, stored, or presented by electronic means only if such delivery, storage, or presentment complies with the state Uniform Electronic Transactions Act. The bill authorizes a written communication to be electronically delivered to a party by an entity

regulated by the Texas Department of Insurance or the entity's agent or agency if, among other criteria, the party affirmatively consents to such delivery and has not withdrawn the consent and the party is provided with certain information before giving consent. The bill sets out provisions relating to the effect of an entity's failure to obtain or confirm electronic consent or a party's withdrawal of consent on the legal effectiveness, validity, or enforceability of an insurance contract or policy. The bill authorizes electronic delivery of written communication where verification or acknowledgment of receipt is required only if the method used for such delivery provides for verification or acknowledgment.

Senate Bill 1125 Senate Author: Carona Effective: 9-1-13 House Sponsor: Smithee

State law previously authorized an insurance purchasing group to purchase group liability insurance only for the group's members and only to cover the liability to which those members are exposed by virtue of any related, similar, or common product, trade, business, operations, premises, or services. Senate Bill 1125 amends the Insurance Code to authorize an insurance purchasing group composed primarily of employees of a political subdivision to also purchase first-party indemnity coverage on a group basis for other risks to which members may be exposed, provided that the aggregate coverage limit per group member for the risk does not exceed three percent of the per member coverage limit for liability coverage. The bill requires a purchasing group to notify the commissioner of insurance of the group's intent to purchase such coverage not later than the 60th day before the date the policy that includes the coverage is initially issued.

Senate Bill 1665 Senate Author: Carona House Sponsor: Smithee

Senate Bill 1665 amends provisions of the Insurance Code relating to the use of assessments or fees that are collected by the Texas Department of Insurance (TDI) in relation to the examination of insurers and other regulated entities by the financial examinations division or actuarial division. The bill expands the authorized uses of such assessments and fees to include reimbursement of the TDI operating account for administrative support costs and reimbursement of premium tax credits for examination costs and examination overhead assessments.

Senate Bill 1672 Senate Author: Taylor Effective: 9-1-13 House Sponsor: Eiland

Previous law authorized the commissioner of insurance to issue a limited-purpose specialty license to a travel agency, the franchise of a travel agency, or a public carrier. Senate Bill 1672 amends the Insurance Code to instead authorize the commissioner to issue a specialty license to an applicant authorizing the license holder to sell, solicit, or negotiate travel insurance through a licensed insurer. The bill authorizes an insurer authorized to engage in the business of travel insurance in Texas to designate a travel insurance supervising entity and establishes that a travel retailer that operates on behalf of and under the license and direction of a supervising entity does not require a travel insurance license. The bill includes provisions specifying a travel retailer's authority to offer and disseminate travel insurance as a service to the retailer's customers on behalf of and under the license and direction of a supervising entity. The bill establishes that travel insurance does not include major medical expense coverage for a traveler on a planned trip for six months or more.

Senate Bill 1672 requires a travel retailer, or the supervising entity, to provide to a traveler seeking to purchase travel insurance certain information concerning the policy and the name

and contact information for the insurer and the supervising entity. The bill authorizes travel insurance coverage to be provided under an individual policy or a group or master policy.

Senate Bill 1672 requires an insurer that provides travel insurance to notify the Texas Department of Insurance in the manner prescribed by commissioner rule of the designation of a supervising entity. The bill authorizes a designated supervising entity to authorize a travel retailer to offer and disseminate a travel insurance policy on behalf of the supervising entity by establishing a retailer registry and sets out provisions relating to such a registry.

Senate Bill 1672 requires the supervising entity to certify in a form prescribed by commissioner rule that each registered travel retailer is in compliance with federal law regarding crimes by or affecting persons engaged in the business of insurance whose activities affect interstate commerce. The bill requires the supervising entity to designate a compliance officer and requires the compliance officer and certain officers of the supervising entity to submit fingerprints as required by commissioner rule. The bill requires the supervising entity to provide travel insurance instruction and training to certain employees of a registered travel retailer. A supervising entity is responsible for the acts of a travel retailer, and the bill requires the supervising entity to use reasonable means to ensure each registered retailer's compliance with provisions governing travel insurance.

Senate Bill 1672 requires a travel retailer offering and disseminating travel insurance to register with an insurer in a retailer registry. The bill requires the travel retailer to make available to travelers brochures or written materials that provide specified contact information for the authorized insurer and the supervising entity; that explain that the purchase of travel insurance is not required for the purchase from the travel retailer of any other product or service; and that disclose certain information concerning the retailer's limited qualifications and authority. The bill prohibits a travel retailer from engaging in certain activities and sets out provisions relating to the authorized compensation of a travel retailer. The bill subjects a supervising entity and a travel retailer registered with the supervising entity to statutory provisions governing sanctions, emergency cease and desist orders, and deceptive, unfair, and prohibited practices in the business of insurance.

#### **Automobile**

House Bill 949 House Author: Smithee et al. Effective: 9-1-13 Senate Sponsor: Watson

House Bill 949 amends the Insurance Code to require a personal automobile insurance policy to provide for continued coverage of a motor vehicle acquired by the insured during the policy term if the insurer is notified of the vehicle's acquisition on or before the 20th day after the date on which the insured becomes the owner of the vehicle or a later date specified by the policy. This requirement applies to private passenger automobiles and certain pickups, utility vehicles, and vans. The bill requires coverage for a vehicle that replaces a covered vehicle to be the same as the coverage for the vehicle being replaced and establishes that an insured is required to notify the insurer of a replacement vehicle only if the insured wishes to add coverage for damage to the vehicle or to continue existing coverage for damage to the vehicle after the prescribed notification period expires. The bill requires coverage for a vehicle that is acquired in addition to the covered vehicles shown in the declarations for the policy and of which the insurer is notified during the prescribed notification period to be the broadest coverage provided under the policy for any covered vehicle shown in the declarations.

Senate Bill 181 Senate Author: Hegar et al. House Sponsor: Guillen et al.

Senate Bill 181 amends the Transportation Code to authorize the use of a wireless communication device to display motor vehicle financial responsibility information as evidence of financial responsibility. The bill specifies that the authorization does not prevent a court or the commissioner of insurance from requiring a person to provide a paper copy of the person's evidence of financial responsibility. The bill establishes certain protections for a telecommunications provider and for a person who uses a wireless communication device to display financial responsibility information.

Senate Bill 1567 Senate Author: Davis
Effective: 9-1-13 House Sponsor: Eiland

Senate Bill 1567 amends the Insurance Code to prohibit an agent or insurer from delivering or issuing for delivery in Texas a personal automobile insurance policy unless the policy provides at least the minimum coverage specified by the Texas Motor Vehicle Safety Responsibility Act. The bill requires an agent or insurer, before accepting any premium or fee for a named driver policy, to disclose to the applicant or insured, orally and in writing, that a named driver policy does not provide coverage for individuals residing in the insured's household that are not named on the policy. The bill requires the agent or insurer to receive a copy of the disclosure that is signed by the applicant or insured before accepting the premium or fee and requires the agent or insurer to require the applicant or insured to confirm contemporaneously in writing the provision of the required oral disclosure. The bill requires an agent or insurer that delivers or issues for delivery a named driver policy to specifically include the required disclosure in the policy and conspicuously identify the required disclosure on the front of any proof of insurance document issued to the insured.

Senate Bill 1567 amends the Transportation Code to add the required disclosure for a named driver policy to the contents of a standard proof of motor vehicle liability insurance form prescribed by the Texas Department of Insurance.

#### Life and Health

House Bill 1358 House Author: Hunter et al. Effective: 9-1-13 Senate Sponsor: Van de Putte

House Bill 1358 amends the Insurance Code to set out procedures for on-site audits and desk audits of pharmacists and pharmacies that are conducted by certain health benefit plan issuers and pharmacy benefit managers. The bill authorizes the commissioner of insurance to enforce the bill's provisions and to adopt and enforce reasonable rules necessary to accomplish the bill's purposes.

House Bill 2929 House Author: Sheets Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 2929 amends provisions of the Insurance Code relating to mandatory health benefit plan coverage for brain injury. The bill expands the applicability of those provisions to include a basic coverage plan under the Texas Employees Group Benefits Act and certain group coverage made available by a school district and exempts from those provisions a standard health benefit plan issued under statutory provisions relating to consumer choice of benefit plans. The bill establishes that a qualified health plan, as defined under federal law, is not

required to provide a brain injury-related benefit that exceeds the essential health benefits required under the federal Patient Protection and Affordable Care Act to the extent that a change in state law made after January 1, 2013, would otherwise require the state to make a payment under federal law.

House Bill 2929 prohibits a health benefit plan from including any post-acute care treatment covered under the plan in any annual limitation on the number of days of acute care treatment covered under the plan. The bill prohibits a health benefit plan from limiting the number of days of covered post-acute care or the number of days of covered inpatient care to the extent that the treatment or care is medically necessary as a result of and related to an acquired brain injury, as determined by the treating physician in consultation with certain other individuals.

House Bill 2929 prohibits a health benefit plan issuer from refusing to contract with or approve admission to an assisted living facility to provide certain brain injury services solely because the facility is licensed as an assisted living facility. The bill requires the issuer of a health benefit plan that requires or encourages insureds or enrollees to use health care providers designated by the plan to ensure that the brain injury services for which plan coverage is required that are within the scope of an assisted living facility's license and that may be provided under an accredited rehabilitation program for brain injury are made available and accessible to the insureds or enrollees at an adequate number of assisted living facilities. The bill prohibits a health benefit plan from treating brain injury care as custodial care solely because it is provided by an assisted living facility if the facility holds a CARF accreditation or other nationally recognized accreditation for a rehabilitation program for brain injury.

House Bill 2929 authorizes the commissioner of insurance to require a licensed assisted living facility that provides covered post-acute care other than custodial care to an insured or enrollee with acquired brain injury to hold a CARF accreditation or other nationally recognized accreditation for a rehabilitation program for brain injury.

House Bill 3105 House Author: Morrison et al. Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 3105 repeals a provision of the Insurance Code that requires an individual accident and health insurance policy to contain a provision stating that the insurer is not liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless the narcotic is administered on the advice of a physician, if the policy addresses the subject matter of that provision.

House Bill 3276 House Author: Simmons et al. Senate Sponsor: Deuell et al.

House Bill 3276 amends the Insurance Code to require certain health benefit plans to provide coverage for screening a child for autism spectrum disorder at the ages of 18 and 24 months. That screening requirement does not apply to a qualified health plan, as defined for purposes of an exchange under the federal Patient Protection and Affordable Care Act, if a determination has been made under federal law that state law requires the qualified health plan to offer benefits in addition to the essential health benefits required under federal law and that Texas would subsequently be required to make payments to defray the cost of those additional benefits.

House Bill 3276 includes an individual acting under the supervision of a health care practitioner who has the necessary license, certification, registration, or credential among the individuals who are authorized to provide autism spectrum disorder treatment that is covered by a health benefit plan.

Senate Bill 644 Senate Author: Huffman Effective: 9-1-13 House Sponsor: Zerwas

Senate Bill 644 amends the Insurance Code to require the commissioner of insurance by rule to prescribe a single, standard form not later than January 1, 2015, for requesting prior authorization of prescription drug benefits and, in prescribing the form, to take into consideration certain existing forms and standards. The bill requires the commissioner by rule to require a health benefit plan issuer or the issuer's agent that manages or administers prescription drug benefits to use the form for any prior authorization of prescription drug benefits required by the plan and to require that the Texas Department of Insurance and a health benefit plan issuer or the issuer's agent that manages or administers prescription drug benefits make the form available electronically on their respective websites. The bill requires the commissioner by rule to establish penalties for failure to accept the form and acknowledge receipt of the form as required by commissioner rule.

Senate Bill 644 requires a health benefit plan issuer or the issuer's agent that manages or administers prescription drug benefits, not later than the second anniversary of the date national standards for electronic prior authorization of benefits are adopted, to exchange prior authorization requests electronically with a prescribing provider who has e-prescribing capability and who initiates a request electronically.

Senate Bill 644 requires the commissioner to appoint a committee to advise the commissioner on the technical, operational, and practical aspects of developing the standard prior authorization form. The bill sets out provisions relating to the duties, composition, and operation of the advisory committee. The bill also requires the commissioner to convene the advisory committee, not later than the second anniversary of the final approval of the standard prior authorization form, to review the standard prior authorization form, examine the form's effectiveness and impact on patient safety, and determine whether changes are needed. The bill specifies the types of health benefit plans and programs to which the bill's provisions apply and makes such provisions applicable only to a request for prior authorization of prescription drug benefits made on or after September 1, 2015.

Senate Bill 822 Senate Author: Schwertner Effective: 9-1-13 House Sponsor: Eiland

Senate Bill 822 amends the Insurance Code to require a person who enters into a direct contract with a provider for the delivery of health care services to covered individuals and who establishes a provider network or networks for access by another party in the ordinary course of business to register with the Texas Department of Insurance (TDI) as a contracting entity not later than the 30th day after the date on which the person begins acting in that capacity in Texas.

Senate Bill 822 establishes an exception to the registration requirement for a contracting entity that holds a certificate of authority issued by TDI to engage in the business of insurance in Texas or operates a health maintenance organization. The bill requires such a contracting entity to file with the commissioner of insurance an application for exemption from registration under which the contracting entity's affiliates are authorized to access the contracting entity's network and requires the application to be accompanied by a list of affiliates that must be updated on an annual basis. The bill requires the commissioner to grant an exemption from registration requirements for affiliates of such a contracting entity if the commissioner determines that the affiliate is not subject to a disclaimer of affiliation under provisions relating to insurance holding company systems and that the relationships between the person who holds a certificate of authority and all affiliates of that person are disclosed and clearly defined.

Senate Bill 822 establishes certain disclosure requirements for a person required to register with TDI as a contracting entity. The bill authorizes TDI to collect a reasonable fee set by the commissioner as necessary to administer the registration process and requires such fees to be deposited in the TDI operating fund.

Senate Bill 822 prohibits a contracting entity from selling, leasing, or otherwise transferring information regarding the payment or reimbursement terms of the provider network contract without the express authority of and prior adequate notification of the provider, which may be provided in the written format specified by a provider network contract. To be enforceable against a provider, the bill requires a provider network contract to specify a separate fee schedule for each line of business specified by the bill. The bill sets out provisions relating to the information that may be described by such a fee schedule and authorizes the commissioner by rule to add additional lines of business for which express authority is required.

Senate Bill 822 prohibits a contracting entity from providing a person access to health care services or contractual discounts under a provider network contract unless certain statements are included in the provider network contract. The bill requires the provider network contract to require that on the request of the provider the contracting entity will provide the information necessary to determine whether a particular person has been authorized to access the provider's health care services and contractual discounts. The bill requires the contracting entity to permit reasonable access to the provider during business hours for the review of the provider network contract.

Senate Bill 822 authorizes the commissioner to adopt rules to implement the bill's provisions. The bill authorizes the commissioner to impose a sanction or assess an administrative penalty on a contracting entity that violates the bill's provisions governing provider network contract arrangements or a rule adopted to implement those provisions.

Senate Bill 853 Senate Author: Taylor Effective: 6-14-13 House Sponsor: Sheets

State law requires an insurer, not less than 60 days before the date on which a premium rate increase takes effect on an individual accident and health insurance policy, to give written notice to the insured of the effective date of the increase and provide the insured a table that lists certain information relating to the amount of the increase. Senate Bill 853 amends the Insurance Code to limit this requirement to a policy that provides major medical expense coverage.

Senate Bill 874 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Sanford

Senate Bill 874 amends the Insurance Code to establish the conditions under which a faith-based, nonprofit organization that is tax-exempt under the Internal Revenue Code of 1986 qualifies for treatment as a health care sharing ministry and to specify that a health care sharing ministry that acts in accordance with those conditions is not considered to be engaging in the business of insurance. The bill exempts a health care sharing ministry from certain Insurance Code provisions.

Senate Bill 1057 Senate Author: Nelson Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1057 amends the Health and Safety Code to prohibit the Department of State Health Services (DSHS) from providing health or mental health benefits, services, or assistance provided by DSHS that DSHS anticipates will be impacted by a health insurance exchange unless the individual applying to receive the benefits, services, or assistance submits on the form prescribed by DSHS a statement attesting that the individual does not have access to

private health care insurance that provides coverage for the benefit, service, or assistance. Alternatively, if the individual has access to private health care insurance that provides coverage for the benefit, service, or assistance, the bill requires the individual to submit on the form the information and authorization necessary for DSHS to submit a claim for reimbursement from the insurer. The bill authorizes DSHS to waive the prohibition if DSHS determines that a benefit, service, or assistance is necessary during a crisis or emergency.

Senate Bill 1057 authorizes DSHS to develop informational materials regarding health care insurance coverage and subsidies available under a health insurance exchange. The bill requires DSHS to provide the informational materials to an individual or the individual's legally authorized representative who applies to receive applicable health or mental health benefits, services, or assistance and who has an income above 100 percent of the federal poverty level. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules necessary to implement the bill's provisions.

Senate Bill 1216 Senate Author: Eltife

Effective: 9-1-13 House Sponsor: Davis, Sarah

Senate Bill 1216 amends the Insurance Code to require the commissioner of insurance by rule to prescribe a single, standard form not later than January 1, 2015, for requesting prior authorization of health care services and, in prescribing the form, to take certain existing forms and standards into consideration. The bill also requires the commissioner by rule to require a health benefit plan issuer or the issuer's agent that manages or administers health care services benefits to use the form for any prior authorization required by the plan of health care services and to require that the Texas Department of Insurance and a health benefit plan issuer or the issuer's agent that manages or administers health care services benefits make the form available in paper form and electronically on their respective websites.

Senate Bill 1216 requires a health benefit plan issuer or the issuer's agent that manages or administers health care services benefits, not later than the second anniversary of the date national standards for electronic prior authorization of benefits are adopted, to exchange prior authorization requests electronically with a physician or health care provider who has electronic capability and who initiates a request electronically. For requests initiated on paper, the bill requires the health benefit plan issuer or the issuer's agent to accept prior authorization requests using the standard paper form developed by the commissioner.

Senate Bill 1216 requires the commissioner to appoint a committee to advise the commissioner on the technical, operational, and practical aspects of developing the single, standard prior authorization form. The bill sets out provisions relating to the composition and operation of the advisory committee. The bill specifies the types of health benefit plans and programs to which the bill's provisions apply and makes such provisions applicable only to a request for prior authorization of health care services made on or after September 1, 2015.

Senate Bill 1332 Senate Author: Duncan Effective: 9-1-13 House Sponsor: Smithee

The Health Insurance Portability and Availability Act defines an "eligible employee" as an employee who works on a full-time basis and who usually works at least 30 hours a week. Under previous law, the determination of whether an employer was a small employer or large employer for purposes relating to health benefit plans was made based on the number of eligible employees of the employer. Senate Bill 1332 amends the Insurance Code to instead provide for that determination to be based on the total number of employees of the employer.

Senate Bill 1367 Senate Author: Duncan Effective: See below House Sponsor: Smithee

Senate Bill 1367 requires the board of directors of the Texas Health Insurance Pool to develop a plan for dissolving the board and the pool after the pool's obligations to issue and continue health benefit coverage terminate under the bill's provisions and to submit the plan to the commissioner of insurance for approval.

Senate Bill 1367 establishes as the latest date on which the pool may issue health benefit coverage the later of December 31, 2013, or the earliest date on which health benefit coverage is reasonably available on a guaranteed issue basis to each class of individuals eligible for health benefit coverage through the pool immediately before the bill's effective date, as determined by the commissioner. The bill establishes that health benefit coverage that is issued to an individual by the pool and that is otherwise in force terminates on the later of January 1, 2014, or the earliest date on which the individual is enrolled in comparable health benefit coverage or could reasonably be expected to have obtained health benefit coverage on a guaranteed issue basis. The bill sets out transitional provisions relating to dissolution of the pool and authorizes the commissioner by rule to delay the implementation of the bill or the pool dissolution plan under certain conditions.

Senate Bill 1367's provisions providing for the dissolution of the pool take effect June 14, 2013. Effective January 1, 2014, the bill repeals Insurance Code provisions requiring notice to be provided to certain individuals regarding the availability of coverage under the pool and also repeals Insurance Code provisions governing the maximum total amount of administrative costs and fees paid in a calendar year to all pool administrators. The bill repeals other Insurance Code provisions relating to the pool effective September 1, 2015.

Senate Bill 1386 Senate Author: Hancock Effective: See below House Sponsor: Sheets

Senate Bill 1386 amends provisions of the Insurance Code relating to the nonforfeiture requirements of certain life insurance policies. For a policy issued on or after the operative date of the standard valuation manual adopted by the commissioner of insurance, the bill requires the manual to provide the commissioners' standard ordinary mortality table or the commissioners' standard industrial mortality table, as applicable, for use in determining the minimum nonforfeiture standard that may be substituted for certain other mortality and insurance tables. If the commissioner by rule adopts a commissioners' standard ordinary mortality table or 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.

State law specifies that 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, rounded to the nearest one-fourth of one percent. Senate Bill 1386 limits that specification to a policy issued before the operative date of the valuation manual and authorizes the commissioner by rule to adopt a different nonforfeiture interest rate. The bill establishes that 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.

Because the bill is contingent on the passage of legislation that did not pass, the bill has no effect.

Senate Bill 1484 Senate Author: Watson et al. House Sponsor: Gonzales et al.

Senate Bill 1484 amends provisions of the Insurance Code relating to mandatory health benefit plan coverage for enrollees diagnosed with autism spectrum disorder. Previous law required a health benefit plan to provide such coverage only until the enrollee completed nine years of age. The bill requires a health benefit plan to provide coverage to any enrollee whose diagnosis was in place prior to the enrollee's 10th birthday, regardless of the enrollee's age. However, the bill establishes that a health benefit plan is not required to provide coverage for an enrollee 10 years of age or older for applied behavior analysis in an amount that exceeds \$36,000 per year. The bill specifies that a qualified health plan, as defined by federal law, is not required to provide a benefit to an enrollee diagnosed with autism spectrum disorder that exceeds the specified essential health benefits required under the federal Patient Protection and Affordable Care Act to the extent that the state would be required to make a payment to defray the cost of the additional benefit.

Senate Bill 1795 Senate Author: Watson et al. House Sponsor: Guillen

Senate Bill 1795 amends the Insurance Code to add temporary provisions, set to expire September 1, 2017, relating to the regulation of navigators for health benefit exchanges established or operated under the federal Patient Protection and Affordable Care Act. The bill authorizes a navigator to perform any duty or function authorized or required by the bill's provisions or any applicable federal law or regulation without obtaining a license from the Texas Department of Insurance or any other state agency, provided that the navigator satisfies the bill's requirements. The bill exempts from its provisions a licensed life, accident, and health insurance agent; a licensed life and health insurance company.

Senate Bill 1795 requires the commissioner of insurance to adopt rules necessary to implement the bill's provisions and to meet the minimum requirements of applicable federal law. The bill requires the commissioner to determine whether the standards and qualifications for navigators provided under federal law are sufficient to ensure that navigators can perform their required duties and, if the commissioner determines that the standards are insufficient, requires the commissioner to make a good faith effort to work in cooperation with the U.S. Department of Health and Human Services and to propose improvements to the federal standards. If after a reasonable interval the commissioner determines that the federal standards remain insufficient, the bill requires the commissioner by rule to establish standards and qualifications to ensure that navigators in Texas can perform the required duties.

Senate Bill 1795 specifies certain minimum standards that must be included in the commissioner's navigator rules; requires the commissioner, at regular intervals, to obtain from the health benefit exchange a list of all navigators providing assistance in Texas and, with respect to an individual, the name of the individual's employer or organization; and authorizes the commissioner by rule to establish a state registration for navigators sufficient to ensure that those standards are satisfied and the information is collected. The bill sets out restrictions on navigator advertising and prohibits a navigator from receiving compensation for services or duties as a navigator that are prohibited by federal law. The bill requires the commissioner to adopt rules authorizing additional training for navigators as the commissioner considers necessary to ensure compliance with changes in state or federal law. The bill prohibits a navigator from performing certain acts unless the navigator is licensed to act as a life, accident, and health insurance agent.

# **Property and Casualty**

House Bill 2972 House Author: King, Ken Effective: 1-1-14 Senate Sponsor: Patrick

House Bill 2972 amends the Insurance Code to exempt premiums on risks or exposures under ocean marine insurance coverage of stored or in-transit baled cotton for export from the surplus lines insurance premium tax.

**House Bill 3106 Effective:** 9-1-13 **House Author:** Morrison **Senate Sponsor:** Carona

House Bill 3106 amends the Insurance Code to authorize certain methods of payment for furnishing title evidence for the issuance of a title insurance policy related to a utility project that is designed to produce, generate, transmit, distribute, sell, or furnish electric energy and that is valued at completion at more than \$25 million.

House Bill 3106 authorizes a title insurance company to obtain reinsurance by a reinsurance treaty or other reinsurance agreement from an assuming insurer with a financial strength rating of B+ or better from the A. M. Best Company that meets certain statutory requirements if the title insurance company has provided the Texas Department of Insurance with an affidavit that contains facts that demonstrate the title insurance company was unable after diligent effort to procure sufficient reinsurance from another title insurance company and that states the terms of the reinsurance treaty or other reinsurance agreement that the title insurance company will obtain.

Senate Bill 112 Senate Author: Lucio et al. Effective: 9-1-13 House Sponsor: Smithee

Senate Bill 112 amends the Insurance Code to require a residential property insurance policy form to include a declarations page that lists and identifies each type of deductible under the residential property insurance policy and states the exact dollar amount of each deductible under the policy. If a residential property insurance policy or an endorsement attached to the policy contains a provision that may cause the exact dollar amount of a deductible under the policy to change, the bill requires the declarations page to identify or include a written disclosure that clearly identifies the applicable policy provision or endorsement and requires the policy provision or endorsement to explain how any change in the applicable deductible amount is determined. A disclosure containing a list of deductibles, or a disclosure containing an identification of each applicable policy provision or endorsement, may be provided on a page separate from the declarations page.

Senate Bill 697 Senate Author: Carona Effective: 1-1-14 House Sponsor: Eiland

Senate Bill 697 amends the Insurance Code to establish that a nonresident individual is not required to obtain a general property and casualty agent license to hold a surplus lines agent license if the individual satisfies the conditions imposed by the bill.

Senate Bill 698 Senate Author: Carona Effective: 5-18-13 House Sponsor: Eiland

Senate Bill 698 amends the Insurance Code to require an insurer to refund the appropriate portion of any unearned premium for a policy of personal automobile or residential property insurance to the policyholder not later than the 15th business day after the effective date of

cancellation or termination of the policy. The bill makes an exception to that provision by requiring a guaranty association to refund any unearned premium as described by provisions of the Texas Property and Casualty Insurance Guaranty Act relating to covered claims not later than the 30th business day after the date the guaranty association receives any necessary and accurate financial information required to determine unearned premium under such a policy.

Senate Bill 736 Senate Author: Watson Effective: 9-1-13 House Sponsor: Smithee

Senate Bill 736 amends the Insurance Code to prohibit an insurer that writes a standard fire, homeowners, or farm and ranch owners insurance policy from using an underwriting guideline based solely on whether a consumer inquiry has been made by or on behalf of the applicant or insured, from charging a rate that is different from the rate charged to other individuals for the same coverage or increasing a rate charged to an insured based solely on whether a consumer inquiry has been made by or on behalf of the applicant or insured, or from considering a customer inquiry as a basis for nonrenewal or cancellation of an insurance policy.

Senate Bill 801 Senate Author: Carona Effective: 6-14-13 House Sponsor: Sheets

Senate Bill 801 amends the Insurance Code to repeal a provision that requires a general casualty company to deposit with the comptroller of public accounts \$50,000 in cash or securities on the granting of the company's charter. The bill also specifies the types of securities that a general casualty company is authorized to substitute for the securities that the company has on deposit with the comptroller to meet prerequisites to engaging in the business of insurance in another state, country, or province.

Senate Bill 839

Senate Author: Hancock
House Sponsor: Morrison

Senate Bill 839 amends provisions of the Insurance Code relating to insurance coverage for certain portable electronic devices. The bill requires an insurer to provide notice to the master or group policyholder and each enrolled customer of a policy of portable electronics insurance at least 30 days before terminating or changing the terms and conditions of the policy. The bill requires an insurer that changes the terms and conditions of such a policy to provide certain information to the master or group policyholder and to each enrolled customer. The bill establishes grounds on which an insurer is authorized to terminate the coverage of an enrolled customer under a portable electronics insurance policy and specifies notice requirements for certain terminations of coverage. The bill requires a master or group policyholder who terminates a portable electronics insurance policy to provide notice of the termination to each enrolled customer not later than the 30th day before the date the termination becomes effective.

Senate Bill 839 sets out requirements for insurers and master or group policyholders relating to the form and method of delivery of a notice or correspondence sent with respect to a portable electronics insurance policy.

Senate Bill 839 authorizes a licensed portable electronics vendor to bill a customer for, and collect from a customer payment for, portable electronics insurance coverage provided to the customer. The bill requires a licensed portable electronics vendor to separately itemize on a customer's bill any charge to the customer for portable electronics insurance coverage that is not included in the cost associated with the purchase or lease of the covered portable

electronic device or related services and, if that coverage is included in the associated cost, to clearly and conspicuously disclose the inclusion of that coverage to the customer at the time of the purchase or lease.

Senate Bill 852 Senate Author: Taylor Effective: 9-1-13 House Sponsor: Smithee

Senate Bill 852 amends the Insurance Code to authorize an insurer to elect to make a personal automobile, commercial automobile, inland marine, or residential property insurance policy available to an insured by posting a specimen policy on the insurer's Internet website instead of other authorized means. The bill requires the insurer to provide a copy of the specimen policy to an insured on request and at no cost to the insured.

Senate Bill 852 requires an insurer that posts a specimen policy on the insurer's Internet website to disclose certain information to an insured on issuance or renewal of a policy incorporating the specimen policy. An insurer is required to make similar disclosures if, during an insured's policy period, the insurer posts a specimen policy or amends a posted specimen policy incorporated into the insured's policy. The bill also requires an insurer that posts a specimen policy on the insurer's Internet website to provide to the Texas Department of Insurance (TDI) and the office of public insurance counsel an electronic copy of the specimen policy that may be posted on the Internet website of TDI or the office of public insurance counsel. The bill sets out requirements relating to the accessibility, format, and retention of specimen policies posted on an insurer's Internet website.

Senate Bill 1702 Senate Author: Taylor et al.

Effective: 6-14-13 House Sponsor: Bonnen, Dennis

State law requires a structure to obtain a certificate of compliance in order to qualify for coverage through the Texas Windstorm Insurance Association (TWIA). However, previous law authorized coverage to continue for a noncompliant structure that was insured by TWIA as of September 1, 2009, subject to inspection requirements for all construction, alteration, remodeling, enlargement, and repair of, or addition to, a structure that was begun on or after June 19, 2009, and required a 15 percent premium surcharge for such a noncompliant structure. Senate Bill 1702 amends the Insurance Code to instead authorize insurance coverage for any noncompliant residential structure to be issued or renewed through TWIA, subject to the same inspection and premium surcharge requirements, until December 31, 2015. The bill repeals a provision establishing certain alternative certification procedures.

Senate Bill 1702 authorizes TWIA to insure a residential structure constructed, altered, remodeled, enlarged, repaired, or added to, on or after June 19, 2009, that is not in compliance with the applicable building code standards as set forth in TWIA's plan of operation, provided that the structure had been insured on or after that date by an insurer in the private market who canceled or nonrenewed the insurance coverage of the structure before December 31, 2015; the applicant provides to TWIA proof of the private coverage's cancellation or nonrenewal; and no construction, alteration, remodeling, enlargement, or repair of, or addition to, the structure occurred after cancellation or nonrenewal of the coverage and before submission of an application for coverage through TWIA. The bill sets out provisions relating to the amount of the premium and annual premium surcharge that TWIA is required to charge for a policy insuring such a noncompliant residential structure.

Senate Bill 1702 prohibits TWIA from issuing or renewing insurance coverage for a structure on and after December 31, 2015, unless the structure complies with the applicable building code standards in effect on the date the construction, alteration, remodeling, enlargement, or repair of, or addition to, the structure begins.

# The summaries for the following bills are in the listed chapters: House Bill 1869 - Civil Remedies and Procedures

House Bill 2383 - Health and Human Services

Senate Bill 632 - Health and Medical Occupations

# Juvenile Justice

This chapter covers legislation relating to juvenile justice generally, juvenile delinquency, truancy, county juvenile boards, juvenile detention and correctional facilities, and juvenile court proceedings, as well as the functions and duties of the Texas Juvenile Justice Department and the Texas Juvenile Justice Board. Legislation relating to adult and juvenile offenders is in the **Criminal Justice** chapter, legislation relating to family law, including child custody and support, adoption, foster care, and family violence, is in the **Family Law** chapter, and bills relating to truancy are in the **Public Education** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 144 House Author: Raymond Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 144 amends the Family Code to clarify a juvenile court's authority to order a physical and mental examination for a child who is referred to the court or who is alleged by a petition or found to have engaged in delinquent conduct or conduct indicating a need for supervision when the child is initially detained in a pre-adjudication secure detention facility or a post-adjudication secure correctional facility. The bill includes a determination of whether a child suffers from chemical dependency among the components of the examination and requires a probation department to refer to an appropriate and legally authorized agency or provider for evaluation and services a child whose examination indicates there is reason to believe the child suffers from chemical dependency or a child who has been determined to suffer from chemical dependency and who is not currently receiving treatment for chemical dependency while under deferred prosecution supervision or court-ordered probation. The bill requires a probation department to report such a referral to the Texas Juvenile Justice Department.

House Bill 232 House Author: Guillen Effective: 6-14-13 Senate Sponsor: Zaffirini

House Bill 232 amends the Alcoholic Beverage Code to authorize a court to allow a minor defendant who is required to attend an alcohol awareness program on placement on deferred disposition for conviction of certain alcohol-related offenses, but who resides in a county with a population of 75,000 or less and for whom access to an alcohol awareness program is not readily available in the county or an adjacent county, to take an online alcohol awareness program if the Department of State Health Services (DSHS) approves online courses. In the alternative, the bill authorizes the court to require such a defendant to perform not less than eight hours of community service related to alcohol abuse prevention or treatment and approved by DSHS.

House Bill 528 House Author: Turner, Sylvester et al. Senate Sponsor: Whitmire

House Bill 528 amends the Code of Criminal Procedure and the Family Code to make statutory provisions making confidential and prohibiting public disclosure of all records, files, and information stored by electronic means or otherwise, from which a record or file could be generated, relating to a child who is convicted of a fine-only misdemeanor other than a traffic offense, apply also to all such records, files, and information relating to a child who is charged with, found not guilty of, had a charge dismissed for, or is granted deferred disposition for such an offense or whose conviction for such an offense is appealed.

**House Bill 1020 Effective:** 6-14-13 **House Author:** Reynolds **Senate Sponsor:** Huffman

House Bill 1020 amends the Alcoholic Beverage Code to specify that the alcohol awareness program that a court must require a minor to attend on the minor's placement on deferred disposition for certain alcohol-related offenses is a program that must be approved by the Department of State Health Services or a drug and alcohol driving awareness program approved by the Texas Education Agency.

House Bill 1334 House Author: Marquez Effective: 6-14-13 Senate Sponsor: Rodriguez

House Bill 1334 amends the Human Resources Code to include, as alternatives to including the county judge as a member of the juvenile board of El Paso County, a member of the county commissioners court designated by the county judge or an individual who is not a member of the commissioners court and who is designated by the county judge and approved by a majority vote of the commissioners court.

**House Bill 2733 Effective:** 9-1-13 **House Author:** White **Senate Sponsor:** Whitmire

House Bill 2733 amends the Government Code to entitle the Texas Juvenile Justice Department (TJJD) to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS that relates to an applicant for or a holder of a certification from TJJD, a child committed to TJJD custody by a juvenile court, a person requesting visitation access to a TJJD facility, or any person as necessary to conduct an evaluation of the home to which a child is released under supervision by TJJD. The bill authorizes the release of that information to a juvenile board by which a certification applicant or holder is employed, requires TJJD to destroy that information relating to a certification applicant after certifying the person, and specifies that TJJD is not prohibited from disclosing criminal history record information obtained from DPS in a criminal proceeding or in a hearing conducted by TJJD. The bill establishes the confidentiality of certain personal information regarding a current or former employee of TJJD or TJJD's predecessors in function, a juvenile probation or detention officer certified by TJJD or those predecessors, and employees of a juvenile justice program or facility.

House Bill 2733 amends the Human Resources Code to include the director of state programs and facilities of TJJD or the director's designee on the advisory council on juvenile services and to revise deadlines for TJJD to report on its rehabilitation and reestablishment programs for children committed to TJJD and on matters concerning correctional facilities. The bill requires TIJD, rather than the executive director of TIJD, to review criminal history record information and previous and current employment references of certain persons working for TJJD facilities or with children in TJJD custody, and requires TJJD to review that information of each contractor or employee or subcontractor of a contractor who has direct access to children in TJJD facilities, rather than each contractor working for TJJD or in a facility owned by or under contract with TJJD. The bill authorizes TJJD to review criminal history record information of a person requesting visitation access to a TJJD facility or of any person as necessary to conduct an evaluation of the home to which a child is released under supervision by TJJD and prohibits TJJD from denying visitation access to an immediate family member of a child committed to TJJD based solely on a review of the family member's criminal history record information. If visitation access is denied or limited based in part on that review, TJJD must retain the information of the person for whom access is denied or limited until the applicable child is released from TJJD. The bill changes the deadline by which TJJD must report the results of recidivism-related research regarding TJJD's

comprehensive reentry and reintegration plan and removes the term limit on the independent ombudsman appointed to investigate, evaluate, and secure the rights of children committed to TJJD.

**House Bill 2862 Effective:** 9-1-13 **House Author:** McClendon **Senate Sponsor:** West

House Bill 2862 amends the Code of Criminal Procedure and the Family Code to authorize a witness held in the custody of the Texas Juvenile Justice Department (TJJD), a juvenile secure detention facility, or a juvenile secure correctional facility to be placed in a certified juvenile detention facility for a limited period that may be extended.

House Bill 2862 establishes that a person under the age of 17 who has been certified to stand trial as an adult and who is transferred to an adult facility must be detained under certain conditions as required by the Juvenile Justice Code. The bill requires the judge of the criminal court having jurisdiction over a person who has been so certified and who is detained in a certified juvenile detention facility to order, on the 17th birthday of that person, the transfer of that person to an adult facility.

House Bill 2862 extends a court's authority to retain jurisdiction over respondents in certain incomplete criminal proceedings to include a respondent in a proceeding for waiver of a juvenile court's jurisdiction over a child and the transfer of that jurisdiction to criminal court. The bill establishes the county of residence for a child who is found to have engaged in delinquent conduct or conduct indicating a need for supervision, while the child is the subject of a suit affecting the parent-child relationship, for purposes of the transfer of the child's case.

House Bill 2862 sets out the rights and responsibilities of the juvenile probation department of a county that originally placed a child on probation or assumed permanent supervision of the child under an intercounty transfer of probation supervision and of the county to which the child has moved or intends to move regarding certain DNA documentation requirements and certain requests for interim supervision.

House Bill 2862 sets out the conditions that must exist in order for a child to be detained in a nonsecure correctional facility until the child is released or until a detention hearing is held. The bill changes the maximum period of detention for a child who is a status offender, for purposes of enabling the child's return to the child's home in another state, to the period allowed under the Interstate Compact for Juveniles.

House Bill 2862 requires a juvenile court, if the juvenile court orders a person detained in a certified juvenile detention facility pending trial in a court for criminal proceedings or until the criminal court enters an order for the person to be transferred to an adult facility, to set or deny bond for the person as required by law applicable to the pretrial detention of adults accused of criminal offenses. The bill specifies that a person's parent, custodian, guardian, or guardian ad litem is not considered a party to a criminal proceeding after a juvenile court waives its exclusive jurisdiction of the person's case and that it is not necessary to provide such persons with the notice otherwise required. The bill authorizes a juvenile court's waiver of exclusive jurisdiction to be made without the necessity of obtaining a complete diagnostic study, social evaluation, and full investigation of the child, the child's circumstances, and the circumstances of the alleged offense. The bill requires a court, if requested by the attorney for the person at least 10 days before a hearing on the transfer of the person to the appropriate district court or criminal district court for criminal proceedings, to order that the person undergo a physical or mental examination to determine whether the person has a mental illness or is a person with mental retardation 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. The bill

establishes that only the petition for discretionary transfer, the order of transfer, and the order of commitment, if any, for a child transferred from a juvenile court to a criminal court are a part of the district clerk's public record.

House Bill 2862 changes the deadline for a court to provide the attorney for a child in a disposition hearing or in a hearing to modify a disposition with access to all written matter to be considered by the court. The bill authorizes a court, if the court or jury makes the finding necessary for the court to make a disposition in a case, to place the child in a suitable nonsecure correctional facility that is registered and meets the applicable standard for the facility.

House Bill 2862 revises the method by which a juvenile probation department that receives a payment to a victim as the result of a juvenile court order for restitution must notify the victim that a payment has been received.

House Bill 2862 requires a hearing to determine whether a child who is placed on probation for a period that will continue after the child's 19th birthday should be transferred to an appropriate district court or discharged from the sentence of probation to be conducted before the child's 18th birthday if the offense for which the child was placed on probation occurred before September 1, 2011. The bill establishes that, after a transfer to district court is made, only the petition, the grand jury approval, the judgment concerning the conduct for which the child was placed on determinate sentence probation, and the transfer order are a part of the district clerk's public record.

House Bill 2862 expands the information that a court, in a hearing on the transfer of a person from TJJD to the Texas Department of Criminal Justice or the release under supervision of a person committed to TJJD, is authorized to consider, changes the deadline for the court to provide the attorney for the person to be transferred or released with access to all written matter to be considered by the court, and makes all written matter admissible in evidence at the hearing.

House Bill 2862 provides that statistical data collected or maintained by TJJD, rather than any records so collected or maintained, is not subject to an order sealing the records of a person who has been found to have engaged in delinquent conduct or conduct indicating a need for supervision or a person taken into custody to determine whether the person engaged in such conduct.

House Bill 2862 expands the circumstances under which the Department of Public Safety (DPS), on certification by DPS that the records in a person's juvenile case are subject to automatic restriction, may permit access to the information in the juvenile justice information system relating to the case. The bill establishes that statutory provisions authorizing an agency maintaining juvenile records subject to automatic restriction, on receipt of a juvenile court order restricting access to the records, to allow access to the records only by certain entities and persons and requiring the agency to respond to a request for information about such records by stating that the records do not exist do not apply if the subject of such an order is under the jurisdiction of the juvenile court or TJJD or if the agency has received notice that the records are not subject to restricted access on the basis of the subject's conviction of or placement on deferred adjudication for a felony or misdemeanor punishable by confinement in jail for an offense committed after the person reached the age of 17. The bill authorizes an agency that may access juvenile records subject to automatic restriction to permit access by the state military forces or the United States military forces to juvenile records held by that agency. The bill requires a probation officer or an official at the TJJD reception center, when a child is placed on probation for an offense that may be eligible for automatic restricted access to records at age 17 or when a child is received by TJJD on an indeterminate commitment, to explain to the child as soon as practicable that if the child is under the jurisdiction of the juvenile court or TJJD 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 TJJD, as applicable.

House Bill 2862 amends the Human Resources Code to require TJJD, during the annual registration of juvenile facilities, to collect and make publicly available data on the number of placements in disciplinary seclusion based on the duration of the seclusion. The bill limits the types of hearings at which a statement made by a child under the jurisdiction of and properly referred to a juvenile probation department and any mental health data obtained from the child during the administration of a mental health screening instrument or the initial risk and needs assessment instruments are inadmissible. The bill expands the information that a court that commits a child to TJJD is required to provide TJJD.

House Bill 3161 House Author: Simpson et al. Effective: 6-14-13 Senate Sponsor: Eltife

House Bill 3161 amends the Human Resources Code to remove from the composition of the Upshur County Juvenile Board the judges of any statutory court in the county designated as a juvenile court. The bill designates the county judge of Upshur County as the chairman of the board and its chief administrative officer, rather than requiring the board to elect one of its members as chairman at its first regular meeting of each calendar year. The bill repeals provisions that governed the Upshur County Juvenile Board specifically and that exempted the board from certain requirements applicable to juvenile boards generally.

House Bill 3952 House Author: Nevarez Effective: 9-1-13 Senate Sponsor: Uresti

House Bill 3952 amends the Human Resources Code to include the judge of the County Court at Law of Val Verde County among the members of the juvenile board of Val Verde County.

Senate Bill 2 (2nd C.S.)

Senate Author: Huffman et al.

House Sponsor: Kolkhorst et al.

Previous law required an individual found guilty of a capital felony in a case in which the state does not seek the death penalty to be punished by life imprisonment in the Texas Department of Criminal Justice if the individual's case was transferred from juvenile court to the appropriate district court or criminal district court for criminal proceedings. Senate Bill 2 amends the Penal Code and the Code of Criminal Procedure to instead require life imprisonment if the individual committed the offense when younger than 18 years of age. The bill clarifies that the punishment of life imprisonment without parole for a capital felony in such a case applies if the individual committed the offense when 18 years of age or older. The bill's provisions do not affect a final conviction that exists on the bill's effective date.

Senate Bill 92 Senate Author: Van de Putte et al. Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 92 amends the Human Resources Code to authorize a juvenile board to establish a program for the assistance, treatment, and rehabilitation of children who are alleged to have engaged in, or adjudicated as having engaged in, delinquent conduct or conduct indicating a need for supervision and who may be victims of conduct that constitutes the offense of trafficking a person. The bill requires the program to allow for the integration of services available to a child under certain court proceedings, allow for the referral to a facility that can address issues

associated with human trafficking, and require a participating child to periodically appear in court. The bill establishes minimum program requirements relating to services available to such a child, referral to an appropriate facility, and periodic court appearances for monitoring and compliance.

Senate Bill 92 amends the Family Code to authorize a juvenile court to require such a child to participate in the trafficked persons program and provides for deferral of adjudication and dismissal of certain cases relating to trafficking of persons on completion of the trafficked persons program. The bill includes provisions governing the jurisdiction over, and transfer of, proceedings relating to the protection of a child in cases where the juvenile may have engaged in delinquent conduct or conduct indicating a need for supervision or may be a victim of human trafficking.

Senate Bill 92 prohibits the informal disposition guidelines adopted by each county's juvenile board to allow the case of a child taken into custody to be disposed of without referral to a juvenile court or to a first offender program if there is probable cause to believe the child engaged in delinquent conduct or conduct indicating a need for supervision or may be a victim of human trafficking. The bill authorizes a juvenile court to order the sealing of records concerning such a child if the child successfully completed a trafficked persons program in accordance with the bill's provisions.

Senate Bill 393 Senate Author: West et al. Effective: 9-1-13 House Sponsor: Lewis et al.

Senate Bill 393 amends the Code of Criminal Procedure to authorize a judge to allow a child defendant charged with or convicted of a certain offense under municipal court jurisdiction to elect at the time of conviction to discharge the fine and costs by performing community service or receiving tutoring. A court may also waive payment of a fine or cost imposed on a defendant who defaults in payment if the court determines that the defendant was a child at the time the offense was committed and that each alternative discharge method would impose an undue hardship. The bill provides for the confidentiality of records relating to a child who received a dismissal after deferral of a disposition for a fine-only misdemeanor other than a traffic offense. Among other provisions, the bill authorizes certain courts to employ juvenile case managers to provide prevention services to at-risk juveniles and early intervention services to juveniles engaged in misconduct prior to cases being filed.

Senate Bill 393 amends the Education Code to prohibit a peace officer from issuing a citation to a child who is alleged to have committed a school offense. The bill authorizes a school district that commissions peace officers to develop a system of graduated sanctions that may be imposed before a complaint is filed against the child and sets out requirements regarding such a complaint. The bill also requires the dismissal of a truancy-related complaint or juvenile court referral that is not made in compliance with statutory referral and filing requirements.

Senate Bill 393 amends the Family Code to require a criminal court to waive original jurisdiction for a complaint against a child alleging a violation of a fine-only misdemeanor offense other than a traffic offense. The court must refer the child to juvenile court if any court has previously dismissed a complaint against the child because of a determination relating to the child's mental illness, disability, or lack of capacity. The bill authorizes a law enforcement officer authorized to take a child into custody to dispose of the case of a child accused of a Class C misdemeanor other than a traffic offense without referral to a court and adds a Class C misdemeanor other than a traffic offense to the list of offenses that may be disposed of through use of a first offender program.

Senate Bill 393 amends the Penal Code to prohibit a person younger than 10 years of age from being prosecuted for or convicted of a fine-only misdemeanor or a penal ordinance

violation and to establish a rebuttable presumption that a child who is at least 10 years of age but younger than 15 years of age is incapable of committing such offenses. Finally, the bill sets out provisions regarding the dismissal of a complaint against a child with a mental illness, disability, or lack of capacity.

Senate Bill 394 Senate Author: West

Effective: 9-1-13 House Sponsor: Herrero et al.

Senate Bill 394 amends the Code of Criminal Procedure and Family Code to make state law governing the confidentiality of records relating to a child convicted of a fine-only misdemeanor other than a traffic offense apply also to a child who has received a dismissal after deferral of disposition for such an offense. The bill removes confidentiality provisions relating to a child whose conviction for such an offense is affirmed.

Senate Bill 395 Senate Author: West House Sponsor: Herrero

Senate Bill 395 amends the Code of Criminal Procedure to authorize a judge to allow a child defendant charged with or convicted of an offense over which a municipal or justice court has jurisdiction to elect at the time of conviction to discharge the fine and costs by performing community service or receiving tutoring as an alternative to paying the fine and costs. The bill establishes requirements relating to the defendant's election and authorizes a court to waive payment of a fine or costs imposed on such a child defendant who defaults in payment if the court determines that the alternative method of discharging the fine and costs would impose an undue hardship on the defendant.

Senate Bill 511 Senate Author: Whitmire Effective: 12-1-13 House Sponsor: Workman

Senate Bill 511 amends the Family Code to add temporary provisions authorizing the juvenile court of a county in which the juvenile board or local juvenile probation department operates or contracts for the operation of a post-adjudication secure correctional facility, after a disposition hearing, to commit a child who is found to have engaged in delinquent conduct constituting a felony to the facility with or without a determinate sentence, as an alternative to committing the child to the Texas Juvenile Justice Department (TJJD). The bill exempts the facility commitment from certain physical segregation regulations and sets out the circumstances under which the court may order the commitment with or without a determinate sentence. The bill authorizes a juvenile court to commit a child at sanction level six to a post-adjudication secure correctional facility without a determinate sentence and to commit a child at sanction level seven to the facility without a determinate sentence. The bill deems an adjudication that a child engaged in conduct occurring on or after January 1, 1996, constituting a felony offense resulting in commitment to TJJD or a post-adjudication secure correctional facility a final conviction only for purposes of punishment for certain repeat and habitual felony offenders and makes a conforming change in the Penal Code.

Senate Bill 511 amends the Human Resources Code to add temporary provisions requiring a juvenile board in a county with a population of more than one million and less than 1.5 million to establish a policy that specifies whether the board or a local juvenile probation department that serves the county may operate or contract for the operation of a post-adjudication secure correctional facility to confine children committed as previously described and operate a program through which a child so committed may be released under supervision and place the child in the child's home or in any approved situation or family. The bill requires a board or department to evaluate the home setting before placing a child in the home and sets out other

requirements relating to the acceptance and minimum length of stay of properly committed persons. The bill sets out the circumstances under which a local juvenile department may and may not release under supervision a child committed to a post-adjudication secure correctional facility with a determinate sentence and the circumstances under which a committed child may be transferred to the Texas Department of Criminal Justice for confinement. The bill authorizes a board or department to resume the care and custody of any child released under supervision at any time before the child's final discharge and requires a board or department operating or contracting for the operation of a post-adjudication secure correctional facility to develop a comprehensive plan for each committed child to reduce recidivism and ensure the successful reentry and reintegration of the child into the community following the child's release or final discharge from the facility.

Senate Bill 670 Senate Author: Whitmire

Effective: 5-24-13 House Sponsor: Turner, Sylvester

Senate Bill 670 amends the Family Code to authorize certain individuals and entities associated with a child's juvenile justice proceeding to copy the records and files of a juvenile court, a clerk of the court, a juvenile probation department, or a prosecuting attorney relating to the child.

Senate Bill 1003 Senate Author: Carona et al. Effective: 9-1-13 House Sponsor: Guillen

Senate Bill 1003 amends the Human Resources Code to require the Texas Juvenile Justice Department, during the annual registration of juvenile facilities, to collect and make publicly available data on the number of placements in disciplinary seclusion lasting at least 90 minutes but less than 24 hours, lasting 24 hours or more but less than 48 hours, and lasting 48 hours or more. The bill requires the Criminal Justice Legislative Oversight Committee, subject to the availability of funds from gifts, grants, and donations accepted from certain public and private entities and organizations, to appoint an independent third party to review Texas Department of Criminal Justice facilities and certain other detention and confinement facilities in Texas regarding the facilities' use of adult and juvenile administrative segregation and related statistics. The bill requires the third party to report its findings and certain detailed recommendations to the governor, the lieutenant governor, the speaker of the house of representatives, and certain legislative committees and makes state public information law apply to the review, report, and other related information. The bill's provisions expire February 1, 2015.

Senate Bill 1114 Senate Author: Whitmire et al. House Sponsor: Herrero

Senate Bill 1114 amends the Code of Criminal Procedure to require a law enforcement officer who issues a citation to or files a complaint for conduct by a child 12 years of age or older that is alleged to have occurred on school property or on a vehicle owned or operated by a county or independent school district to submit to the court the offense report, a witness statement, and a statement by a victim of the alleged conduct, if any, and to prohibit an attorney representing the state from proceeding in a trial of an offense unless the officer complied with that requirement. The bill prohibits a law enforcement officer from issuing a citation or filing a complaint for that type of conduct by a child younger than 12 years of age.

Senate Bill 1114 amends the Education Code to require a court to dismiss a truancy-related complaint or referral made by a school district that does not comply with statutory referral and filing requirements. The bill requires a school district student code of conduct to specify the circumstances under which a student may be removed from a vehicle owned or operated

by the district and to provide methods for managing students on such a vehicle appropriate for each grade level, removes the requirement that a school district peace officer perform administrative duties for the applicable district, and clarifies a peace officer's authority to take a child into custody for certain offenses. The bill requires the chief of police of a school district police department to report solely to the superintendent, rather than to the superintendent or the superintendent's designee. The bill prohibits the issuance of a warrant for the arrest of a person for a Class C misdemeanor under the Education Code committed when the person was younger than 17 years of age and exempts a primary or secondary grade student enrolled in a school from the offenses of disruption of classes or other school activities and disruption of transportation.

Senate Bill 1114 amends the Family Code to authorize the referral of a child accused of a Class C misdemeanor other than a traffic offense to a first offender program prior to the filing of a complaint with a criminal court and to update first offender program provisions to reflect that authorization. The bill amends the Penal Code to include a public school campus or the school grounds on which a public school is located among the public places to which the offense of disorderly conduct applies.

Senate Bill 1356

Effective: 9-1-13

Senate Author: Van de Putte
House Sponsor: McClendon et al.

Senate Bill 1356 amends the Human Resources Code to require the Texas Juvenile Justice Board, in adopting rules regarding personnel standards, to require probation officers, juvenile supervision officers, and court-supervised community-based program personnel to receive trauma-informed care training that provides knowledge, in line with best practices, of how to interact with juveniles who have experienced traumatic events. The bill requires the Texas Juvenile Justice Department (TJJD) to provide that trauma-informed care training during the preservice training for juvenile probation officers, juvenile supervision officers, juvenile correctional officers, and juvenile parole officers and additionally requires the training provided to juvenile correctional officers to include information and instruction concerning signs and symptoms of the human trafficking of a child. The bill requires TJJD to evaluate the practices and screening procedures used by juvenile probation departments for the early identification of juveniles who are victims of sex trafficking for the purpose of developing a recommended set of best practices that may be used by a juvenile probation department to improve the department's ability to make that identification.

Senate Bill 1356 amends the Government Code to require the Texas Crime Stoppers Council to create at least one specialized program that encourages individuals to report criminal activity relating to the trafficking of persons and that financially rewards each individual who makes a report that leads or substantially contributes to the arrest or apprehension of a person suspected of engaging in conduct that constitutes a trafficking of persons offense.

Senate Bill 1419Senate Author: WestEffective: 9-1-13House Sponsor: Lewis

Senate Bill 1419 amends the Code of Criminal Procedure to establish the truancy prevention and diversion fund as a dedicated account in the general revenue fund. The bill requires a person convicted in a municipal or justice court of an offense, other than an offense relating to a pedestrian or the parking of a motor vehicle, to pay an additional \$2 court cost and requires the custodian of a county treasury or municipal treasury, as applicable, to send the funds collected as costs to the comptroller for deposit to the credit of that account. Money in the account is only to be appropriated to the criminal justice division of the governor's office for distribution to local government entities for truancy prevention and intervention services. However, a

custodian may retain 50 percent of the collected funds in order to operate or establish a juvenile case manager program in the county or municipality if such a program is established or in the process of being established. The bill also expands the types of cases for which a juvenile case manager may be employed by certain governmental entities and the types of services that such a manager may provide.

The bill amends the Government Code to make a conforming change.

**Senate Bill 1769 Senate Author:** Rodriguez **Effective:** 6-14-13 **House Sponsor:** White

Senate Bill 1769 requires the Texas Juvenile Justice Board, not later than December 1, 2013, to appoint an advisory committee to develop a plan to end the practice of fingerprinting children referred to a juvenile probation department for delinquent conduct, other than felony conduct. The plan must be submitted to the board not later than December 1, 2014, and must ensure that public safety and due process rights are protected. The advisory committee is abolished January 1, 2015.

Senate Bill 1832 Senate Author: Uresti House Sponsor: Hilderbran

Senate Bill 1832 amends the Human Resources Code to authorize the juvenile board of Edwards County and the juvenile boards of one or more counties that are adjacent to or in close proximity to Edwards County to agree to operate together. The bill authorizes juvenile boards operating together to appoint one fiscal officer to receive and disburse funds for the boards.

#### The summaries for the following bills are in the listed chapters:

House Bill 694 - Military Forces and Veterans

House Bill 1435 - Courts

House Bill 1479 - Public Education

Senate Bill 306 - Public Education

Senate Bill 1234 - Public Education

# **Labor and Employment**

This chapter covers legislation on workforce issues, including unemployment benefits, workers' compensation, workforce development, and the functions and duties of the Texas Workforce Commission. Legislation on job creation is in the **Economic Development** chapter, and legislation on public employees is in the **Public Officials and Employees** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 376 Effective: 9-1-13 House Author: Strama et al. Senate Sponsor: Zaffirini

House Bill 376 amends the Government Code and Education Code to establish the Texas Rising Star Program as a voluntary, quality-based child-care rating system of child-care providers participating in the Texas Workforce Commission's (TWC) subsidized child-care program. The bill requires the TWC to adopt rules to administer the Texas Rising Star Program and establishes provisions regarding the availability and use of money by local workforce development boards to hire necessary employees for the program. The bill establishes new reimbursement rates for Texas Rising Star Program providers based on a provider's star rating and expands the required uses of certain federal child-care development funds dedicated to quality improvement activities. The bill sets out provisions relating to the information provided by each board with regard to child-care quality indicators, local parenting classes, and certain local designated vendors and requires certain child-care providers to post a certification or accreditation considered to be a quality child-care indicator at the entrance of the provider's facility. The bill requires each local workforce development board to provide certain technical assistance to Texas Rising Star Program providers and to providers seeking certification under the program. The bill establishes the Texas Rising Star Program review work group, consisting of members appointed by the executive director of the TWC, to propose revisions to the TWC's rules on the Texas Rising Star Program. The bill sets out the composition, duties, and reporting requirements of the work group, specifies the matters the work group is required to consider, and requires the TWC, not later than September 1, 2014, to propose rules that incorporate the proposed revisions submitted by the work group.

House Bill 809 House Author: Davis, John et al. Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 809 amends the Labor Code to require the Texas Workforce Commission to provide the Texas Education Agency (TEA) with information at least each quarter regarding current and projected employment opportunities in Texas. The bill requires TEA to provide the information to school districts for use in local planning and implementation of career and technical education and training programs.

House Bill 950 House Author: Thompson, Senfronia et al. Effective: Vetoed Senate Sponsor: Davis et al.

House Bill 950 amends the Labor Code to specify circumstances in which an unlawful employment practice occurs with respect to an allegation of discrimination in payment of compensation in an employment discrimination violation. The bill establishes an exception to the prohibition against liability under a back pay award accruing for a date more than two years

before the date a complaint is filed with the Texas Workforce Commission civil rights division by authorizing liability under a back pay award to accrue and an aggrieved person to obtain relief as provided by specified statutory provisions and under certain circumstances.

Reason Given for Veto: "Texas' commitment to smart regulations and fair courts is a large part of why we continue to lead the nation in job creation. House Bill 950 duplicates federal law, which already allows employees who feel they have been discriminated against through compensation to file a claim with the U.S. Equal Employment Opportunity Commission."

**House Bill 2015 Effective:** 1-1-14 **House Author:** Davis, John **Senate Sponsor:** Watson et al.

House Bill 2015 amends the Labor Code to require a person who contracts with a governmental entity to provide a service to properly classify, as an employee or independent contractor in accordance with the Texas Unemployment Compensation Act, any individual the person directly retains and compensates for services performed in connection with the contract. The bill applies this requirement to a subcontractor directly retained and compensated by a person who contracts with a governmental entity. The bill provides consequences for persons who fail to properly classify an individual in that manner.

Senate Bill 1226 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Perez

Senate Bill 1226 amends the Government Code to provide for the establishment of an employment-first policy and interagency task force to promote competitive employment opportunities that provide a living wage for individuals with disabilities. The bill sets out requirements for the policy, which is to be adopted and implemented by the Health and Human Services Commission (HHSC), Texas Education Agency, and Texas Workforce Commission. The bill requires that the task force be appointed by the HHSC executive commissioner, who is authorized to use an existing committee or task force to promote competitive employment of individuals with disabilities. The bill sets out the composition, functions, and expiration date of the task force if the executive commissioner establishes the task force.

Senate Bill 1286 Senate Author: Williams Effective: 9-1-13 House Sponsor: Hunter

Senate Bill 1286 amends the Labor Code and the Tax Code to make statutory provisions governing the regulation of staff leasing services apply to professional employer services, defined as services provided through coemployment relationships in which all or a majority of the employees providing services to a client or to a division or work unit of a client are covered employees. The bill sets out provisions relating to the nature and terms of a coemployment relationship, establishes requirements for consideration as a covered employee, and clarifies that an executive employee of the client is a covered employee, except to the extent the professional employer organization and the client expressly agree in the professional employer services agreement that the individual is not a covered employee. The bill establishes that a holder of a professional employer organization license and a client of the licensed organization are each considered an employer under state law for purposes of sponsoring retirement and welfare benefit plans for covered employees and sets out provisions relating to a single welfare benefit plan under which eligible covered employees of one or more clients may elect to participate. The bill authorizes a licensed organization to sponsor a benefit plan that is not fully insured if the organization meets certain requirements and is approved to sponsor the plan by the commissioner of insurance. The bill sets out the commissioner's powers with respect to the regulation of plans, including adopting rules that include all requirements to be met by the licensed organization and the plan, issuing orders, and taking certain actions against a noncompliant plan.

Senate Bill 1286 extends a licensed organization's authority to elect to obtain workers' compensation insurance coverage for covered employees to a client and requires the client and organization to specify in the professional employer services agreement whether the parties have made that election and which party must maintain the coverage. The bill makes certain provisions of the Texas Workers' Compensation Act apply to a client or licensed organization regardless of whether the client or organization elects to obtain the coverage and sets out provisions relating to the calculation of workers' compensation insurance premiums paid by a client or licensed organization. The bill requires the Texas Commission of Licensing and Regulation to adopt any rules necessary to implement the bill's provisions.

## **Unemployment Benefits**

House Bill 26 House Author: Martinez Fischer Effective: 6-14-13 Senate Sponsor: Zaffirini

Current law prohibits employer chargebacks or the denial of unemployment compensation benefits if a person provides evidence as prescribed by law that the person left the workplace because the person is a victim of family violence or stalking. House Bill 26 amends the Labor Code to prohibit the chargebacks or denial of benefits if a person or an immediate family member of the person is a victim of sexual assault. The bill includes written documentation from a family violence center or rape crisis center among the medical documentation that a person can provide as evidence of family violence or sexual assault.

House Bill 916 House Author: Orr et al. Effective: 9-1-13 Senate Sponsor: Birdwell

House Bill 916 amends the Labor Code to prohibit unemployment compensation benefits computed on benefit wage credits of an employee from being charged to the account of the employer if the employee continued to work the employee's customary hours for the employer when the employee's benefit year began. The bill exempts from this prohibition a claim for unemployment compensation benefits under the shared work unemployment compensation program.

House Bill 983 House Author: Elkins Effective: 9-1-13 Senate Sponsor: Patrick

House Bill 983 amends the Labor Code to exclude from the definition of "employment" under the Texas Unemployment Compensation Act service in the employ of a political subdivision or of an applicable instrumentality of a political subdivision if the service is as an election official or worker and the remuneration received by the individual during the calendar year is less than \$1,000.

House Bill 1550 House Author: Bell

Effective: 9-1-13 Senate Sponsor: Van de Putte

House Bill 1550 amends the Labor Code to prohibit unemployment compensation benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year was due to a reason that constitutes an involuntary

#### Labor and Employment

separation under applicable state law and that does not constitute good cause connected with the employee's work under applicable state law for the employee to voluntarily leave the employment.

**House Bill 1580 Effective:** 9-1-13 **House Author:** Reynolds **Senate Sponsor:** Ellis

House Bill 1580 amends the Labor Code to prohibit unemployment compensation benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer if the employment did not constitute suitable work for the employee and if the employee worked for the employer for less than four weeks. The bill establishes that an individual who voluntarily leaves the individual's last work is not disqualified for unemployment compensation benefits if the individual was receiving unemployment compensation benefits at the time the last work began, if the work did not constitute suitable work for the individual, and if the individual was employed at the last work for less than four weeks.

**House Bill 2034 Effective:** 9-1-13 **House Author:** Vo et al. **Senate Sponsor:** Ellis

House Bill 2034 amends the Labor Code to establish that an individual is not disqualified for unemployment compensation benefits if the individual left the individual's last work to attend training approved by the Texas Workforce Commission and the last work did not constitute suitable work for the individual. The bill prohibits a chargeback to an employer for such an individual and for an individual who left work to enter training approved under the federal Trade Act of 1974 if the work the individual left was not suitable for employment. The bill repeals provisions relating to the disqualification of an individual for unemployment compensation benefits for a period of unemployment for which the individual left work to attend an established educational institution.

**House Bill 2035 Effective:** 9-1-13 **House Author:** Vo **Senate Sponsor:** Eltife

House Bill 2035 amends the Labor Code to prohibit shared work benefits paid under the shared work unemployment compensation program from being charged to the account of an employer if the benefits are reimbursed by the federal government under the federal Layoff Prevention Act of 2012. The bill revises the required conditions for approval of a shared work plan by the Texas Workforce Commission. The bill removes the prohibition against such a plan being implemented to subsidize an employer who traditionally has used part-time employees.

House Bill 3005 House Author: Burkett et al. Senate Sponsor: Williams

House Bill 3005 amends the Labor Code to authorize the Texas Workforce Commission (TWC), under an agreement with or waiver by the United States secretary of labor, to use money requisitioned from Texas' account in the federal trust fund to conduct demonstration projects for the reemployment of unemployed individuals in the manner prescribed by that agreement or waiver and consistent with any applicable requirements under federal law. The bill requires TWC to provide to the legislative standing committees with primary jurisdiction over TWC any evaluation reports required by the United States Department of Labor for a reemployment demonstration project.

Senate Bill 21 Senate Author: Williams et al. Effective: 9-1-13 House Sponsor: Creighton et al.

Current law makes an unemployed individual eligible to receive unemployment compensation benefits for a benefit period if the individual is available for work, among other conditions. Senate Bill 21 amends the Labor Code to enact the Ken Legler Act to specify that an individual for whom suitable work is available only in an occupation that regularly conducts preemployment drug testing is available for work only if the individual complies with the applicable requirements of the drug screening and testing program administered by the Texas Workforce Commission under the bill. The bill requires such an individual who files an initial claim for benefits to pass a drug screening assessment, and if the assessment indicates a reasonable likelihood that the individual is using a regulated substance, to pass a drug test. An individual who fails a drug test is ineligible to receive benefits until the individual has passed a subsequent drug test administered after a prescribed period. The bill sets out conditions under which an individual who fails a drug test is eligible to receive benefits and sets out requirements for procedures relating to the rights of an individual who fails a drug test.

Senate Bill 658 Senate Author: Deuell Effective: 10-1-13 House Sponsor: Smith

Senate Bill 658 amends the Labor Code to require the Texas Workforce Commission (TWC) to require a person receiving an unemployment compensation benefit by wilful nondisclosure or misrepresentation of a material fact who does not fulfill an applicable condition imposed by the Texas Unemployment Compensation Act or who is disqualified from receiving the benefit to pay a penalty in an amount equal to 15 percent of the benefit, in addition to forfeiting the benefit. The bill specifies that such a penalty is effective only after the person has been afforded an opportunity for a fair hearing before TWC or its duly designated representative. The bill establishes that a person who is assessed such a penalty by TWC is liable for the amount of the penalty and authorizes TWC to collect the penalty in a manner as provided by specified Labor Code provisions for the collection of past-due contributions. The bill requires TWC to deposit such a penalty in the unemployment compensation fund.

Senate Bill 920
Senate Author: Eltife
House Sponsor: Reynolds

Senate Bill 920 amends the Labor Code to specify that an unemployed individual is eligible to receive unemployment compensation benefits for a benefit period if the individual, in addition to meeting other established conditions, is actively seeking work in accordance with rules adopted by the Texas Workforce Commission.

Senate Bill 1537 Senate Author: Deuell Effective: 10-1-13 House Sponsor: Cortez

Senate Bill 1537 amends Labor Code provisions relating to a final determination by the Texas Workforce Commission that a claimant received an erroneous unemployment compensation payment. The bill provides that an employer is liable for the payment if the employer did not respond to a notice of the filing of an initial claim from the commission by providing sufficient factual information to allow the commission to make a determination regarding the claimant's entitlement to benefits.

## Workers' Compensation

House Bill 1762 House Author: Price Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 1762 amends the Labor Code to establish that a certificate of insurance coverage showing that a temporary employment service maintains a policy of workers' compensation insurance constitutes proof of workers' compensation insurance coverage for the temporary employment service and the client of the temporary employment service with respect to all employees of the temporary employment service assigned to the client. The bill requires the state or a political subdivision of the state to accept such a certificate of insurance coverage as proof of workers' compensation coverage.

The Texas Workers' Compensation Act specifies that an employee waives the employee's common-law right of action to recover damages for personal injuries or death sustained in the course and scope of employment unless the employee elects to retain that right by notifying the employer that the employee waives workers' compensation insurance coverage and retains all common-law rights of action. The bill establishes that statutory provisions relating to such an employee election apply to a temporary employment service and the service's client if the temporary employment service elects to obtain workers' compensation insurance. An employee's election to retain the employee's common-law right of action with respect to the temporary employment service applies to any client of the temporary employment service, and the bill prohibits the employee from making a separate election with respect to the client. However, the employee's election does not apply to a client if the client is not subject to the relevant statutory provisions. The bill also establishes that the service and the service's client are subject to statutory provisions specifying that recovery of benefits is the exclusive remedy for the death of or a work-related injury sustained by a covered employee, except for certain circumstances in which exemplary damages may be recovered.

House Bill 2645 House Author: Turner, Chris Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 2645 amends provisions of the Insurance Code relating to independent review organizations. The bill amends a provision requiring the commissioner of insurance to adopt standards and rules for the certification, selection, and operation of independent review organizations to remove the requirement to prohibit an attorney who is, or has in the past served as, the registered agent for an independent review organization from representing the independent review organization in legal proceedings; to add a requirement to prohibit an individual who serves as an officer, director, manager, executive, or supervisor of an independent review organization from serving in certain positions with another independent review organization; to revise the criteria for the commissioner's rules and standards regarding confidentiality of patient information; to add requirements relating to an independent review organization's presence and standing in Texas; to remove the requirement that an independent review organization voluntarily surrender its certification while the organization is under investigation; and to revise the procedures that must be addressed by commissioner standards and rules regarding the sale of an independent review organization or shares of the organization. The bill requires the commissioner to adopt certain standards applicable to an applicant for certification as an independent review organization relating to the applicant's office location, office capability, and record maintenance.

House Bill 2645 revises the deadline by which the commissioner's standards must require an independent review organization to make the organization's determination for a life-threatening

condition. The bill adds to the information that must be included on an application for certification as an independent review organization. The bill requires the commissioner to establish certifications for independent review of health care services provided to persons eligible for workers' compensation medical benefits and other health care services after considering accreditation, if any, by a nationally recognized accrediting organization that imposes requirements for accreditation that are the same as, substantially similar to, or more stringent than Texas Department of Insurance (TDI) requirements for accreditation. The bill requires TDI to make available to applicants applications for certification to review health care services provided to persons eligible for workers' compensation medical benefits and other health care services.

House Bill 2645 requires the commissioner to require certain individuals associated with an applicant to submit a complete and legible set of fingerprints to TDI and requires TDI to conduct a criminal history check of each applicant. The bill requires an application for certification for review of health care services to require certain accredited organizations to provide evidence to TDI of the accreditation. The bill requires the commissioner to consider the evidence if the accrediting organization published and made available to the commissioner the organization's requirements for and methods used in the accreditation process. The bill authorizes an independent review organization that is accredited by a nationally recognized accrediting organization to request that TDI expedite the application process. The bill authorizes a certified independent review organization that becomes accredited by a nationally recognized accrediting organization to provide evidence of that accreditation to TDI and requires such evidence to be maintained in the TDI file related to the independent review organization's certification. The bill requires biennial renewal of certification.

House Bill 2645 reduces the frequency with which an independent review organization is required to submit the information required in an application for certification as an independent review organization and the frequency with which the commissioner is required to designate each organization that meets the standards for an independent review organization. The bill requires information regarding a material change to be submitted on a form adopted by the commissioner not later than the 30th day after the date the material change occurs and establishes additional inspection-related requirements if the material change is a relocation of the organization.

House Bill 2645 requires the commissioner to establish a group to advise TDI and make recommendations related to the efficiency of independent review. The bill requires the commissioner by rule to require referral by random assignment of adverse determinations to independent review organizations and requires the commissioner to notify the independent review organization and certain other individuals on referral of a determination. The bill requires an independent review organization operating under state law to maintain the organization's primary office in Texas and requires the commissioner to suspend enforcement of any statutory provision governing independent review organizations that the commissioner determines to be preempted by federal law.

**House Bill 3152 Effective:** 9-1-13 **House Author:** Giddings **Senate Sponsor:** Fraser

House Bill 3152 amends Insurance Code provisions relating to workers' compensation health care networks. If, for the purposes of credentialing and contracting with health care providers on behalf of a certified workers' compensation health care network, a person is serving as both a management contractor or a third party to which the network delegates a function and as an agent of a health care provider, the bill requires the contract between the management contractor or third party and the provider to specify the certified network's contract rate for health care services and the amount of reimbursement the provider will be paid after the

provider agent's fee for performing administrative services is applied. The bill also requires the contract to comply with the Workers' Compensation Health Care Network Act. If the contract complies with those requirements, reimbursement of the health care provider is in accordance with the terms of the contract. Otherwise, the reimbursement is in accordance with the certified network's contracted rate.

House Bill 3152 requires a management contractor for a certified network or third party to which a certified network delegates a function that is also serving as an agent for health care providers in the certified network to disclose that relationship in its contract with the certified network and requires that contract to comply with the Workers' Compensation Health Care Network Act. The bill prohibits a certified network, management contractor, or third party to which the network delegates a function from requiring a health care provider, as a condition for contracting with the certified network, to utilize as a health care provider agent the management contractor or the third party.

Senate Bill 381 Senate Author: Van de Putte Effective: 9-1-13 House Sponsor: Oliveira

Current law prohibits a person from using certain words, terms, initials, or symbols associated with the division of workers' compensation of the Texas Department of Insurance in connection with any impersonation, advertisement, solicitation, business name, business activity, business document, product, or service made or offered by the person regarding workers' compensation coverage or benefits. Senate Bill 381 amends the Labor Code to add as a condition of the prohibition that the words, terms, initials, or symbols are used in a deceptive manner.

**Senate Bill 1322 Effective:** 9-1-13 **Senate Author:** Van de Putte **House Sponsor:** Oliveira

Senate Bill 1322 amends the Labor Code to authorize durable medical equipment and home health care services to be reimbursed under the Texas Workers' Compensation Act in accordance with fee guidelines adopted by the commissioner of workers' compensation. Alternatively, the bill authorizes an insurance carrier to pay a health care provider fees for durable medical equipment or home health care services that are inconsistent with the fee guidelines adopted by the commissioner if the carrier or the carrier's authorized agent has a contract with the provider that includes a specific fee schedule. The bill authorizes an insurance carrier or the carrier's authorized agent to use an informal or voluntary network to obtain a contractual agreement providing for fees different from those authorized under the fee guidelines adopted by the commissioner for durable medical equipment or home health services.

If a carrier or the carrier's authorized agent chooses to use an informal or voluntary network to obtain a contractual fee arrangement, the bill requires certain contractual arrangements to exist between the carrier or authorized agent and the informal or voluntary network and between the informal or voluntary network and the health care provider, and requires compliance with certain notice requirements. The bill requires an insurance carrier, or the carrier's authorized agent or an informal or voluntary network at the carrier's request, to provide copies of each such contract to the division of workers' compensation of the Texas Department of Insurance on the request of the division and establishes that the insurance carrier may be required to pay fees in accordance with the division's fee guidelines if the contract does not meet certain criteria or if the carrier or the carrier's authorized agent does not comply with the bill's notice requirements.

Senate Bill 1322 requires an informal or voluntary network, or the carrier or the carrier's authorized agent, to notify each health care provider at least quarterly of any person, other than an injured employee, to which the network's contractual fee arrangements with the health care

provider are sold, leased, transferred, or conveyed. The bill sets out provisions relating to the content, format, and delivery of the notice. The bill applies certain reporting requirements to an informal or voluntary network described by the bill's provisions.

Senate Bill 1322 provides that an insurance carrier or the carrier's authorized agent commits an administrative violation if the carrier or agent violates any of the bill's provisions relating to reimbursement for durable medical equipment and home health care services. The bill requires any administrative penalty assessed under the bill to be assessed against the carrier, regardless of whether the carrier or agent committed the violation.

## **Workforce Development**

House Bill 437 House Author: Davis, John et al. Effective: 9-1-13 Senate Sponsor: Seliger

House Bill 437 amends the Education Code to establish the Texas Innovative Adult Career Education (ACE) grant program and fund to support programs of eligible nonprofit workforce intermediary and job training organizations to prepare low-income students to enter careers in high-demand and significantly higher-earning occupations. The grant program is administered by the governing board of a Texas Higher Education Coordinating Board-designated junior college district with oversight from a program advisory board as prescribed by the bill. The grant fund is established by the comptroller of public accounts as a dedicated general revenue account consisting of gifts, grants, and donations and legislative appropriations. The bill repeals Government Code provisions establishing the Jobs and Education for Texans (JET) grant program and fund administered by the comptroller. Education Code provisions relating to the JET grant program are revised to authorize grants only for the purpose of defraying start-up costs associated with the development of new career and technical education programs at certain public junior colleges and public technical institutes.

House Bill 939 House Author: Davis, John Effective: 9-1-13 Senate Sponsor: Hancock

House Bill 939 requires that 15 percent of the amount in the employment and training investment holding fund and 15 percent of the amount in the training stabilization fund be transferred to the Texas Workforce Commission (TWC) to be used for one-time expenses related to workforce development or the administration of the Texas Unemployment Compensation Act. The bill requires TWC to transfer 15 percent of the total amount transferred from the funds to the Texas Veterans Commission to be used to fund employment programs for veterans.

House Bill 1296 House Author: Alvarado et al. Effective: 6-14-13 Senate Sponsor: Taylor

House Bill 1296 amends the Education Code to require the Texas Higher Education Coordinating Board, in conjunction with the Texas Workforce Commission, to prepare a report on the state's future workforce needs, the types and levels of education, training, and skills that are needed to meet those needs, and recommendations for programming at postsecondary educational institutions in response to those needs. The bill requires the coordinating board to submit the report to specified recipients, including the Texas Education Agency (TEA), which is required to post information comparing institutions of higher education in Texas and identifying

postsecondary education and career opportunities, the state's workforce needs, and annual wages for high-demand jobs in Texas. The bill requires each institution of higher education to include on its Internet website in a prominent location a link to the information posted on the TEA website.

House Bill 2478 House Author: Alvarado et al. Effective: 6-14-13 Senate Sponsor: Watson et al.

House Bill 2478 amends the Labor Code to require the Texas Workforce Commission (TWC) to gather and study information relating to existing and projected shortages in high-wage, high-demand occupations in Texas. The bill requires the study to include information on existing and projected shortages in such occupations in certain industrial job sectors. The bill requires TWC to annually submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee or subcommittee of the legislature with primary jurisdiction over workforce development matters a detailed report summarizing the results of TWC's study for the most recent state fiscal year and any appropriate suggestions and recommendations for legislative action. The bill establishes a submission deadline for the initial report.

**House Bill 3028 Effective:** 6-14-13 **House Author:** Davis, John **Senate Sponsor:** Birdwell

House Bill 3028 amends the Labor Code to expand the authorized uses of money from the skills development fund to include awarding funds to a lower-division institution of higher education to be used under an agreement with a school district to support courses offered for joint high school and college-level credit or offered under a college credit career or technical education program that leads to an industry-recognized license, credential, or certificate. The bill provides that in each state fiscal biennium, an amount of money from the fund not to exceed five percent of the amount of general revenue appropriated to that fund for that biennium may be awarded for such use. The bill authorizes funds available to the Texas Workforce Commission from other sources to also be used for that purpose. The bill specifies that appropriate uses of funds so awarded include purchasing or repairing necessary equipment for a course and developing a course curriculum. The bill sets out requirements for such a course or program supported by such an award.

House Bill 3662 House Author: Clardy et al. Effective: 6-10-13 Senate Sponsor: Seliger

House Bill 3662 amends the Education Code to establish the Texas Workforce Innovation Needs Program to support public schools and institutions of higher education that provide education and training in an innovative form and manner to prepare students for careers for which there is demand in Texas. The bill requires an applicant school district or institution of higher education to submit a detailed instruction and accountability plan to the commissioner of education as prescribed by the bill, and it requires the commissioner to select those school districts and institutions of higher education that present plans that are most likely to be effective. The bill also requires the commissioner to convene program leaders periodically to discuss methods to transform learning opportunities for all students and, until January 1, 2020, to submit to the governor and the legislature reports concerning the performance and progress of the program participants. The bill authorizes the program participants and the commissioner to accept gifts, grants, and donations for the program and authorizes the commissioner to charge a fee to program participants to cover the costs of administering the program.

Senate Bill 307 Effective: 9-1-13 Senate Author: Huffman et al. House Sponsor: Guillen et al.

Senate Bill 307 amends the Labor Code and Education Code to transfer adult education and literacy programs from the Texas Education Agency to the Texas Workforce Commission. The bill specifies the commission's duties relating to the programs, requires the programs to be provided in accordance with state statutes and rules adopted by the commission, provides for the development and review of an assessment for placing students in the programs, and creates the adult education and literacy advisory committee to advise the commission on policies that support the programs. The bill also requires the commission to report to the legislature on the outcomes of students who participate in the programs. The bill requires state funding for adult education and related skill training and authorizes funding for skill training in support of certain economic development activities. Senate Bill 307 also requires the commission to develop a performance-based process for awarding funds to adult education and literacy service providers and to use a competitive procurement process to award a contract to an adult education service provider.

Senate Bill 441 Effective: 6-10-13 Senate Author: Birdwell et al. House Sponsor: Davis, John et al.

Senate Bill 441 amends the Labor Code to establish the Texas Fast Start Program to support competency-based, rapid-deployment education delivery models for use by public junior colleges, public state colleges, and public technical institutes. The program is administered by the Texas Workforce Commission and the Texas Higher Education Coordinating Board using state appropriations, federal money, or money from holding accounts that may be used by the commission for skills development. The bill authorizes the commission to award grants to support fast start programs and sets out requirements for the grants and the programs.

The summaries for the following bills are in the listed chapters: House Bill 483 - Open Government and Privacy

# **Local Government**

This chapter covers legislation relating to the powers and duties of counties, municipalities, and other political subdivisions, including political subdivisions located along the Texas-Mexico border. Certain powers and duties of local governments relating to criminal justice, emergency response, energy resources, government purchasing, property interests and housing, taxes and tax administration, transportation, and utilities are in chapters regarding those subjects. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 654 House Author: Cortez et al. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 654 repeals Local Government Code provisions relating to prohibiting a tenant representative of a public housing project appointed as a commissioner of a municipal, county, or regional housing authority from serving more than two consecutive two-year terms.

House Bill 674 House Author: Ratliff Effective: 9-1-13 Senate Sponsor: Carona

House Bill 674 amends the Local Government Code to require written notice of each public hearing before a municipal zoning commission on a proposed change in a zoning classification affecting residential or multifamily zoning to be sent to each school district in which the property for which the proposed change in classification is located. The bill exempts a municipality the majority of which is located in a county with a population of 100,000 or less from the notice requirement, but requires the municipality to give notice to a school district that has territory in the municipality and requests the notice.

House Bill 1970 House Author: Pickett
Effective: 6-14-13 Senate Sponsor: Rodriguez

House Bill 1970 amends the Local Government Code to authorize a county and a municipality to enter into an agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction of the municipality in a manner consistent with existing statutory provisions governing the regulation of that activity generally. The bill applies only to a county with a population of more than 800,000 that is located on the international border and a municipality that has extraterritorial jurisdiction in that county.

House Bill 2021 House Author: Rodriguez, Eddie Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 2021 amends the Local Government Code to authorize the governing body of a municipality or the commissioners court of a county to contract with a private attorney or public or private vendor for the collection of an amount owed to the municipality or county relating to a civil case, including an unpaid fine, fee, or court cost, if the amount is more than 60 days overdue. The bill authorizes the municipality or county contracting with an attorney or a vendor to authorize the addition of a collection fee of 30 percent of the amount referred and limits the use of the fee to the compensation of the attorney or vendor who collects the debt. The bill's provisions do not apply to the collection of commercial bail bonds.

House Bill 2105 House Author: Lucio III Effective: 6-14-13 Senate Sponsor: Lucio

House Bill 2105 amends the Government Code to include channels or bodies of water known as resacas among the property that a municipality is authorized to acquire, purchase, construct, improve, enlarge, equip, operate, or maintain with respect to a utility system, a park, or a swimming pool. The bill authorizes the board of trustees having management and control of a utility system located in a county contiguous to the Gulf of Mexico and bordering the United Mexican States to impose and collect charges for services provided by the utility system.

House Bill 2975 House Author: Gonzalez, Naomi Effective: 6-14-13 Senate Sponsor: Rodriguez

House Bill 2975 amends the Local Government Code to establish that a county housing authority is merged into a municipal housing authority if the commissioners court of the county and the governing body of the municipality declare by resolutions that there is a need for the county housing authority to consolidate its powers with the municipal housing authority. The bill authorizes the county commissioners court and the governing body of the municipality to adopt such a resolution only if each entity finds that a merged housing authority would be more efficient or economical than separate housing authorities. These provisions apply only to the merger of housing authorities operating in a county with a population of 800,000 or more that is located on the international border and a municipality with a population of more than 600,000 and less than 700,000 that is located in such a county.

House Bill 2975 sets out provisions governing the merging of such housing authorities and describes the area of operation of a merged housing authority.

Senate Bill 186 Senate Author: Carona et al. Effective: 5-10-13 House Sponsor: Giddings et al.

Senate Bill 186 amends the Health and Safety Code to authorize a municipality, county, or other local health authority to abate, without notice, a public health nuisance relating to a collection of water in which mosquitoes are breeding, if the nuisance is located on residential property that is reasonably presumed to be abandoned or that is uninhabited because of foreclosure and is an immediate danger to the health, life, or safety of any person. The bill authorizes a public official, agent, or employee charged with the enforcement of health, environmental, or safety laws to enter such premises at a reasonable time to inspect, investigate, or abate the nuisance and limits such abatement to the treatment with a mosquito larvicide of stagnant water in which mosquitoes are breeding. The bill requires the public official, agent, or employee to post a notice on the front door of the residence identifying certain information about the treatment.

Senate Bill 656 Senate Author: Paxton
Effective: 9-1-13 House Sponsor: Button et al.

Senate Bill 656 amends the Local Government Code to require a record vote on the adoption of a proposed budget by the governing body of a municipality or by a county commissioners court and to require the adopted budget's cover page to specify whether the budget will raise more, less, or the same amount of property tax revenue compared to the previous budget and the amount of the difference and percent change in tax revenue, if any. The bill requires the cover page also to detail the record vote and to list the specified property tax rate information and the total amount of the taxing unit's debt obligations. The bill requires the record vote to be posted on the municipality's or county's Internet website, if the municipality or county maintains a website, for at least one year from the date of the budget's adoption.

Senate Bill 656 requires the governing body or commissioners court to ensure that the budget's cover page is amended to include the property tax rates for the current fiscal year if the rates are not included on the cover page when the budget is filed with the municipal or county clerk; to file an amended cover page with that clerk; and to ensure that the amended cover page is posted on the municipality's or county's website.

Senate Bill 1400 Senate Author: Estes Effective: 6-14-13 House Sponsor: Geren

Senate Bill 1400 amends the Local Government Code to revise certain statutory provisions relating to municipal and county regulation of firearms to include the regulation of air guns.

Senate Bill 1437

Senate Author: Paxton

House Sponsor: Sanford et al.

Senate Bill 1437 amends the Local Government Code to include a municipal clerk among the persons and entities authorized to file electronic documents or other documents electronically for recording with a county clerk that accepts electronic filing and recording. In addition to these authorized persons and entities, a county with a population of 500,000 or more may authorize a person to file documents electronically for recording with a county clerk if the county enters into a memorandum of understanding with the person for that purpose.

Senate Bill 1599
Senate Author: Zaffirini
Effective: 9-1-13
House Sponsor: Lozano

Senate Bill 1599 amends the Government Code to require the secretary of state's statewide system for identifying colonias to include a method for a municipality or county to nominate an area for identification as a colonia. The bill specifies that the system may provide for the review of a nominated area by the Texas Water Development Board, the office of the attorney general, or any other appropriate state agency as determined by the secretary of state.

Senate Bill 1599 amends the Local Government Code to revise provisions relating to subdivision platting requirements in counties near an international border and in certain economically distressed counties other than certain counties near an international border.

Senate Bill 1599 amends the Water Code to revise provisions relating to minimum state standards for safe and sanitary water supply and sewer services in economically distressed areas and model political subdivision rules in those areas.

# **Municipal Government**

House Bill 1372 House Author: Munoz, Jr. Effective: See Below Senate Sponsor: Hinojosa

House Bill 1372 amends the Local Government Code to exempt from provisions governing the filling of a vacancy on the governing body of a home-rule municipality with a population of 1.5 million or more a home-rule municipality that has provided by charter or charter amendment a different procedure to fill a vacancy on its governing body for which the unexpired term is 12 months or less. The bill takes effect contingent on voter approval of the constitutional amendment proposed by House Joint Resolution 87.

House Bill 1427 House Author: Sheffield, Ralph

Effective: 6-14-13 Senate Sponsor: Fraser

House Bill 1427 amends the Local Government Code to extend the applicability of provisions relating to the donation of surplus real property by certain municipalities to a municipality with a population greater than 65,000 and less than 90,000 that is located in a county in which part but not all of a military installation is located.

House Bill 1553 House Author: Rodriguez, Justin

Effective: 5-18-13 Senate Sponsor: Uresti

House Bill 1553 amends the Local Government Code to make provisions governing the replatting of a subdivision without vacating the preceding plat in certain municipalities applicable to a municipality with a population of 1.3 million or more, rather than to a municipality with a population of 1.9 million or more.

House Bill 1734 House Author: Gutierrez Effective: 6-14-13 Senate Sponsor: Uresti

House Bill 1734 amends the Local Government Code to require, rather than authorize, the mayor of a Type A general-law municipality with an aldermanic form of government to call a special meeting of the governing body on the application of three aldermen.

House Bill 1813 House Author: Lucio III
Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 1813 amends the Local Government Code to specify that a provision authorizing the governing body of a Type A general-law municipality to prohibit or otherwise regulate the use of fireworks and firearms does not authorize the municipality to confiscate packaged, unopened fireworks. The bill also prohibits a home-rule municipality that regulates fireworks from confiscating packaged, unopened fireworks. The bill establishes an affirmative defense to prosecution for possession of fireworks brought under a municipal ordinance if the defendant was operating or was a passenger in a motor vehicle that was being operated in a public place and the fireworks were not in the passenger area of the vehicle.

**House Bill 2259 Effective:** 6-14-13 **House Author:** Moody **Senate Sponsor:** Rodriguez

House Bill 2259 amends the Local Government Code to specify that a member of a governing body of a Type A general-law municipality located in a county with a population of 800,000 or more and adjacent to an international border is absent for purposes of considering the member's office vacant if the member is not present at the adjournment of a meeting at which a quorum is established, unless the member is first allowed to withdraw by the unanimous vote of the members present.

House Bill 2924 House Author: Sheets et al. Effective: 6-14-13 Senate Sponsor: Davis et al.

House Bill 2924 amends the Local Government Code to decrease from 12 continuous months to 3 continuous months the minimum period of active duty service as a member of the Texas National Guard or of the U.S. military reserves that is required for a firefighter or police officer to benefit from a municipality's military leave time account for the applicable department. The bill removes as a condition for receiving such a benefit the exhaustion of the balance of the firefighter's or police officer's vacation, holiday, and compensatory leave time accumulations.

**House Bill 3015 Effective:** 6-14-13 **House Author:** Moody **Senate Sponsor:** Rodriguez

House Bill 3015 amends the Local Government Code to authorize the removal from office of a member of the governing body of a general-law municipality with a population of less than 5,000 located in a county that borders the United Mexican States and has a population of more than 800,000 through a recall election initiated by petition. The bill sets out requirements and procedures relating to the petition, the review of the petition, and the recall election.

House Bill 3674 House Author: Munoz, Jr. et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 3674 amends the Government Code to make a municipality that owns a historic courthouse eligible to participate in the historic courthouse preservation and maintenance programs administered by the Texas Historical Commission.

House Bill 3739 House Author: Burnam Senate Sponsor: Garcia

House Bill 3739 amends the Local Government Code to enact the Senator Mario Gallegos Act. The bill prohibits a municipality from prohibiting a municipal employee from becoming a candidate for public office and prohibits a municipality from taking disciplinary action against a municipal employee, including terminating the employment of the employee, solely because the employee becomes a candidate for public office. However, the bill specifies that the employee is still expected to fulfill all the duties and responsibilities associated with the employee's municipal employment.

House Bill 3813 House Author: Howard Effective: 6-14-13 Senate Sponsor: Watson

House Bill 3813 amends the Local Government Code to authorize the governing body of a general-law municipality that has a population of less than 4,000, that is located in a county that has a population of more than one million and is adjacent to a county with a population of more than 420,000, and that is served by a water control and improvement district to, by ordinance, establish water flow and water pressure standards sufficient to provide adequate pressure to fire suppression systems and require such a district that provides water service in the municipality to take reasonable measures to comply with those standards. The bill requires the municipality and the district to establish the scope of and estimate the costs associated with any capital improvements necessary to comply with a proposed ordinance before its adoption and authorizes the district to recover such costs through a customer surcharge under certain conditions.

House Joint Resolution 87 House Author: Munoz, Jr. For Election: 11-5-13 Senate Sponsor: Hinojosa

House Joint Resolution 87 proposes an amendment to the Texas Constitution to authorize a home-rule municipality to provide by charter or charter amendment the procedure for filling a vacancy occurring on its governing body for an unexpired term of 12 months or less.

Senate Bill 654 Senate Author: West Effective: 9-1-13 House Sponsor: Anchia

Senate Bill 654 amends the Local Government Code to expand the ordinances for which a municipality is authorized to bring a civil action for enforcement of the ordinance to include ordinances relating to animal care or control and to water conservation measures, including watering restrictions. The bill expands the list of health and safety ordinances subject to quasi-judicial enforcement to include ordinances relating to animal care or control and to water conservation measures, including watering restrictions.

Senate Bill 660 Senate Author: West Effective: 6-14-13 House Sponsor: Anchia

Senate Bill 660 amends the Local Government Code to authorize certain municipalities that undertake a project that confers a special benefit on areas that share a common characteristic or use to adopt procedures for the collection of assessments under the Public Improvement District Assessment Act that are consistent with the municipality's procedures for the collection of a municipal hotel occupancy tax and to pursue remedies for the failure to pay an assessment under the Public Improvement District Assessment Act that are available to the municipality for failure to pay a municipal hotel occupancy tax.

Senate Bill 660 amends the Tax Code to entitle certain populous municipalities required to allocate a certain portion of municipal hotel occupancy tax revenue toward the municipality's convention center complex to receive in the same manner all funds and revenue that a municipality is authorized to receive under provisions relating to the use of certain tax revenue in certain municipalities for qualified projects such as enhancing and upgrading convention center facilities, multipurpose arenas, venues, or related infrastructure. The bill also authorizes these populous municipalities to pledge the funds and revenue for the payment of obligations incurred for the construction of an authorized qualified project.

Senate Bill 795 Senate Author: Lucio

Effective: 5-18-13 House Sponsor: Oliveira et al.

Senate Bill 795 amends the Government Code to authorize the entity vested with the management and control of a municipality's utility system to contract for the purchase of electricity under terms the entity considers appropriate, notwithstanding any limitation provided by a home rule charter. The bill authorizes the management and control of a utility system to be vested in a board of trustees composed of no more than seven members, one of whom must be the mayor of the municipality, if the municipality is located in a county with a population of at least 375,000; that is located on an international border; and that borders the Gulf of Mexico.

Senate Bill 837 Senate Author: Ellis et al. House Sponsor: Bohac

Senate Bill 837 amends the Health and Safety Code to clarify statutory provisions relating to the authority of the governing body of a municipality to require an owner of real property in the municipality to keep the property free from weeds or other unsanitary matter by referencing statutory language that describes certain conditions constituting a public nuisance.

### **County Government**

House Bill 139 House Author: Raymond Effective: 6-14-13 Senate Sponsor: Zaffirini et al.

House Bill 139 amends the Local Government Code to authorize a county with a population of more than 250,000 located along an international border to exercise the powers provided for a municipality under the Texas Urban Renewal Law with respect to areas of the county that are not within the corporate boundaries of a municipality. The bill authorizes such a county to exercise the same powers in areas of the county located within the corporate boundaries of a municipality if the municipality approves the county's participation in an urban renewal project through an interlocal agreement under the Interlocal Cooperation Act.

House Bill 248 House Author: Walle Effective: 9-1-13 Senate Sponsor: Ellis et al.

House Bill 248 amends the Transportation Code to prohibit an automotive wrecking and salvage yard from being established, on or after September 1, 2013, within 600 feet of an existing church, school, or residence, in a county with a population of 3.3 million or more but not within a municipality in that county. However, a yard may be established within 600 feet of a residence if the same person owns the residence and the yard.

House Bill 477 House Author: Harper-Brown Effective: 5-16-13 Senate Sponsor: Taylor

House Bill 477 amends the Local Government Code to authorize the commissioners court of a county to adopt a procedure by which the county may lease to another entity advertising space located on a vehicle leased by the county, with the vehicle owner's consent.

House Bill 1384 House Author: Bell et al. Effective: 6-14-13 Senate Sponsor: Hegar

House Bill 1384 amends the Transportation Code to authorize the commissioners court of a county operating under the county road department system to accept donations to aid in the building or maintaining of roads in the county.

House Bill 1442 House Author: Fletcher Effective: 6-14-13 Senate Sponsor: Patrick

House Bill 1442 amends Occupations Code provisions relating to fees collected by a county bail bond board in certain counties. The bill authorizes a board in an affected county to deposit the fees in a separate county fund as an alternative to depositing such fees in the county's general fund.

House Bill 2094 House Author: Munoz, Jr. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 2094 amends the Transportation Code to expand the types of counties that are authorized to regulate roadside vendors and solicitors under certain conditions.

**House Bill 2112 Effective:** 9-1-13 **House Author:** Raymond **Senate Sponsor:** Zaffirini

Current law requires a member of a county planning commission to file a financial disclosure report. House Bill 2112 amends the Local Government Code to establish that the requirement is at the discretion of the commissioners court of a county.

House Bill 2454 House Author: Frank Effective: 9-1-13 Senate Sponsor: Estes

House Bill 2454 amends the Health and Safety Code to authorize a county to credit an expenditure on health care services for an inmate of a county correctional facility toward county eligibility for state assistance in providing health care services to eligible residents.

House Bill 2902 House Author: Thompson, Ed et al.

Effective: 9-1-13 Senate Sponsor: Taylor

House Bill 2902 amends the Local Government Code to authorize a commissioners court to establish fines and adopt regulations in connection with lost, damaged, or overdue county library property and authorizes a civil penalty for a related violation.

Senate Bill 265 Senate Author: Huffman

Effective: 5-18-13 House Sponsor: Thompson, Senfronia

Senate Bill 265 amends the Government Code and the Local Government Code to authorize a district attorney, criminal district attorney, or county officer or employee to perform the duties of office or employment without executing a bond required by law if the commissioners court of the county or of each county in the district, as applicable, by order authorizes the county to self-insure against losses that would have been covered by the bond. The bill requires an order adopted by a commissioners court for a county officer or employee to be approved by the county judge, if the county judge was required to approve the bond, and it requires an order authorizing self-insurance instead of a bond to be kept and recorded by the county clerk.

Senate Bill 334 Senate Author: Rodriguez Effective: 5-18-13 House Sponsor: Marquez

Senate Bill 334 amends Local Government Code provisions relating to a county ethics commission in a county that has a population of 800,000 or more, is located on the international border, and before September 1, 2009, had a county ethics board appointed by the commissioners court of the county. The bill revises procedures relating to preliminary review of complaints and authorizes a commission member to serve as a review officer.

Senate Bill 552 Senate Author: Uresti Effective: 6-14-13 House Sponsor: Nevarez

Current law sets out certain newspaper notice requirements for an application filed with a county commissioners court for permission to revise a subdivision plat applicable to real property located outside municipalities and the extraterritorial jurisdiction of municipalities with a population of 1.5 million or more and to real property subject to platting requirements in certain counties near an international border. Senate Bill 552 amends the Local Government Code to exempt an application from such requirements if the commissioners court determines that the revision to the subdivision plat does not affect a public interest or public property of any type and to instead provide only for notice to the owners of neighboring lots and, if applicable, posting of the notice on the county's website. The bill authorizes a commissioners court to

impose a fee for filing an application to revise a subdivision plat and requires the amount of the fee to be based on the cost of processing the application.

Senate Bill 1487 Senate Author: Watson Effective: 6-14-13 House Sponsor: Fletcher

Current law exempts a road to a cemetery from state law relating to the abandonment of a county road. Senate Bill 1487 amends the Transportation Code to create an exception to this exemption when an adjoining property owner who has enclosed the road with a fence continuously for at least 20 years files notice with the county clerk of the county in which the road is located that the owner agrees to provide reasonable access to the cemetery.

## The summaries for the following bills are in the listed chapters:

House Bill 584 - Property Interests and Housing

House Bill 693 - Utilities

House Bill 1050 - Government Purchasing

House Bill 1198 - Transportation

House Bill 1554 - Property Interests and Housing

House Bill 1573 - Transportation

House Bill 3178 - Emergency Response

Senate Bill 385 - Energy Resources

Senate Bill 475 - Taxes and Tax Administration

Senate Bill 866 - Government Purchasing

Senate Bill 1044 - Criminal Justice

Senate Bill 1430 - Government Purchasing

Senate Bill 1510 - Taxes and Tax Administration

Senate Bill 1729 - Transportation



# **Military Forces and Veterans**

This chapter covers legislation on issues relating to the Texas Military Department and relating to current and former military personnel, including benefits, services, and recognitions. Certain benefits and services relating to corrections, elections, government purchasing, higher education, public education, public safety, taxes and tax administration, and transportation are in chapters regarding those subjects. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 694 House Author: Phillips
Effective: 6-14-13 Senate Sponsor: Whitmire

House Bill 694 amends the Family Code to authorize the Department of Public Safety (DPS) to allow state or U.S. military personnel, including a recruiter, to access information in the juvenile justice information system relating to the case of an applicant for enlistment in the military, with the applicant's written permission. The bill authorizes the Texas Juvenile Justice Department, a juvenile probation department, a clerk of the court, a prosecutor's office, or a law enforcement agency that maintains records relating to a juvenile case to allow such military personnel to access juvenile records in the same manner authorized for records to which access has not been restricted.

House Bill 694 amends the Government Code to entitle a branch of the U.S. military, including a recruiter for the branch, to obtain from DPS criminal history record information maintained by DPS that relates to an applicant for enlistment in the U.S. military if the branch submits a statement from the applicant authorizing the branch to obtain the information. The bill prohibits the release of the information to any person or agency except on court order or with the consent of the person who is the subject of the criminal history record information. The bill requires a branch of the U.S. military to destroy the information after the purpose for which the information was obtained is accomplished.

House Bill 2254 House Author: Geren et al.

Effective: 6-14-13 Senate Sponsor: Van de Putte et al.

House Bill 2254 amends the Occupations Code to require a state agency, if an apprenticeship is required for an occupational license issued by the state agency, to credit verified military service, training, or education that is relevant to the occupation toward the apprenticeship requirements for the license. The state agency is required to adopt rules necessary to implement these provisions.

House Bill 3064 House Author: Menendez et al. Senate Sponsor: Campbell et al.

House Bill 3064 amends the Health and Safety Code to provide for disposition of the unclaimed cremated remains of a person who was a veteran or a veteran's dependent eligible to be interred in a veterans cemetery.

**Senate Bill 1200 Effective:** 9-1-13 **Senate Author:** Van de Putte **House Sponsor:** Menendez

Senate Bill 1200 updates Government Code and Local Government Code provisions relating to the Texas Military Preparedness Commission and strategic planning regarding military bases

and defense installations. Among other provisions, the bill requires the commission to meet at least once each year with the Texas Commanders Council, composed of the commanding officers of the military installations in Texas. The bill also requires the commission to establish the Military Base Realignment and Closure Task Force to advise the commission and legislature on any strategy, policy, plan, project, or action that will strengthen Texas defense communities and military installations and prevent the closure or a significant reduction in the operation of the installations.

Senate Bill 1536 Senate Author: Van de Putte et al. House Sponsor: Menendez

Senate Bill 1536 repeals Government Code provisions relating to the state militia and transfers those provisions to a new chapter of the Government Code relating to the Texas military. The bill updates provisions relating to the adjutant general's department, which is renamed the Texas Military Department. Among other provisions, the bill authorizes the governor to delegate to the adjutant general certain powers relating to appointment of Texas State Guard general officers and regulation and activation of Texas military forces. The bill authorizes the adjutant general, on delegation of the authority by the governor, to order all or part of the Texas military forces to state training and other duty under certain conditions. The bill provides for pay and benefits for service members on state active duty or on state training and other duty, and it makes a volunteer in the Texas State Guard who has been on state active duty or on state training or other duty for more than 90 days eligible to participate in the state group benefits program to purchase health or dental insurance coverage, subject to certain requirements. The bill makes related conforming changes in numerous codes.

Senate Bill 1892 Senate Author: Garcia
Effective: 9-1-13 House Sponsor: Menendez

Senate Bill 1892 amends the Government Code to expand the membership of the Texas Coordinating Council for Veterans Services. The bill also provides for additional council work groups and work group members.

### **Benefits and Services**

**House Bill 194 Effective:** 9-1-13 **House Author:** Farias et al. **Senate Sponsor:** Hinojosa

House Bill 194 amends the Government Code to include disabled veterans among those considered economically disadvantaged persons in determining whether a business is a historically underutilized business for purposes of state contracting. The bill also requires the comptroller of public accounts to provide goals for increasing contract awards to qualifying disabled veteran-owned businesses.

House Bill 633 House Author: Farias et al. Effective: 9-1-13 Senate Sponsor: Davis et al.

House Bill 633 amends the Government Code to provide for a voluntary contribution to the fund for veterans' assistance when a person applies for or renews a driver's license or personal identification certificate.

House Bill 1123

Effective: 9-1-13

House Author: Herrero

Senate Sponsor: Rodriguez et al.

House Bill 1123 amends the Transportation Code to make additional recipients of military license plates for extraordinary service eligible for free or discounted use of a toll project.

House Bill 1129

House Author: White et al.

**Effective:** 6-14-13

Senate Sponsor: Van de Putte et al.

House Bill 1129 amends the Election Code to require the secretary of state to implement until September 1, 2015, a pilot program to allow a military voter who is on active duty overseas and eligible for hostile fire pay to cast a ballot electronically. The bill sets out requirements for a ballot process to be implemented by the secretary of state and requires the secretary of state to select one county to participate in the program using certain criteria. The secretary of state must file a report with the legislature that may include suggestions for a permanent e-mail ballot program for military voters.

House Bill 1514

Effective: 9-1-13

House Author: Howard

Senate Sponsor: Campbell et al.

House Bill 1514 amends the Transportation Code to expand the types of veterans who are exempt from paying certain parking meter fees to include veterans of World War II.

House Bill 1960

Effective: 9-1-13

House Author: Cortez et al.

Senate Sponsor: Campbell et al.

House Bill 1960 amends the Health and Safety Code to make certain United States military personnel eligible for emergency medical services personnel certification through reciprocity.

House Bill 2028

**Effective:** 6-14-13

House Author: Turner, Chris et al.

Senate Sponsor: Davis et al.

House Bill 2028 amends the Occupations Code to require the Texas State Board of Plumbing Examiners to credit verified military service, training, or education toward the licensing requirements, other than examination requirements, for a plumbing license issued by the board and requires the board to expedite the issuance of a provisional license or a license by endorsement or reciprocity to an applicant who has verified military experience and holds a current license issued by another jurisdiction that has license requirements that are substantially equivalent to the license requirements of Texas.

House Bill 2029

**Effective:** 6-14-13

House Author: Turner, Chris et al.

Senate Sponsor: Davis et al.

House Bill 2029 amends the Occupations Code to require the Texas Department of Licensing and Regulation to credit verified military service, training, or education toward the licensing requirements, other than examination requirements, for an electrician license issued by the department and requires the department to expedite the issuance of a temporary license or a license by endorsement or reciprocity to an applicant who has verified military experience and holds a current license issued by another jurisdiction that has license requirements that are substantially equivalent to the license requirements of Texas.

House Bill 2135 House Author: Cortez

Effective: 9-1-13 Senate Sponsor: Rodriguez et al.

House Bill 2135 amends the Occupations Code to require the Texas Private Security Board to adopt rules under which the board may waive any prerequisite to obtaining a license for, and credit experience for a license requirement to, an individual the board determines has acceptable experience gained during service in a branch of the U.S. military, including the U.S. Coast Guard.

House Bill 2392 House Author: Menendez et al. Effective: 9-1-13 Senate Sponsor: Van de Putte et al.

House Bill 2392 amends Health and Safety Code provisions requiring the Department of State Health Services to develop a mental health intervention program for veterans. The bill sets out specific program elements and requires the program to include grants to regional and local organizations for the delivery of mental health intervention services. The bill also requires the department to submit an annual report and specifies the content of the report.

House Bill 2562 House Author: Farias

Effective: 6-14-13 Senate Sponsor: Van de Putte et al.

House Bill 2562 amends the Government Code to repeal the expiration date of the Health and Human Services Commission report on state agencies' use of the federal Public Assistance Reporting Information System and specifies information relating to veterans benefits and savings to the state that must be included in the annual report.

Senate Bill 162 Senate Author: Van de Putte et al.

Effective: 5-18-13 House Sponsor: Flynn

Senate Bill 162 amends the Occupations Code to require a state agency that issues a license to establish an expedited license procedure for a qualified military spouse applicant who holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to Texas licensing requirements. The bill provides for the term of an expedited license and requires the agency to determine the requirements for renewing the license. The bill requires a state licensing agency, with respect to an applicant who is a military service member or military veteran, to credit verified military service, training, or education toward licensing requirements, with certain exceptions. The bill requires the Commission on Law Enforcement Officer Standards and Education to adopt rules relating to license requirements for applicants with military special forces training, including rules under which the commission may waive a license requirement based on relevant military training the applicant has received.

Senate Bill 242 Senate Author: Carona et al. Effective: 6-14-13 House Sponsor: Farias

Senate Bill 242 amends the Occupations Code to require the Texas Department of Licensing and Regulation to credit verified military service, training, or education toward the licensing requirements, other than examination requirements, for a license issued by the department.

Senate Bill 846 Senate Author: Van de Putte et al. Effective: 9-1-13 House Sponsor: Menendez et al.

Senate Bill 846 amends Government Code provisions relating to accreditation of veterans county service officers. The bill requires the Texas Veterans Commission to coordinate with the Department of State Health Services to incorporate a suicide prevention component as

part of the accreditation training and examination. The bill also removes the requirement that the governing board of the commission approve the course materials, training curriculum, and examinations for accreditation.

Senate Bill 981 Senate Author: Van de Putte et al. Effective: 6-14-13 House Sponsor: Menendez

Senate Bill 981 amends the Utilities Code to authorize an electric utility located in a portion of Texas not subject to retail competition, a retail electric provider, or the board of directors of an electric cooperative or the governing body of a municipally owned utility to establish a bill payment assistance program for a customer who is a military veteran and who a medical doctor certifies has a significantly decreased ability to regulate the individual's body temperature because of severe burns received in combat.

Senate Bill 1061 Senate Author: Van de Putte Effective: 6-14-13 House Sponsor: Menendez

Senate Bill 1061 amends the Transportation Code to authorize a vehicle operated by or for the transportation of certain disabled veterans to be parked for an unlimited period in a parking space or area that is designated specifically for persons with physical disabilities on the property of an institution of higher education regardless of whether a permit is generally required for use of the space or area, with certain exceptions. An institution of higher education may require such a vehicle to display a parking permit, but may not charge a fee for the permit.

Senate Bill 1158Senate Author: Van de Putte et al.Effective: See belowHouse Sponsor: Menendez

Senate Bill 1158 amends the Education Code to transfer administration of tuition and fee exemptions for veterans and their families from the Texas Higher Education Coordinating Board to the Texas Veterans Commission and sets out the duties of the commission regarding the exemptions. The bill clarifies the exemptions for the spouse or child of an eligible veteran and revises the deadline for submitting evidence of qualifying for an exemption to an institution of higher education. The bill provides for the commission's use of an electronic system developed by the coordinating board to monitor tuition exemptions for veterans and their family members.

Senate Bill 1158 provides for a permanent fund to offset the cost to institutions of higher education when an eligible veteran waives an exemption and designates a child to receive the exemption. The bill provides for a veteran education excellence recognition award network to recognize institutions of higher education for excellence in providing education and related services to veterans, and it requires the commission to hire veterans education counselors to provide certain specified assistance to enhance the educational opportunities of veterans and their families. Provisions relating to the award network take effect September 1, 2014; all other provisions take effect June 14, 2013.

Senate Bill 1476 Senate Author: West et al.

Effective: 6-14-13 House Sponsor: Sheffield, Ralph et al.

Senate Bill 1476 amends the Government Code to require the Texas Veterans Commission by rule to create the veteran entrepreneur program and specifies the types of assistance that the program must provide to veteran entrepreneurs and business owners.

## **Special Recognitions**

House Bill 120 House Author: Larson et al. Effective: 9-1-13 Senate Sponsor: Campbell

House Bill 120 amends the Transportation Code to provide for the issuance of specialty license plates and certain other benefits for recipients of the Defense Superior Service Medal.

House Bill 150 House Author: Larson et al. Effective: 6-14-13 Senate Sponsor: Van de Putte

House Bill 150 amends the Government Code to require the Texas flag and the United States flag to be displayed at half-staff at the Capitol building to honor Texas service members killed in action and sets the time frame for the display.

House Bill 402 House Author: Davis, Sarah Effective: 9-1-13 Senate Sponsor: Birdwell

House Bill 402 amends the Government Code to expand the list of state military service awards to include a Cold War Medal and sets out requirements for the medal.

**House Bill 938 Effective:** 9-1-13 **House Author:** Hughes **Senate Sponsor:** Eltife

House Bill 938 amends the Transportation Code to designate a segment of Farm-to-Market Road 2348 in Titus County as the Army Staff Sergeant Chauncy Mays Memorial Highway.

**House Bill 1458 Effective:** 6-14-13 **House Author:** Gooden **Senate Sponsor:** Deuell

House Bill 1458 amends the Transportation Code to designate the portion of U.S. Highway 175 in Kaufman County as the Veterans Memorial Highway.

House Bill 1589 House Author: Cortez et al. Effective: 6-14-13 Senate Sponsor: Van de Putte

House Bill 1589 amends the Government Code to revise the process relating to the awarding of the Texas Legislative Medal of Honor to provide for two recipients, each representing a different prescribed period of military service, rather than one recipient.

House Bill 1678 House Author: Frullo et al.

Effective: 9-1-13 Senate Sponsor: Duncan et al.

House Bill 1678 amends the Transportation Code to authorize a person entitled to specialty license plates for surviving spouses of disabled veterans to register, for the person's own use, one vehicle without payment of any fee other than the \$3 fee for the first set of license plates. The bill establishes that there is no fee for each additional set of license plates.

House Bill 2424 House Author: Martinez et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 2424 amends the Transportation Code to designate the part of U.S. Highway 83 Business in Hidalgo and Cameron Counties as a portion of the national Purple Heart Trail.

**House Bill 2485 House Author:** Sheffield, J. D. et al.

Effective: 9-1-13 Senate Sponsor: Birdwell

House Bill 2485 amends the Transportation Code to provide for the issuance of Air Medal and Air Medal with Valor specialty license plates.

Senate Bill 165

Effective: 9-1-13

Senate Author: Van de Putte
House Sponsor: Creighton

Senate Bill 165 amends the Transportation Code to expand the list of eligible United States military academies in provisions relating to military academy specialty license plates.

Senate Bill 530

Senate Author: Birdwell et al.

House Sponsor: Orr et al.

Senate Bill 530 amends the Transportation Code to expand the types of emblems that may be included, on request, on Disabled Veteran specialty license plates to include the emblem of the veteran's branch of service.

Senate Bill 563

Senate Author: Hegar

Effective: 9-1-13

House Sponsor: Zerwas

Senate Bill 563 amends the Transportation Code to provide for the issuance of specialty license plates for recipients of the Defense Superior Service Medal.

Senate Bill 597 Senate Author: Birdwell et al. Effective: 9-1-13 House Sponsor: Taylor et al.

Senate Bill 597 amends the Transportation Code to expand the types of Operation Enduring Freedom veterans who are eligible to receive specialty license plates to include veterans who participated in Operation Enduring Freedom in Afghanistan.

Senate Bill 1373

Effective: 6-14-13

Senate Author: Hinojosa
House Sponsor: Miller, Rick

Senate Bill 1373 amends the Government Code to authorize the Honor and Remember flag to be displayed at each state office building, at the State Cemetery, and at each veterans cemetery managed by the Veterans' Land Board on any date on which a Texas resident is killed while serving on active duty in the U.S. military and on certain other prescribed dates.

Senate Bill 1376

Effective: 9-1-13

Senate Author: Eltife
House Sponsor: Paddie

Senate Bill 1376 amends Transportation Code provisions relating to specialty license plates for active or former members of the United States armed forces. The bill requires the Texas Department of Motor Vehicles to include the word "Retired" on specialty license plates for eligible retired members and defines satisfactory proof of eligibility.

#### Military Forces and Veterans

## The summaries for the following bills are in the listed chapters:

House Bill 97 - Taxes and Tax Administration

House Bill 485 - Public Safety

House Bill 525 - Public Education

House Bill 634 - Corrections

House Bill 1287 - Taxes and Tax Administration

House Bill 1726 - Government Purchasing

House Joint Resolution 24 - Taxes and Tax Administration

House Joint Resolution 62 - Taxes and Tax Administration

Senate Bill 163 - Taxes and Tax Administration

Senate Bill 164 - Public Safety

Senate Bill 229 - Transportation

Senate Bill 260 - Public Education

Senate Bill 904 - Elections

Senate Bill 1159 - Higher Education

# **Occupational Regulation**

This chapter covers legislation on issues relating to the regulation of certain occupations and professions, including license and permit requirements and fees, performance standards and restrictions, and penalties for violations. Legislation relating to occupations in the financial, insurance, and health care sectors are in the **Business and Commerce**, **Insurance**, and **Health and Medical Occupations** chapters, respectively. Legislation relating to wages, unemployment compensation, workers' compensation, and workforce development is in the **Labor and Employment** chapter. Legislation relating to the licensing of law enforcement officers is in the **Public Safety** chapter. Legislation relating to the licensing of individuals with certain military experience and crediting such experience toward licensing requirements is in the **Military Forces and Veterans** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 338 House Author: Guillen Effective: 6-14-13 Senate Sponsor: Nichols

House Bill 338 amends the Occupations Code to require a hearing relating to a towed motor vehicle to be in any justice court in the county, rather than the precinct, from which a vehicle was towed. For booted vehicles, the bill requires such a hearing to be in the county, rather than the precinct, in which the parking facility is located. The bill revises the contents of a notice that must be provided to the vehicle's owner upon payment to retrieve the vehicle or remove the boot, as appropriate.

House Bill 458 House Author: Bohac Effective: 9-1-13 Senate Sponsor: Estes

House Bill 458 amends an Insurance Code provision that requires a person to hold a fire alarm planning superintendent license in order to be eligible for approval by the state fire marshal as a training school instructor by adding as alternative requirements that the person hold a residential fire alarm superintendent license or a fire alarm technician license.

House Bill 555 House Author: Callegari Effective: 9-1-13 Senate Sponsor: West

House Bill 555 amends the Occupations Code to make it a Class C misdemeanor to violate a statutory provision or rule relating to the regulation of metal recycling entities, including a rule, charter, or ordinance, an order, or a standard imposed by a county, municipality, or political subdivision that is more stringent than but does not conflict with state law. If conduct that constitutes such an offense also constitutes an offense under other statutory provisions relating to metal recycling entities, the bill establishes that a person may be prosecuted only under the other provisions. The bill increases from a general misdemeanor to a Class A misdemeanor with a maximum fine of \$10,000 the penalty for knowingly violating statutory provisions relating to the registration requirements of a metal recycling entity, the term of a certificate of registration for a metal recycling entity, the furnishing of a certain required report to the Department of Public Safety, and the hours authorized for purchasing regulated material.

House Bill 619 House Author: Gonzalez, Naomi

**Effective:** 9-1-13 **Senate Sponsor:** Watson

House Bill 619 amends the Occupations Code to require the Texas Department of Licensing and Regulation (TDLR) to issue a license or certificate to an applicant for a Class A barber certificate, barber technician license, hair weaving specialty certificate of registration, hair braiding specialty certificate of registration, or cosmetology operator license if the applicant submits an application on a form prescribed by TDLR, pays the application fee, and provides proof that the applicant holds a current license to engage in the same or a similar activity issued by another jurisdiction that has license requirements substantially equivalent to those of Texas. The bill provides for the waiver of any requirement for a barbering or cosmetology license or certificate, other than for a license or certificate issued under these provisions, for an applicant holding a license from another state or country that has license requirements substantially equivalent to those of Texas. The bill requires a license or certificate issued under these provisions to be renewed as provided by provisions governing the renewal of a certificate, license, or permit related to barbering or cosmetology, as appropriate.

House Bill 796 House Author: Thompson, Senfronia

Effective: 6-14-13 Senate Sponsor: Garcia

House Bill 796 amends the Occupations Code to include a journeyman lineman among the occupations for which the executive director of the Texas Department of Licensing and Regulation is required to adopt rules for licensing as prescribed by the Texas Electrical Safety and Licensing Act. The bill sets out requirements for a license applicant and specifies the persons who are exempt from licensing. In addition, the bill requires a licensed journeyman lineman to complete four hours of continuing education annually to renew the license.

House Bill 798 House Author: Thompson, Senfronia

Effective: 9-1-13 Senate Sponsor: Garcia

House Bill 798 amends the Occupations Code to exempt from suspension or revocation of a license, disqualification from receipt of a license, or denial of the opportunity to take a licensing examination a person who has been convicted only of an offense punishable as a Class C misdemeanor unless the person is an applicant for or the holder of a license that authorizes the person to possess a firearm and the offense for which the person was convicted is a misdemeanor crime of domestic violence as that term is defined by federal law.

House Bill 944 House Author: Riddle Effective: 9-1-13 Senate Sponsor: Carona

House Bill 944 amends the Occupations Code to exempt a person from holding a retailer's license issued under the Texas Manufactured Housing Standards Act in any 12-month period if during that period the person sells or offers to sell not more than three manufactured homes. The bill requires the Texas Department of Housing and Community Affairs operating through its manufactured housing division by rule to develop a form necessary for a person to establish eligibility for the exemption. A person who is eligible for the exemption remains subject to certain other applicable provisions of law regarding the sale of manufactured homes.

House Bill 1093 House Author: Fletcher Effective: 6-14-13 Senate Sponsor: Deuell

Previous law required the Texas Private Security Board to consist of, among other members, four governor-appointed public members who are United States citizens. House Bill 1093

amends the Occupations Code to decrease the number of such public members on the board to three and to add to the board's composition one governor-appointed member who is licensed as a locksmith under the Private Security Act. The bill requires the governor to make the necessary appointments not later than February 1, 2015.

House Bill 1503 House Author: Kuempel Effective: 6-14-13 Senate Sponsor: Eltife

House Bill 1503 amends the Occupations Code to expand from seven to nine the membership of the air conditioning and refrigeration contractors advisory board by adding one building contractor who is principally engaged in home construction and is a member of a statewide building trade association and one member who holds a license of any classification under the Air Conditioning and Refrigeration Contractor License Law, is principally engaged in air conditioning and refrigeration contracting, and practices in a municipality. The bill includes the building contractor member among the members who are exempt from the requirement that each appointed advisory board member be experienced in the design, installation, construction, maintenance, service, repair, or modification of equipment used for environmental air conditioning, commercial refrigeration, or process cooling or heating.

House Bill 1503 changes the composition of the electrical safety and licensing advisory board to include one public member who is a building contractor principally engaged in home construction and is a member of a statewide building trade association.

House Bill 1659 House Author: Thompson, Senfronia

Effective: 9-1-13 Senate Sponsor: Lucio

Current law authorizes the Texas Commission of Licensing and Regulation to deny, suspend, revoke, or refuse to renew a license or other authorization issued by a program regulated by the Texas Department of Licensing and Regulation if the commission determines that a deferred adjudication makes the person holding or seeking the license unfit for the license and also authorizes a licensing authority, under certain specified conditions, to consider a person to have been convicted of an offense, regardless of whether the proceedings were dismissed and the person was discharged, for purposes of revoking, suspending, or denying a license. House Bill 1659 amends the Occupations Code to authorize the commission and a licensing authority to also take such action or consideration, as applicable, if the person received deferred adjudication for or if the person was charged with any offense resulting in a reportable conviction or adjudication under the sex offender registration program. The bill also authorizes such applicable action or consideration, in a circumstance in which the person received deferred adjudication for or in which the person was charged with an offense other than an offense resulting in such a reportable conviction or adjudication, if a conviction for that offense would make the person ineligible for the license by operation of law or if the person has not completed the period of deferred adjudication or period of supervision, as applicable, or the person completed the period of deferred adjudication or the period of supervision less than five years before the date the person applied for the license.

House Bill 2062 House Author: Davis, John Effective: 9-1-13 Senate Sponsor: Taylor

House Bill 2062 amends the Occupations Code to authorize the Texas State Board of Plumbing Examiners to investigate an alleged violation of the Plumbing License Law by a person who is the owner of a plumbing company subject to that law. The bill also requires a person who has performed licensed plumbing services to give the customer an invoice or completed contract document on completion of the job, regardless of whether the person charged a fee

for performing the services, and requires a person who holds a license or registration to carry the license or registration on the person while engaged in plumbing.

House Bill 2062 makes the exemption from licensing requirements under the Plumbing License Law for performing water treatment installations, exchanges, services, or repairs inapplicable to the performance of those actions for the treatment of rainwater to supply a plumbing fixture or appliance. Current law sets out the conditions under which a person employed by a political subdivision or an electric utility is exempt from the requirement to hold a water supply protection specialist endorsement. The bill removes as one of those conditions the fact that the person is acting as a backflow prevention device specialist or water supply protection specialist in the course of the person's employment. Current law also lists the plumbing tasks for which a person is not required to obtain a municipal plumbing permit from a municipality that has adopted an ordinance or bylaw providing that a person must obtain such a permit before performing plumbing. The bill includes among those tasks the replacement of lavatory or kitchen faucets, the replacement of ballcocks or water control valves, the replacement of garbage disposals, and the replacement of water closets.

House Bill 2095 House Author: Thompson, Senfronia Effective: 9-1-13 Senate Sponsor: Carona

House Bill 2095 amends Occupations Code provisions relating to the regulation of barbering and cosmetology. The bill creates a permit for a dual shop, as defined in the bill, and specifies that a dual shop permit is subject to the application and fee requirements of a barbershop or specialty shop. The bill also provides for the licensing, permitting, operation, inspection, and reporting requirements of a mini-salon or mini-barbershop, as defined in the bill, and requires a mini-salon or mini-barbershop to meet the requirements of a barbershop, beauty shop, dual shop, or specialty shop. The bill creates a hair braiding specialty certificate, a hair weaving specialty certificate, and a wig specialty certificate to replace a general specialty certificate for those specialties.

House Bill 2095 also amends certain provisions relating to a permit or certificate to shampoo or condition a person's hair, including certain student permits. The bill prohibits the Texas Department of Licensing and Regulation (TDLR) from issuing an original shampoo apprentice permit or an original shampoo specialty certificate on or after the bill's effective date and authorizes a person holding such a permit or certificate on that date to continue to provide authorized services. The bill also repeals certain other statutory provisions related to such permits and certificates, including provisions relating to certain shampoo apprentice permits. Furthermore, the bill authorizes certain student permit holders to shampoo or condition a person's hair in a licensed facility, authorizes the employment of such student permit holders by a person who owns, operates, or manages specified shops, and prohibits the applicable barber school, private beauty culture school, or public school in which the student permit holder is enrolled from receiving compensation for those services. The bill prohibits a person holding a beauty shop license or specialty shop license from employing a person to shampoo or condition a person's hair unless the person holds a shampoo apprentice permit or a cosmetology school student permit.

Among other provisions, House Bill 2095 authorizes a person licensed by TDLR to practice cosmetology at a facility operated by a person holding a specialty shop license and authorizes a license, certificate, or permit holder to perform a service within the scope of the license, certificate, or permit at a location other than a licensed facility for a client who, because of illness or physical or mental incapacitation, is unable to receive the services at a licensed facility. The bill sets out provisions relating to the lease of space on certain premises by an independent contractor, to certain distance education curriculum of licensed schools, to instructors at a

private beauty culture school, and to certain equipment at a barber school. The bill removes a provision relating to proctors of practical examinations and provisions requiring TDLR to develop and maintain a system to analyze barbering and cosmetology complaints and violations. The bill adds another public member to the Advisory Board on Cosmetology, adds a member who represents a licensed public secondary beauty culture school to the board, and clarifies matters relating to the board's ex officio member.

House Bill 2294 House Author: Kuempel et al. Effective: 9-1-13 Senate Sponsor: Carona

House Bill 2294 amends the Occupations Code to specify that the term "air conditioning and refrigeration contracting," as defined in the Air Conditioning and Refrigeration Contractor License Law, does not include the performance of or an offer to perform the installation, repair, replacement, or modification of a thermostat or other temperature control interface by a person licensed or registered under the Private Security Act.

House Bill 2911 House Author: Kuempel Effective: 9-1-13 Senate Sponsor: Taylor

House Bill 2911 amends the Occupations Code to revise certain provisions relating to the regulation of real estate inspectors. The bill sets out provisions establishing a criminal history record information requirement for an applicant for an apprentice real estate inspector license, a real estate inspector license, or a professional inspector license or renewal of such an unexpired license and provides for specified Texas Real Estate Commission (TREC) requirements and authorizations related to such provisions.

House Bill 2911 increases the minimum number of classroom hours of core real estate inspection courses required for eligibility for a professional inspector license, in addition to the hours required for a real estate inspector license, and removes a provision requiring a minimum of eight classroom hours of courses related to the study of standards of practice, legal issues, or ethics relating to the practice of real estate inspection. The bill expands the eligibility requirements for an applicant for a real estate inspector license or a professional inspector license who previously held such a license to include the requirement that the applicant submit evidence satisfactory to the TREC of successful completion of not less than the number of hours of continuing education courses that would have been required for the applicant to renew the license. The bill expands the prohibitions for rules regarding the substitution of relevant experience and additional education for licensing requirements. Furthermore, the bill specifies that a person is not eligible for a real estate inspector license until the person has reimbursed the TREC in full for any amount paid on the person's behalf from the real estate recovery trust account, in addition to the real estate inspection recovery fund, plus interest at the legal rate.

House Bill 2911 sets out provisions requiring a real estate inspector to maintain certain financial responsibility. Previous law required an inspector to notify the TREC within a specified period if the inspector changed the inspector's place of business. The bill replaces that requirement with a requirement for an inspector to provide the TREC with current specified contact information and to notify the TREC of changes to that information within that same specified period.

House Bill 2911 extends the deadline for completion of the examination requirement for a real estate inspector license and revises provisions prohibiting an applicant who fails the examination three consecutive times in connection with the same application from applying for reexamination or submitting a new license application.

House Bill 2911 revises the requirement that the TREC provide notice regarding a real estate inspector license expiration, sets out a graduated renewal fee schedule for a person whose

license has been expired for less than six months, and prohibits a person from renewing a license if it has been expired for six months or longer. The bill requires each applicant for the renewal of a license to disclose to the TREC whether the applicant has entered a plea of guilty or nolo contendere to a felony or has been convicted of a felony and the time for appeal has elapsed or the judgment or conviction has been affirmed on appeal. The bill requires such disclosure to be provided even if an order has granted community supervision suspending the imposition of the sentence.

House Bill 2911 repeals provisions relating to the methods of payment of a license fee and relating to the TREC's annual review of certain fee amounts.

**House Bill 3038 Effective:** 6-14-13 **House Author:** Anderson **Senate Sponsor:** Carona

House Bill 3038 amends the Occupations Code to make statutory provisions governing auctioneers applicable to a sealed bid auction and to exempt from such provisions a sale conducted by a sealed bid without the option of increasing or decreasing the amount of a bid and a sale or auction conducted outside of Texas. The bill updates a provision exempting from the statutory provisions governing auctioneers an auction conducted only for student training purposes to clarify that the exemption applies to such an auction that is conducted as part of a course of study for auctioneers approved by the Texas Department of Licensing and Regulation (TDLR), rather than by the executive director of TDLR.

House Bill 3038 adds a real estate brokerage firm operated by a broker licensed by the Texas Real Estate Commission to the entities for which a licensed auctioneer is authorized to act as an auctioneer.

House Bill 3038 removes a provision establishing as a condition of eligibility for an auctioneer's license that an individual show proof of employment by a licensed auctioneer for at least two years during which the applicant must have performed the duties of an auctioneer in at least 10 auctions. The bill requires a license application to be accompanied by, among other items, any fee required for the auctioneer education and recovery fund, rather than the required bond.

House Bill 3038 expands the scope of the auctioneer education advisory board's required advice to the Texas Commission of Licensing and Regulation to include, in addition to educational matters, operational matters and common practices within the auction industry and revises provisions relating to the composition of the advisory board and board meetings.

House Bill 3038 increases from \$300,000 to \$350,000 the threshold amount below which license holders at the next license renewal are required to pay an additional fee necessary to obtain such a balance in the auctioneer education and recovery fund and increases from \$250,000 to \$300,000 the threshold amount above which the executive director is authorized to use the excess amount in the fund for certain education expenditures.

House Bill 3038 increases from \$10,000 to \$15,000 the limit on a payment to a single party aggrieved by the actions of an auctioneer in an auction; increases from \$20,000 to \$30,000 the limit on the total payment of all claims by more than one aggrieved party arising from one auction at one location, regardless of the length of the auction; and increases from \$20,000 to \$30,000 the limit on the total payment of claims against a single auctioneer.

House Bill 3038 authorizes the executive director of TDLR, in addition to the Texas Commission of Licensing and Regulation, to deny an application for a license or suspend or revoke the license for any auctioneer under certain conditions. The bill repeals provisions relating to an associate auctioneer's license, provisions relating to an exemption from licensure for certain auction company employees, and provisions relating to an authorization for the removal of an advisory board member by a board vote.

House Bill 3085 House Author: Walle Effective: Vetoed Senate Sponsor: Garcia

House Bill 3085 amends the Transportation Code to increase from \$1,000 to \$5,000 the maximum civil penalty for each violation of operating an automobile wrecking and salvage yard in violation of statutory provisions regulating such operation in a county with a population of 3.3 million or more, that is not located within a municipality in that county, and is established on or after September 1, 1983.

Reason Given for Veto: "House Bill 3085 increases the maximum civil penalty from \$1,000 to \$5,000 a day for violations of the Transportation Code concerning salvage yards in the unincorporated areas of Harris County, which are defined as an area where three or more vehicles are being used for parts, or are kept for the purpose of an automotive repair or rebuilding business.

"This low threshold means someone repairing vehicles as a side business, or even someone who owns a few cars with the intent to sell, could be subjected to these unnecessarily high daily penalties."

House Bill 3433 House Author: Fletcher Effective: 6-14-13 Senate Sponsor: Estes

The Private Security Act in the Occupations Code contains provisions relating to the licensing and regulation of certain private security companies and occupations. House Bill 3433 amends the act to expand the authorized activities of an alarm systems company and an alarm systems installer, exempt such a company from certain client notification requirements, and require an applicant for a license under the act to submit only one set of fingerprints for each applicable person. The bill expands the offenses with which an applicant for certain endorsements under the act, or the applicant's manager, must not be charged at the time of application and updates provisions regarding the termination of a license holder's manager and the temporary operation of the license holder's business on a summary action taken against the manager. The bill requires an applicant for a license or license holder under the act to provide as part of the application and to maintain a certificate of insurance or other documentary evidence of insurance sufficient to cover all of the applicant's or license holder's business activities related to private security and makes it a Class A misdemeanor to knowingly fail to do so. The bill requires an employee or agent of the Department of Public Safety (DPS) or the Texas Private Security Board who enters the place of business of a person regulated under the act for purposes of conducting an inspection or audit to notify the business manager or owner of the presence of the person conducting the inspection or audit and present the manager or owner with the person's DPS or board credentials. The bill expands the list of persons and entities that are exempt from the act and updates provisions regarding grounds for DPS in denying an application or taking certain other disciplinary actions, including a person's submission of payment for a fee or penalty that is returned for insufficient funds.

House Bill 3433 amends the Health and Safety Code to require the medical advisory board to assist DPS in determining whether an applicant for or holder of a commission as a security officer is capable of exercising sound judgment with respect to the proper use and storage of a handgun.

House Bill 3566 House Author: Kleinschmidt Effective: 6-14-13 Senate Sponsor: Hegar

Current law authorizes the Department of Agriculture (TDA) to adopt rules restricting the advertising or competitive bidding of a structural pest control business in order to prohibit false, misleading, or deceptive practices but prohibits such a rule from, among other things, restricting a person's advertisement under a trade name. House Bill 3566 amends the Texas Structural Pest Control Act in the Occupations Code to establish that the prohibition does not prohibit the

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TDA from adopting a rule regulating the use of the name of a business or license holder in an advertisement for a structural pest control business. The bill makes provisions relating to TDA rules restricting structural pest control business advertising or competitive bidding applicable to a person subject to regulation by the TDA under the act, rather than to a person so regulated.

**House Bill 3567 Effective:** 9-1-13 **House Author:** Kleinschmidt **Senate Sponsor:** Estes

House Bill 3567 amends the Texas Structural Pest Control Act in the Occupations Code to increase from 9 to 11 the number of members of the structural pest control advisory committee and to revise the committee's membership.

Senate Bill 138 Senate Author: Zaffirini Effective: 9-1-13 House Sponsor: Guillen

Senate Bill 138 amends the Occupations Code to require the Texas Board of Professional Geoscientists to maintain on its Internet website information regarding the procedure for filing a complaint with the board and a means by which a person may electronically file a complaint with the board. The bill specifies that a complaint from a member of the public may be filed electronically through the board's Internet website as an alternative to being filed with the secretary-treasurer and requires the board to accept a complaint regardless of whether the complaint is notarized.

Senate Bill 138 requires the board to work with each state agency that uses the services of a person licensed under the Texas Geoscience Practice Act and other appropriate state agencies as determined by the board to educate the agency's employees regarding the procedures by which complaints are filed with and resolved by the board.

Senate Bill 138 requires a state agency that becomes aware of a potential violation of the Texas Geoscience Practice Act or a rule adopted under that act to forward any information relating to the potential violation and any subsequently obtained information to the board and sets out provisions establishing the confidentiality of such information. The bill specifies that a state agency's provision of information or failure to provide information under the bill's provisions does not give rise to a cause of action against the agency.

Senate Bill 138 requires the Texas Board of Professional Geoscientists to adopt rules necessary to implement the bill's provisions.

Senate Bill 228 Senate Author: Williams Effective: 9-1-13 House Sponsor: Otto

Senate Bill 228 amends the Occupations Code and Government Code to authorize an enforcement committee appointed by the Texas State Board of Public Accountancy to hold a closed meeting to investigate and deliberate a disciplinary action under certain provisions of the Public Accountancy Act relating to the enforcement of the act or board rules. The bill also expands the categories of information not protected under the accountant-client privilege and clarifies that information not protected under the accountant-client privilege and subject to mandatory disclosure under a court order applies to a court order signed by a judge.

Senate Bill 228 repeals provisions relating to prohibiting the board from waiving the collection of any fee or penalty provided under the Public Accountancy Act, entitling a person who fails a paper CPA examination to inspect the examination questions and the person's answers under certain conditions, and requiring the board to provide a person who fails an examination an analysis of the person's performance on the examination on the person's written request.

Senate Bill 362 Senate Author: Watson House Sponsor: Gutierrez

Senate Bill 362 amends the Occupations Code to expand the definition of "cosmetology" to include treating a person's hair by shaving a person's neck with a safety razor and treating a person's mustache or beard by shaving with a safety razor. The bill defines "safety razor" as a razor that is fitted with a guard close to the cutting edge of the razor that is intended to prevent the razor from cutting too deeply and reduce the risk and incidence of accidental cuts.

Senate Bill 383 Senate Author: Carona House Sponsor: Kuempel

Senate Bill 383 repeals Occupations Code provisions in the Air Conditioning and Refrigeration Contractor License Law relating to the sale and use of refrigerants and makes conforming changes to that law to reflect the repeal of those provisions. The bill also requires the Texas Commission of Licensing and Regulation to adopt rules necessary to implement the bill's provisions.

Senate Bill 540 Senate Author: Carona Effective: 9-1-13 House Sponsor: Smith

Senate Bill 540 amends the Health and Safety Code to remove the requirement that a registered elevator inspector be certified as a QEI-1 inspector by an organization accredited by the American Society of Mechanical Engineers and instead requires that a registered inspector be certified as an inspector in accordance with the rules adopted by the Texas Commission of Licensing and Regulation. The bill requires the commission by rule to provide for the registration, including certification, of elevator inspectors, rather than registration of qualified inspectors, and clarifies that the general liability insurance the commission is required to provide for by rule as a condition of contractor registration is to be written by an insurer authorized to engage in the business of insurance in Texas or an eligible surplus lines insurer. The bill requires a registered inspector to comply with the continuing education requirements established by commission rule for registration renewal and removes a statutory limitation on the number of continuing education hours that an inspector may be required to attend. The bill prohibits a registered inspector from inspecting equipment if the inspector or inspector's employer has a financial or personal conflict of interest or the appearance of impropriety related to the inspection of that equipment.

Senate Bill 562 Senate Author: Carona

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 562 amends the Occupations Code to expand and clarify the polygraph-related activities in which a person is prohibited from engaging unless the person holds a polygraph examiner license, to revise the qualifications for such a license, and to waive license requirements for an applicant who has certain polygraph-related service, training, or experience while serving in the military or while employed by the federal government, or has a combination of education and experience determined to be substantially equivalent to the statutory qualifications for a polygraph examiner license. The bill removes the authorization for the Texas Department of Licensing and Regulation to recognize, prepare, or implement continuing education programs for polygraph trainees; makes participation in a continuing education program mandatory, rather than voluntary, for polygraph examiners; and requires the Texas Commission of Licensing and Regulation by rule to provide continuing education requirements for polygraph examiner license holders. The bill authorizes the commission to adopt rules to identify other instruments and instrumentation requirements that are acceptable for use by a polygraph examiner in Texas.

Senate Bill 673 Senate Author: Carona Effective: 9-1-13 House Sponsor: Smith

Senate Bill 673 amends the Health and Safety Code to revise certain provisions relating to the regulation of elevators, escalators, and related equipment. Among other provisions, the bill removes the requirement that a registered inspector be certified as a QEI-1 inspector by an organization accredited by the American Society of Mechanical Engineers and instead requires that a registered inspector be certified as an inspector in accordance with the rules adopted by the commission. The bill requires the commission by rule to provide for the registration, including certification, of elevator inspectors, rather than registration of qualified inspectors, and revises statutory provisions applicable to qualified QEI-1 inspectors to reflect these changes. The bill specifies that the Texas Commission of Licensing and Regulation's standards for the installation, maintenance, alteration, operation, and inspection of equipment used by the public in certain buildings be adopted by rule and adds to the requirements the adoption of standards for the testing of such equipment, which includes an elevator, escalator, chairlift, platform lift, automated people mover operated by cables, or moving sidewalk, or related equipment.

Senate Bill 673 also makes the following changes:

- removes the requirement that the commission by rule provide for the form of inspection documents, contractor reports, and certificates of compliance and instead requires the commission by rule to provide for the procedures by which a certificate of compliance is issued and displayed;
- requires the commission by rule to provide for maintenance control programs, maintenance, repair, and parts manuals, and product-specific inspection, testing, and maintenance procedures; the method and manner of reporting accidents and reportable conditions to the Texas Department of Licensing and Regulation (TDLR); and an owner's designation of an agent for purposes of statutory provisions relating to elevators, escalators, and related equipment;
- prohibits a person from altering or testing equipment without registering as a contractor with TDLR and requires the testing standards for contractors to be consistent with specified ASME codes; and
- sets out provisions, which are inapplicable to the owner of a single-family dwelling, relating to the authority of TDLR to conduct an inspection or investigation of regulated equipment; proceedings for the denial, suspension, or revocation of a registration; injunctive relief and the assessment of a civil penalty not to exceed \$5,000 per day for each violation; authorization of the executive director to issue an emergency order; and orders to disconnect power to or lock out equipment.

Senate Bill 673 also repeals provisions relating to a safety device requirement for passenger elevators; certain required inspections and approvals or disapprovals by the Industrial Accident Board of each model, drawing, or design of an elevator safety device submitted to the elevator advisory board; certain criminal penalties for the operation of an elevator without a required safety device and for the failure to remedy a noncompliance for which a person receives notice; and certain provisions requiring initial and subsequent reports from a person registering as a contractor.

Senate Bill 972 Senate Author: Carona

Effective: 5-18-13 House Sponsor: Thompson, Senfronia

Senate Bill 972 amends the Health and Safety Code, Labor Code, and Occupations Code to repeal certain provisions relating to offenses for certain occupations regulated by the Texas

Department of Licensing and Regulation and to make conforming changes to those codes to reflect the repeal of certain of those provisions.

Senate Bill 1053 Senate Author: Carona Effective: 9-1-13 House Sponsor: Guillen

Senate Bill 1053 amends the Occupations Code to clarify that the notice required to be provided by mail to the owner or lienholder of a vehicle towed to a vehicle storage facility must include the facility license number preceded by "Texas Department of Licensing and Regulation Vehicle Storage Facility License Number," or "TDLR VSF Lic. No.," rather than "Texas Department of Transportation Vehicle Storage Facility License Number." The bill replaces a reference to the Texas Department of Transportation with a reference to the Texas Department of Motor Vehicles in the requirement that a parking facility owner notify the owner or operator of a vehicle left unattended in the parking facility in an unauthorized manner that the parking facility owner is having the vehicle removed and stored at a vehicle storage facility.

Senate Bill 1312 Senate Author: Schwertner House Sponsor: Aycock

Senate Bill 1312 amends the Veterinary Licensing Act in the Occupations Code to require the State Board of Veterinary Medical Examiners to adopt rules to provide for the licensing and regulation of licensed veterinary technicians, rather than authorizing the board to adopt rules regarding the work of a person who, in part, fulfills the requirements established by a board-approved organization for registered veterinary technicians. The bill sets out provisions relating to license qualifications, application requirements, jurisprudence examination, and continuing education.

Senate Bill 1312 requires decisions relating to the diagnosis, treatment, management, and future disposition of an animal patient to be made by a supervising veterinarian and sets out provisions relating to the delegation and supervision of animal care tasks to a licensed veterinary technician, a certified veterinary assistant, or a veterinary assistant. The bill sets out the scope of practice of such technicians and assistants and prohibits the operation of a satellite office or mobile facility without a supervising veterinarian.

Senate Bill 1312 makes a person subject to denial of a license under the act or to disciplinary action by the board if the person is convicted of cruelty to livestock animals, attacks on assistance animals, or cruelty to nonlivestock animals; the person represents himself or herself as a veterinarian without a license; the person practices veterinary medicine or assists in the practice of veterinary medicine without a license; or the person violates veterinarian-client confidentiality or a board rule related to confidentiality. The bill authorizes the board to appoint advisory committees to perform advisory functions as assigned by the board and sets out provisions regarding such committees.

# Amusements, Gaming, and Sports

House Bill 394 House Author: Thompson, Senfronia Senate Sponsor: Van de Putte

House Bill 394 amends the Occupations Code to exempt bingo games that award individual prizes of \$50 or less from the prohibition against a person offering or awarding on a single bingo occasion prizes with an aggregate value of more than \$2,500.

House Bill 1127 House Author: Smith et al. Effective: 6-14-13 Senate Sponsor: Patrick

House Bill 1127 amends the Local Government Code to authorize the commissioners court of a county with a population of four million or more to regulate, subject to certain requirements, the operation of game rooms.

House Bill 1127 authorizes a peace officer or county employee to inspect a business in the county to determine how many amusement redemption machines that are subject to regulation are located on the premises of the business and authorizes a peace officer or county employee to inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with the bill's provisions and regulations adopted under the bill's provisions.

House Bill 1127 authorizes the county to sue in district court for an injunction to prohibit the violation or threatened violation of the bill's provisions or a game room regulation adopted by the commissioners court. The bill establishes that a person who violates the bill's provisions or such a regulation is liable to the county for a civil penalty of not more than \$10,000 for each violation. The bill makes it a Class A misdemeanor offense to intentionally or knowingly operate a game room in violation of a regulation adopted under the bill's provisions.

House Bill 1186 House Author: Thompson, Senfronia

Effective: 5-24-13 Senate Sponsor: Duncan

House Bill 1186 amends the Texas Racing Act to authorize the Texas Racing Commission to share with another state regulatory agency any investigatory file information that creates a reasonable suspicion of a person's violation of a law or rule under that agency's jurisdiction. The bill authorizes such an agency to use the information as if it was obtained through that agency's investigatory process.

House Bill 1187 House Author: Thompson, Senfronia

Effective: 9-1-13 Senate Sponsor: Duncan

House Bill 1187 amends the Texas Racing Act to increase from \$5,000 to \$25,000 the maximum fine and from one year to five years the maximum suspension that may be included in a penalty imposed by a racing steward or racing judge for unethical practices or violations of the Texas Racing Commission racing rules. The bill increases from \$10,000 to \$100,000 the maximum fine and from two years to five years the maximum suspension that may be included in such a penalty that has been modified after review by the executive director of the racing commission.

House Bill 2123 House Author: Guillen Effective: 6-14-13 Senate Sponsor: Lucio

House Bill 2123 amends the Local Government Code to authorize the commissioners court of a county with a population of less than 25,000 that is adjacent to the Gulf of Mexico and is within 50 miles of an international border to regulate, subject to certain requirements, the operation of game rooms.

House Bill 2123 authorizes a peace officer or county employee to inspect a business in the county to determine the number of amusement redemption machines subject to regulation that are located on the premises of the business and authorizes a peace officer or county employee to inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with the bill's provisions and regulations adopted under the bill's provisions.

House Bill 2123 authorizes the county to sue in district court for an injunction to prohibit the violation or threatened violation of the bill's provisions or a game room regulation adopted by the commissioners court. The bill establishes that a person who violates the bill's provisions or such a regulation is liable to the county for a civil penalty of not more than \$10,000 for each violation. The bill makes it a Class A misdemeanor offense to intentionally or knowingly operate a game room in violation of a regulation adopted under the bill's provisions.

Senate Bill 618 Senate Author: Carona Effective: 9-1-13 House Sponsor: Vo

Previous law required a ringside physician and a timekeeper for a combative sports event to hold a license or registration issued by the Texas Department of Licensing and Regulation (TDLR) and also authorized the Texas Commission of Licensing and Regulation to adopt rules establishing practice requirements and specialty certifications for ringside physicians. Senate Bill 618 amends the Occupations Code to eliminate the TDLR licensing and registration requirements for such ringside physicians and timekeepers and to authorize the commission to adopt rules establishing selection criteria and procedures for the assignment of individuals who agree to act as ringside physicians and timekeepers. The bill revises the definition of "ringside physician" to mean an individual who has an unrestricted and unlimited license to practice medicine in Texas and who, by agreement, is assigned as the physician for a combative sports event.

### The summaries for the following bills are in the listed chapters:

House Bill 1183 - Insurance

House Bill 1960 - Military Forces and Veterans

House Bill 2028 - Military Forces and Veterans

House Bill 2029 - Military Forces and Veterans

House Bill 2135 - Military Forces and Veterans

Senate Bill 162 - Military Forces and Veterans

Senate Bill 242 - Military Forces and Veterans

Senate Bill 546 - Public Officials and Employees

Senate Bill 1388 - Business and Commerce

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# **Open Government and Privacy**

This chapter covers legislation on issues relating to public access to governmentally held information, including state open records law, state open meetings law, confidentiality, and disclosability. Legislation relating to a governmental entity's access to criminal history information can be found in the chapter containing legislation on the governmental entity. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 367 House Author: Martinez Effective: 6-14-13 Senate Sponsor: Davis

House Bill 367 amends the Government Code to retain the confidential status of a communication between a state legislator or the lieutenant governor and a Texas resident, a record consisting exclusively of memoranda of such a communication, or a description of the contents of that record that is disclosed in whole or in part by the legislator or lieutenant governor to the Department of Family and Protective Services or to a governmental unit that is a "covered entity" under medical records privacy provisions of the Health and Safety Code to the extent that the communication, record, or description identifies or would tend to identify the resident while the communication, record, or description is in the possession of the department or governmental unit. The bill makes such a communication, record, or description subject to disclosure to any other person only to the extent that the legislator or lieutenant governor elects to disclose the communication, record, or described information. The bill requires such a covered entity, if it receives a request for public information previously described, to promptly notify, in writing or by electronic means, the member of the legislature or the lieutenant governor, as applicable, that the entity received the request.

House Bill 483 House Author: Aycock Effective: 6-14-13 Senate Sponsor: Fraser

House Bill 483 amends the Local Government Code to prohibit a political subdivision from paying an employee or former employee more than an amount owed under a contract with the employee unless the political subdivision holds at least one public hearing and to set out specific information about the excess payment that is required to be provided in the notice of hearing.

House Bill 628 House Author: Dale et al. Effective: 9-1-13 Senate Sponsor: Paxton

House Bill 628 amends the Education Code to establish that a member of a school district's board of trustees, when acting in the member's official capacity, has an inherent right to access information, documents, and records maintained by the district. The bill requires a district to provide such materials to the board member without the need for a public information request and without regard to whether the requested items are the subject of or relate to an agenda item for an upcoming meeting but authorizes the district to withhold or redact the material requested by a board member to the extent that the item is excepted from disclosure or is confidential under law. The bill requires a district to publicly post the cost of responding to one or more requests submitted by a board member if the requests are for 200 or more pages of material in a 90-day period and to report annually to the Texas Education Agency on the number of member-submitted requests and the total cost of responding to those requests.

**House Bill 1632 Effective:** 6-14-13 **House Author:** Fletcher **Senate Sponsor:** Paxton

House Bill 1632 amends the Election Code to make confidential and exempt from disclosure under state public information law the residence address and date of birth that a peace officer, county jailer, security officer, or employee of the Texas Department of Criminal Justice or a prosecutor's office furnishes on a voter registration application. Previous law exempted the residence address of a federal or state judge from disclosure under public information law. The bill further exempts from that law such a judge's date of birth. The bill revises the provisions describing the evidence an exempted individual is required to provide to verify the individual's exempt status.

House Bill 2267 House Author: Larson

Effective: 6-14-13 Senate Sponsor: Van de Putte

House Bill 2267 amends the Tax Code to authorize certain medical examiners or persons who perform forensic analysis or testing to restrict access to property tax appraisal records, if the records identify such an individual's home address, so that the records are available only for the use of certain state and local government entities.

House Bill 2414 House Author: Button et al. Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 2414 amends Government Code provisions relating to state open meetings law to authorize a member or employee of a governmental body to participate in a meeting of the governmental body by means of a video conference call under certain conditions and sets out related requirements. The bill establishes that a communication or exchange of information between members of a governmental body about public business or public policy does not constitute a meeting or deliberation for purposes of state open meetings law if the communication is in writing, the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public, and the communication is displayed in real time and is displayed on the message board or application for a certain period.

House Bill 2676 House Author: Davis, Yvonne Effective: 6-14-13 Senate Sponsor: Van de Putte

House Bill 2676 amends the Tax Code to include a current or former member of the U.S. military who has served in an area designated as a combat zone by the president among those individuals whose names and home addresses in property tax appraisal records are made confidential and available only for the use of certain state and local government entities if the individual chooses to restrict public access to such personally identifiable information.

House Bill 2725 House Author: Thompson, Senfronia et al.

Effective: 6-14-13 Senate Sponsor: Van de Putte

House Bill 2725 amends the Government Code to exempt from state public information law information maintained by a victims of trafficking shelter center.

House Bill 2725 amends the Human Resources Code to require the executive commissioner of the Health and Human Services Commission to adopt minimum standards that apply to general residential operations providing comprehensive residential and nonresidential services to persons who are victims of trafficking.

Senate Bill 176 Senate Author: Carona Effective: 6-14-13 House Sponsor: Flynn

Senate Bill 176 amends the Government Code to require a consulting services contract to include provisions that allow the state agency contracting with the consultant and any other state agency and the legislature, at the contracting state agency's discretion, to distribute the consultant report and to post the report on the agency's Internet website or the website of a standing committee of the legislature.

Senate Bill 457 Senate Author: Rodriguez Effective: 9-1-13 House Sponsor: Marquez

Senate Bill 457 amends the Code of Criminal Procedure to authorize a governmental body, under the statutory exception to public disclosure for certain autopsy records, to withhold a photograph or x-ray taken during an autopsy without requesting a decision from the attorney general, with certain exceptions. The bill prohibits autopsy records from being withheld, subject to a discretionary exception under state public information law, instead of subjecting the records to required public disclosure in accordance with that law.

Senate Bill 458Senate Author: RodriguezEffective: 5-18-13House Sponsor: Menendez

Senate Bill 458 amends the Government Code to authorize a governmental body, without requesting a decision from the attorney general, to redact a motor vehicle title or registration issued by an agency of Texas or another state or country from any information the governmental body discloses under state public information law.

Senate Bill 471 Senate Author: Ellis

Effective: 5-18-13 House Sponsor: Harper-Brown

Senate Bill 471 amends the Government Code to define "recording" as a tangible medium on which audio or a combination of audio and video is recorded, including a medium now existing or later developed, and to revise open meetings law relating to the recording of certain open meetings to conform to that definition.

Senate Bill 895Senate Author: Davis et al.Effective: 6-14-13House Sponsor: Alvarado et al.

Senate Bill 895 amends the Health and Safety Code to establish that the records of a nonprofit organization established to provide support to the Cancer Prevention and Research Institute of Texas are subject to Texas public information law.

Senate Bill 916 Senate Author: Estes

Effective: 6-14-13 House Sponsor: Kleinschmidt

Senate Bill 916 amends the Agriculture Code to authorize the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee to hold an open or closed meeting by telephone conference call, videoconference, or other similar telecommunication method if certain requirements are met. Respectively, the bill authorizes a council or committee member to participate by such a method in a meeting at which other members are physically present, requires at least half of the members of the council or committee for the establishment of a quorum, and provides that a member who participates in a meeting by such a method may be counted to establish a quorum.

### **Open Government and Privacy**

Senate Bill 983 Senate Author: Ellis

Effective: 9-1-13 House Sponsor: Harper-Brown

Senate Bill 983 amends the Government Code to authorize the information at issue in any suit filed under state public information law to be filed with the court for in camera inspection as is necessary for the adjudication of the case. The bill sets out procedural requirements relating to this authorization, establishes that such information does not constitute "court records" within the meaning of a rule of the Texas Rules of Civil Procedure relating to the sealing of court records, and prohibits the clerk or any custodian of record from making such information available for public inspection.

Senate Bill 984 Senate Author: Ellis House Sponsor: Perry

Senate Bill 984 amends the Government Code to change the conditions under which a meeting of a state governmental body or certain regional governmental bodies may be held by videoconference call by authorizing such a meeting if the member of the governmental body presiding over the meeting is physically present at one location of the meeting that is open to the public during the open portions of the meeting. The bill revises statutory provisions relating to public access to such a meeting, videoconference hearing notice requirements, and the requirement that such a videoconference hearing be visible to the public. The bill requires that the face of each participant in the meeting be visible to each other participant and to the public during the open portion of the meeting.

Senate Bill 1297 Senate Author: Watson Effective: 9-1-13 House Sponsor: Branch

Senate Bill 1297 amends the Government Code to establish that a communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute a meeting or deliberation for purposes of state open meetings law if the communication is in writing, the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public, and the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than 30 days after the communication is first posted. The bill prohibits the governmental body from voting or taking any action that is required to be taken at an open meeting by posting a communication to the online message board or similar Internet application, clarifies that such a communication or posting is not to be construed to be an action of the body, and sets out additional provisions relating to such a board or application.

Senate Bill 1512 Senate Author: Ellis et al. Effective: 9-1-13 House Sponsor: Vo

Senate Bill 1512 amends the Government Code to make confidential and to except from state public information law a sensitive crime scene image in the custody of a governmental body, regardless of the date the image was taken or recorded. The bill prohibits the governmental body from permitting a person to view or copy the image and excepts specified persons from this prohibition.

Senate Bill 1896 Effective: 5-25-13 Senate Author: Garcia et al. House Sponsor: Naishtat

Senate Bill 1896 amends the Tax Code to include among those state judges authorized to have their home addresses in property tax appraisal records made confidential a judge, former judge, or retired judge of a statutory probate court or constitutional county court; an associate judge, former associate judge, or retired associate judge of a district court, statutory county court, or statutory probate court; a master, magistrate, referee, hearing officer, or associate judge appointed under specified Government Code provisions; and a municipal court judge.

### The summaries for the following bills are in the listed chapters:

House Bill 1648 - Health and Human Services

House Bill 2512 - Elections

House Bill 2792 - Taxes and Tax Administration

House Bill 2961 - Public Education

House Bill 3259 - Family Law

House Bill 3460 - Insurance

Senate Bill 279 - State Government

Senate Bill 656 - Local Government

Senate Bill 733 - Insurance

Senate Bill 1368 - Government Purchasing



# Parks and Wildlife

This chapter covers legislation on issues relating to parks and wildlife generally, including boating and water safety, hunting and fishing, and wildlife management, as well as legislation relating to the functions and duties of the Texas Parks and Wildlife Department.

#### General

House Bill 1222 House Author: Turner, Chris Effective: 5-25-13 Senate Sponsor: West

House Bill 1222 amends the Parks and Wildlife Code to add as an authorized venue for an alleged violation or offense under the Water Safety Act the municipal court having jurisdiction where the violation or offense was committed.

House Bill 1903 House Author: Eiland et al. Effective: 9-1-13 Senate Sponsor: Williams

House Bill 1903 amends the Health and Safety Code to include among the oyster-related activities for which certain amounts collected from the fee on oyster sales and related penalties are allocated the analysis of organisms that may be associated with human illness and that can be transmitted through the consumption of oysters. The bill includes among those oyster-related activities contributions to the support of the Parks and Wildlife Commission's oyster shell recovery and replacement program and removes from the activities the promotion and advertising of the Texas oyster industry by the Department of Agriculture.

House Bill 1903 requires the comptroller of public accounts to annually allocate \$100,000 of the unencumbered balance deposited to the credit of the oyster sales account in the general revenue fund to Texas A&M University at Galveston for use in performing certain oyster-related activities and revises the allocation of the remainder of the money in the account.

House Bill 1903 repeals Agriculture Code provisions establishing the Texas oyster program and abolishes the oyster advisory committee.

House Bill 3509
House Author: Bonnen, Dennis et al.
Senate Sponsor: Seliger

House Bill 3509 amends the Government Code in provisions relating to endangered species habitat conservation and to the composition of the board that oversees and guides the state's coordinated response to federal actions regarding endangered species.

Reason Given for Veto: "House Bill 3509 would make substantial changes to a process that has been efficiently overseen since 2009 by the Comptroller of Public Accounts. This process should remain at a single agency rather than a nine member panel."

Senate Bill 157

Effective: 4-24-13

Senate Author: Hegar
House Sponsor: Aycock

Senate Bill 157 repeals the law requiring the Parks and Wildlife Department (TPWD) and the Texas Juvenile Justice Department to jointly seek representation by the attorney general to pursue modification of the terms and purposes of the Parrie Haynes Trust so that, among other purposes, TPWD may be designated as the state agency responsible for that trust.

Senate Bill 1212 Senate Author: Estes et al. Effective: 5-24-13 House Sponsor: Phillips

Senate Bill 1212 amends the Parks and Wildlife Code to establish that certain water transfers, as described by the bill, are not a violation of statutory provisions relating to exotic harmful or potentially harmful fish and shellfish and do not require a permit under such provisions from the Parks and Wildlife Department. The bill specifies as such a water transfer a water transfer by a district or authority created as a conservation and reclamation district that: is initially conveyed by a water intake structure that is shared by at least two districts or authorities and located on a reservoir situated on the boundary of Texas and another state; uses a closed conveyance system approved by the U.S. Army Corps of Engineers in accordance with an approved invasive species management plan; and contributes to a water supply that serves at least 1.5 million people, all of whom reside in an area that borders another state, contains at least 10 contiguous counties, contains at least one county with a population of more than one million, and is adjacent to a county with a population of more than one million.

### **Boating and Water Safety**

House Bill 115 House Author: Larson Effective: 9-1-13 Senate Sponsor: Uresti

House Bill 115 amends the Parks and Wildlife Code to require a vessel's identification number and registration decal to be painted on or attached to each side of the forward half of the vessel, rather than each side of the vessel near the bow. If a vessel is configured so that a number on the hull or superstructure is not easily visible, the bill requires the vessel's identification number to be painted on or attached to a backing plate that is attached to the forward half of the vessel so that the number is visible from each side of the vessel.

House Bill 597 House Author: Guillen et al. Effective: 5-24-13 Senate Sponsor: Eltife

House Bill 597 amends the Parks and Wildlife Code to require a boater education course or equivalency examination to include information on how to prevent the spread of exotic harmful or potentially harmful aquatic plants, fish, and shellfish, including methods approved by the Parks and Wildlife Department for cleaning a boat, a boat's motor, fishing and other equipment, and a boat trailer.

**House Bill 1106 Effective:** 9-1-13 **House Author:** Larson **Senate Sponsor:** Estes

House Bill 1106 amends the Parks and Wildlife Code to change the manner in which a vessel's length is measured to determine whether the vessel satisfies the definition of "boat." The bill removes a requirement for the Texas Parks and Wildlife Department to issue a block or blocks of numbers used for identifying vessels to each county tax assessor-collector for awarding to applicants on receipt of applications for certificates of number for vessels. The bill specifies that a vessel's owner identifier is not a public record. The bill revises procedures relating to the requirement that a vessel livery obtain a certificate of number for a vessel being rented or let for hire

House Bill 1106 requires the form for an application for a certificate of title for a vessel or outboard motor to include the owner identifier and expands the type of information that must be included on such a form as part of the description of the vessel or outboard motor.

The bill specifies that an original certificate of title for a vessel or outboard motor bears an assigned title number and that a replacement certificate of title consists of a new, printed title that bears a new title number. The bill establishes that the previous title number is void when the replacement certificate of title is issued and removes the requirements that "original" be printed on an original certificate of title and "duplicate original" be marked on a duplicate of the original certificate.

House Bill 1106 requires certain vessels operating on the coastal waters to be equipped with visual distress signals that meet specified criteria.

House Bill 1241 House Author: Guillen et al. Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 1241 amends the Parks and Wildlife Code to authorize the Parks and Wildlife Commission to adopt rules requiring a person leaving or approaching public water to drain from a vessel or portable container on board the vessel any water that has been collected from or has come in contact with public water. The bill excludes salt water from that authority and requires the commission, when promulgating the rules, to consider the effects on boaters, anglers, and local interests while maintaining the ability to prevent the spread of harmful or potentially harmful exotic fish, shellfish, and aquatic plants. If the commission adopts such rules, the bill authorizes a Parks and Wildlife Department employee to inspect a vessel leaving or approaching public water, including any portable containers on board the vessel, for the presence of water.

**House Bill 3279 Effective:** 9-1-13 **House Author:** Morrison **Senate Sponsor:** Hegar

House Bill 3279 amends the Parks and Wildlife Code to make it a Class C Parks and Wildlife Code misdemeanor offense to uproot or dig out any rooted seagrass plant from a bay bottom or other saltwater bottom area in the jurisdiction of the state by means of a propeller, except as authorized by a commercial license or permit issued by the Texas Parks and Wildlife Department. The bill establishes certain defenses to prosecution for such an offense.

# **Hunting and Fishing**

House Bill 1718 House Author: Guillen Effective: 9-1-13 Senate Sponsor: Estes

House Bill 1718 amends the Parks and Wildlife Code to make a terminally ill individual who is participating in an event sponsored by a charitable nonprofit organization eligible to purchase a resident hunting license, if approved by the executive director of the Parks and Wildlife Department.

**House Bill 1818 Effective:** 9-1-13 **House Author:** Kuempel **Senate Sponsor:** Deuell

Current law authorizes a game warden or authorized Parks and Wildlife Department (TPWD) employee to seize the pelt of any fur-bearing animal taken or possessed in violation of a Parks and Wildlife Code provision or a lawful regulation of the Parks and Wildlife Commission. House Bill 1818 amends the Parks and Wildlife Code to also authorize the seizure of a fur-bearing animal or the carcass of a fur-bearing animal under those circumstances.

House Bill 1818 revises and standardizes the procedures for the disposition of aquatic products; live game; fur-bearing animals, pelts, and carcasses; and alligators, alligator parts, and alligator eggs that are confiscated by TPWD. Under the procedures as revised and standardized

by the bill, TPWD is authorized to sell such confiscated animals, parts, or products to the highest of three bidders and is required to provide the buyer a receipt for the items sold. The proceeds of the sale are to be deposited in the state treasury to the credit of the appropriate suspense fund pending the outcome of any action taken against the person charged with the unlawful action for which the items were confiscated. All of the proceeds are to be transferred to the credit of the game, fish, and water safety account if the person is found guilty, pleads guilty or nolo contendere, is placed on deferred adjudication, or fails to appear before a court to answer for the offense. If the person is acquitted by the trial court, the charges against the person are dismissed, or the statute of limitations period for the prosecution of the offense has expired, TPWD is required to pay the proceeds of the sale to the person from whom the items were seized. The bill establishes that, to the extent practicable, Health and Safety Code regulations relating to food health apply to an aquatic product, animal, or animal part sold under these provisions that is intended for sale and use as human food.

**House Bill 2649 Effective:** 6-14-13 **House Author:** Herrero **Senate Sponsor:** Hinojosa

House Bill 2649 amends the Parks and Wildlife Code to decrease from a Class B to a Class C Parks and Wildlife Code misdemeanor the penalty for violating a rule relating to a reporting requirement for a permit to trap, transport, and transplant game animals and game birds; a permit to trap, transport, and transplant urban white-tailed deer; or a permit to trap, transplant, and process surplus white-tailed deer. The bill similarly decreases the penalty for violating a term of such a permit that relates to a reporting requirement.

Senate Bill 820 Senate Author: Williams et al. Effective: 9-1-13 House Sponsor: Guillen et al.

Senate Bill 820 amends the Parks and Wildlife Code to establish procedures by which the Texas Parks and Wildlife Department (TPWD) is authorized to refuse to issue or renew certain permits relating to the control, breeding, or management of deer. The bill requires the Parks and Wildlife Commission to adopt rules as needed to implement such procedures, including rules specifying procedures for the review of a refusal to issue or renew such a permit. The bill sets out provisions governing an appeal of a decision by TPWD refusing to issue or renew a permit.

Previous law authorized TPWD to issue a deer breeder's permit that is valid for longer than one year. Senate Bill 820 instead authorizes TPWD to issue a deer breeder's permit that is valid for one year, three years, or five years at the option of the person applying for the issuance or renewal of the permit. The bill establishes eligibility requirements for a three-year or five-year permit and authorizes the Parks and Wildlife Commission to adopt certain rules relating to eligibility for such a permit.

Senate Bill 820 requires TPWD, after an inspection, to notify a deer breeder in writing when TPWD has reason to believe the deer breeder possesses deer that may pose a disease risk to other deer and requires the notice to include an explanation of the rationale used to establish the disease risk. If genetic testing is timely conducted, the bill requires TPWD to postpone any actions that may be affected by the test results until the test results are available. The bill prohibits the use of the results of genetic testing as evidence to establish a defense against a fine imposed on a deer breeder found guilty of failure to keep records of all deer in a deer breeder facility. The bill requires the Parks and Wildlife Commission to adopt rules as needed to implement the bill's provisions governing genetic testing.

Senate Bill 820 establishes procedures for the destruction of deer held at a deer breeding facility, deer on acreage covered by a white-tailed deer management permit, or deer on acreage covered by a mule deer management permit. Those procedures apply only if TPWD determines

that the deer pose a threat to the health of other deer or other species. Before any deer may be destroyed, the bill authorizes an agent of the Texas Animal Health Commission to conduct an epidemiological assessment, if the assessment can be conducted in a timely manner and contingent on the availability of funding, and requires TPWD to consider the results of the epidemiological assessment. The bill requires TPWD to provide certain written notice of an order to destroy deer to a permit holder before TPWD may destroy any of the deer covered by the permit holder's permit, unless the permit holder waives the notice requirements. The permit holder is responsible for all costs associated with the epidemiological assessment and the destruction of the deer.

Senate Bill 1432 Effective: 6-14-13 Senate Author: Hinojosa House Sponsor: Guillen et al.

Senate Bill 1432 amends the Parks and Wildlife Code to decrease from a Class B to a Class C Parks and Wildlife Code misdemeanor the penalty for violating a rule relating to a reporting requirement for a permit to trap, transport, and transplant game animals and game birds; a permit to trap, transport, and transplant urban white-tailed deer; or a permit to trap, transplant, and process surplus white-tailed deer. The bill similarly decreases the penalty for violating a term of such a permit that relates to a reporting requirement.

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# **Probate and Guardianship**

This chapter covers legislation on probate and guardianship proceedings and appointments, transfers of certain property, and the management and administration of a guardianship or a trust. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 789 Effective: See below House Author: King, Phil Senate Sponsor: Rodriguez

House Bill 789 amends the Texas Probate Code to raise the cap on the allowance in lieu of a homestead and the cap on the allowance for other exempted property to be paid in the administration of a decedent's estate to the decedent's surviving spouse and children. The bill makes this provision effective September 1, 2013.

House Bill 789 amends the Estates Code, as effective January 1, 2014, to incorporate in that code the bill's provision amending the Texas Probate Code. The bill makes this provision effective January 1, 2014.

House Bill 1755 Effective: 1-1-14 House Author: Patrick
Senate Sponsor: Hancock

House Bill 1755 amends the Government Code to authorize a statutory probate court judge, with the concurrence of the commissioners court, to appoint a public probate administrator for the county in which the statutory probate court is located, to perform certain probate duties for unrepresented decedents in the county. The bill adds a chapter to the Estates Code, as effective January 1, 2014, relating to these administrators. The bill sets out provisions regarding an administrator's power and duties, initiation of administration, grant of administration, and access to certain information. Among other provisions, the bill sets out bond requirements, provisions relating to small estates, and procedures concerning withdrawal of an administrator and appointment of a successor.

House Bill 1755 amends the Local Government Code and the Government Code to create a supplemental public probate administrator fee of \$10, to be charged for certain probate original actions and adverse probate actions, for counties that have appointed a public probate administrator.

House Bill 2380 Effective: See below House Author: Davis, Sarah Senate Sponsor: Taylor

House Bill 2380 amends the Texas Probate Code to clarify that a will contestant has the burden to plead and prove by a preponderance of the evidence the good faith and just cause exception to the enforcement of a forfeiture clause in a will. The bill amends the Property Code to clarify that a trust contestant has the same burden of proof regarding the good faith and just cause exception to the enforcement of a forfeiture clause in a trust. The bill makes these provisions effective September 1, 2013.

House Bill 2380 amends the Estates Code, as effective January 1, 2014, to incorporate in that code the bill's provisions amending the Texas Probate Code. The bill makes this provision effective January 1, 2014.

House Bill 2912 House Author: Thompson, Senfronia

Effective: 1-1-14 Senate Sponsor: Rodriguez

House Bill 2912 amends the Estates Code, as effective January 1, 2014, to set out provisions governing the execution of decedents' estates. The bill establishes that Civil Practice and Remedies Code provisions authorizing the use of an unsworn declaration in lieu of a required written sworn declaration, verification, certification, oath, or affidavit do not apply to Estates Code provisions relating to self-proved wills. The bill expands the jurisdiction of a statutory probate court with respect to trusts and powers of attorney and authorizes a probate court judge to appoint an attorney ad litem in any probate proceeding to represent the interests of any person, rather than only certain persons. The bill exempts a probate proceeding from certain rules of civil procedure relating to claims for relief and expedited actions and clarifies that the Texas Rules of Evidence apply to a proceeding involving a decedent's estate to the extent practicable, except as otherwise provided. The bill also establishes that Texas law applies when determining whether certain nontestamentary transfers of assets or interests have occurred and when determining the ownership of the assets or interests following a possible nontestamentary transfer.

House Bill 2912 makes numerous changes to provisions relating to heirship proceedings. For example, the bill sets out provisions regarding the inheritance rights of intended parents and makes the Family Code presumption regarding establishment of a parent-child relationship from the results of genetic tests applicable to the results of genetic tests in heirship claims of biological children. The bill also establishes that there is no statute of limitations for determinations of heirship and that unsecured creditors may initiate heirship proceedings. The bill modifies provisions regarding the appointment of attorneys ad litem, the waiver of service of citation, and the use of certain evidence in a proceeding to declare heirship and establishes that no heirship determination may be made until an affidavit or certificate of notice is filed. Among other things, the bill revises provisions relating to the use of certain addresses in an application for issuance of letters testamentary or of administration and the method of proof required for such issuance; provisions related to foreign self-proving affidavits; provisions relating to proving of a will by deposition; and provisions relating to the periods for taking oath and for giving bond.

House Bill 2912 also clarifies provisions applicable to affidavits in lieu of inventory and establishes a penalty for failure of a personal representative to timely file an inventory, appraisement, and list of claims or an affidavit in lieu of the same. The bill revises requirements regarding citation and notice on presentation of an account for final settlement of an estate, adds provisions regarding the conversion of nonmonetary assets distributable to an unknown or missing person, and authorizes a probate court to remove an independent executor without citation by personal service in certain circumstances. The bill expands the power to sell property that a court may grant in an order appointing an independent executor under certain conditions by removing the specification limiting such power of sale to the sale of real property. Finally, the bill modifies provisions regarding certain distributees who are required to consent to an independent administration and regarding the distribution of undivided interests in property under certain conditions.

**House Bill 2918 Effective:** 1-1-14 **House Author:** Thompson, Senfronia **Senate Sponsor:** Rodriguez et al.

House Bill 2918 amends the Estates Code, as effective January 1, 2014, to modify the statutory durable power of attorney form. The bill adds language to the form recommending that the principal select a trusted person to serve as the principal's agent and specifying the general duration of an agent's authority. The bill requires the principal to affirmatively designate on the form the powers the principal wants to grant to the agent, rather than presumptively

granting all general powers to the agent unless the principal affirmatively removes certain powers. The bill revises form provisions regarding special instructions applicable to gifts and sets out as part of the form certain important information for an agent relating to the agent's duties, termination of the agent's authority, and the liability of the agent.

Senate Bill 649 Senate Author: Rodriguez

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 649 amends the Insurance Code to establish that any benefits to be provided to an insured or beneficiary under an insurance policy or annuity contract or under an annuity or benefit plan are exempt from garnishment, attachment, execution, or other seizure to pay a debt or liability of the insured or beneficiary regardless of whether the insured or the insured's estate is a beneficiary of any kind, contingent or otherwise.

Senate Bill 649 amends the Property Code to exempt the assets held in or payments received under a Roth IRA or an inherited Roth IRA from attachment, execution, and seizure for the satisfaction of debts to the same extent as are the assets held in or payments received under certain other savings plans. Under previous law, nondeductible contributions to an individual retirement account other than a Roth IRA and any accrued earnings on such contributions were not exempt from attachment, execution, and seizure for the satisfaction of debts if they were not otherwise exempt by law. The bill removes the restriction on the exemption for nondeductible contributions and limits the restriction to contributions to an individual retirement account that exceed the amounts permitted under the applicable provisions of the Internal Revenue Code and any accrued earnings on such contributions.

Senate Bill 651 Senate Author: Rodriguez

Effective: See below House Sponsor: Thompson, Senfronia

Senate Bill 651 amends the Health and Safety Code to revise the medical power of attorney form to provide the principal the option of signing the form and having the signature acknowledged before a notary public in lieu of signing the form in the presence of two competent adult witnesses for the power of attorney to be valid. The bill also revises the related disclosure statement form to inform the principal of that additional option. The bill makes these provisions effective January 1, 2014, and requires the executive commissioner of the Health and Human Services Commission to adopt the forms not later than October 1, 2013. Additionally, the bill requires a civil action relating to the revocation of a medical power of attorney to be brought in district court only in a county in which there is no statutory probate court. For a county with a statutory probate court, the probate court and the district court have concurrent jurisdiction over such an action. Except as otherwise provided, the bill takes effect September 1, 2013.

Senate Bill 1236 Senate Author: West

Effective: 5-18-13 House Sponsor: Gonzalez, Naomi

Senate Bill 1236 amends the Human Resources Code to authorize a probate or statutory or constitutional county court with probate jurisdiction over an elderly or disabled person under an emergency order for protective services, after notice and a hearing, to extend the order for a period of not more than 30 days after the date the original order would have expired, rather than the date the original order was rendered, and to specify that such authorization does not apply to an order that terminated because of a physician's opinion in a medical report of an assessment of the elderly or disabled person's health status.

## **Guardianship and Trusts**

House Bill 2080 House Author: Thompson, Senfronia et al.

Effective: 1-1-14 Senate Sponsor: Rodriguez

House Bill 2080 amends Estates Code provisions relating to guardianships. The bill sets out provisions regarding the payment of filing fees, attorney's fees, and other costs in guardianship proceedings. If the court finds that a party acted in bad faith or without just cause in prosecuting or objecting to an application in a guardianship proceeding, the court may require the party to pay all or part of the costs of the proceeding or to reimburse the ward's estate for the cost of the applicant's attorney's fees. The bill exempts a guardianship proceeding from certain civil procedure rules relating to claims for relief and expedited actions and repeals certain provisions governing compensation for attorneys, mental health professionals, and interpreters appointed in a guardianship proceeding. The bill also sets the nonrefundable fee accompanying an application for a certificate of registration as a private professional guardian at \$40 and exempts this fee change from Government Code provisions relating to the implementation of new or amended court costs and fees.

House Bill 2080 authorizes a court, on request, to exclude certain information about a person protected by a protective order from any document filed in a guardianship proceeding and sets out procedures for the court to maintain confidentiality of such information. The bill specifies that the appointment of a person convicted of a terroristic threat or continuous violence against the family of the ward or incapacitated person as guardian is presumed to be not in the best interests of the ward or incapacitated person. Moreover, a person subject to a protective order for family violence may not be appointed guardian of a proposed ward or ward who is protected by the order.

House Bill 2080 authorizes the appointment of a guardian ad litem in any guardianship proceeding to represent the interests of an incapacitated person, a proposed ward, a nonresident, an unborn or unascertained person, or an unknown or missing potential heir. The bill authorizes the referral of a contested guardianship proceeding to mediation and sets out the conditions under which a mediated settlement agreement is binding and enforceable.

House Bill 2080 requires an order appointing a guardian of the person, or both the person and the estate, to specify the rights of the guardian with respect to physical possession of the ward and determination of the ward's domicile. This order, or an order appointing a guardian with limited authority, must contain a required notice that any peace officer may use reasonable efforts to enforce these rights, with immunity for good faith acts. The bill provides a guardian of the person with the power to sign documents to facilitate employment of a ward under certain conditions, requires a certified guardian to declare in the annual account and annual guardian of the person reports any investigations of the guardian by the guardianship certification board during the accounting or reporting period, and authorizes a guardian of the person who files the annual report with the court electronically to use an unsworn declaration.

House Bill 2080 authorizes, but does not require, a court to appoint an attorney ad litem for a person with only physical disabilities who applies for the creation of a management trust. The bill revises related provisions concerning the appointment, bond requirements, and annual accountings of trustees of management trusts and clarifies the optional and required management trust terms that apply to trusts for wards or incapacitated persons and those that do not apply to trusts for persons with only physical disabilities.

Current law provides that probable cause for a court-initiated investigation to determine whether a person is an incapacitated person and a guardianship is necessary may be established based on an information letter submitted by an interested person. Previous law authorized the

inclusion of certain information in the information letter. House Bill 2080 revises that provision to specify that the interested person must include that information, to the best of the person's knowledge, in such a letter. If the interested person is a family member of the person believed to be incapacitated, the letter must be sworn to or contain a written declaration signed under penalty of perjury that the information in the letter is true to the best of the person's knowledge.

House Bill 2407 House Author: Naishtat Senate Sponsor: Huffman

House Bill 2407 amends the Estates Code, as effective January 1, 2014, to authorize a person whose guardianship was terminated because the person's capacity was completely restored to file an application with the court that created the guardianship for an order requesting the removal of the person's disability to purchase a firearm imposed under federal law. The bill also authorizes either the ward or a person interested in the ward's welfare to request an order seeking such relief at a proceeding involving the complete restoration of the ward's capacity. The bill requires a court, in determining whether to grant such relief, to hear and consider certain evidence and prohibits the court from granting relief unless the court makes and enters into the record certain affirmative findings.

House Bill 2913 House Author: Thompson, Senfronia Effective: 9-1-13 Senate Sponsor: Rodriguez

House Bill 2913 amends the Property Code relating to trusts. The bill adds property held in any digital or electronic medium to the definition of "property" for purposes of the Texas Trust Code. Regarding spendthrift trusts, the bill establishes that a settlor is not considered a beneficiary of a trust solely because the settlor's interest in the trust was created by the exercise of a power of appointment by a third party. Furthermore, the bill sets out the conditions under which assets contributed to specified trusts are not deemed to have been contributed by the original settlor and provides that a person who would otherwise be treated as a settlor may not be treated as a settlor under those conditions.

House Bill 2913 also adds a subchapter concerning the distribution of trust principal in further trust. The bill sets out provisions regarding distribution to a second trust when a trustee has full discretion and when a trustee has limited discretion to distribute trust principal. In either case, the bill requires a trustee to act in good faith, in accordance with the terms and purpose of the trust, and in the interest of the beneficiaries. The bill also requires an authorized trustee to provide written notice to certain beneficiaries in order to exercise the power of distribution without the consent of the settlor or beneficiaries of the first trust and without court approval. This requirement includes notice to the attorney general and to a guardian or conservator in certain circumstances. Among other provisions, the bill sets out exceptions to the power of distribution and tax-related limitations on distribution. The bill specifies that the subchapter does not create or imply a duty for an authorized trustee to exercise the power of distribution and prohibits a trustee from exercising the power solely to change trust provisions regarding the trustee's compensation, except under limited conditions. Finally, the bill permits an authorized trustee to petition the court to order a distribution and sets out procedures for a beneficiary or the attorney general to object to a proposed distribution.

Current law includes a tax savings provision that prevents a beneficiary who is also a trustee of a trust that confers a power on the trustee to make discretionary distributions to or for the trustee's personal benefit from exercising such a power unless the distributions are within an ascertainable standard. House Bill 2913 extends such protection to a person who is a beneficiary and a trustee affiliate or a discretionary power holder. The bill also modifies provisions regarding proper venue for certain trust proceedings.

#### **Probate and Guardianship**

House Bill 2913 amends the Tax Code to, among other things, make irrevocable trusts eligible for the residence homestead tax exemption and to impose the motor vehicle gift tax on transfers of vehicles to and from revocable trusts.

Senate Bill 778 Senate Author: Carona Effective: 9-1-13 House Sponsor: Clardy

Senate Bill 778 amends the Property Code to authorize certain financial institutions serving as trustee or as custodian of specified accounts, subject to the institution's fiduciary duties, to purchase insurance underwritten or otherwise distributed by an affiliate, a division within the financial institution, or a syndicate or selling group that includes the financial institution or an affiliate and charge the trust or custodial account for the insurance premium under certain conditions. The bill authorizes such an institution, subject to its fiduciary duties, to receive a fee or compensation on account of the insurance product sold, provided that any amount charged for the insurance product is disclosed and does not exceed the customary or prevailing amount charged for comparable insurance provided to a person other than the trust.

Senate Bill 778 also creates an exception to the requirement that a trustee disburse one-half of the regular compensation of the trustee and of any person providing investment advisory or custodial services to the trustee from income and disburse the remaining one-half of such compensation from principal if the trustee, consistent with the trustee's fiduciary duties, determines that a different portion, none, or all of the compensation should be allocated to income. In that case, the portion of the disbursements that are not allocated to income must be allocated to principal.

Senate Bill 1235 Senate Author: West Effective: See below House Sponsor: Naishtat

Senate Bill 1235 amends the Finance Code, effective September 1, 2013, to exempt a financial institution from being required or authorized to give a customer notice of a record request from or report to a government agency arising out of an assessment for or provision of guardianship services by the Department of Aging and Disability Services.

Senate Bill 1235 amends the Estates Code, effective January 1, 2014, to revise the information required to be presented to the court before an application for guardianship may be granted on the basis of a proposed ward's alleged incapacity.

The summaries for the following bills are in the listed chapters:

Senate Bill 677 - Courts Senate Bill 1240 - Property Interests and Housing

# **Property Interests and Housing**

This chapter covers legislation on issues relating to property interests, including affordable housing, eminent domain, the landlord-tenant relationship, liens, and property owners' associations. Legislation relating to property taxation is in the **Taxes and Tax Administration** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 243 House Author: Menendez Effective: 6-14-13 Senate Sponsor: Uresti

House Bill 243 amends the Health and Safety Code to authorize a community center to sell real property acquired by the center solely through a gift or grant of money or real property from a private entity without the approval of the Department of State Health Services or any local agency that appoints members to the board of trustees of the community center. The bill requires a community center that acquires real property by gift or grant to notify the private entity providing the gift or grant that the center may subsequently sell the real property as provided by the bill. The bill requires such real property to be sold for the property's fair market value except under certain circumstances. The bill sets out notification requirements for a center that intends to enter into a binding obligation to sell real property and requires the board of trustees to adopt rules relating to the notification process. The bill authorizes a community center to use proceeds received from a sale of such real property only for certain authorized purposes.

House Bill 341 House Author: Pitts
Effective: 6-14-13 Senate Sponsor: Nichols

House Bill 341 amends the Transportation Code to require a regional tollway authority, in a statement or petition in condemnation of real property, to exclude from the interest to be condemned all the oil, gas, and sulphur that can be removed from beneath the real property. The bill requires the exclusion to be made without providing the owner of the oil, gas, or sulphur any right of ingress or egress to or from the surface of the land to explore, develop, drill, or mine the real property.

House Bill 724 House Author: Guillen et al. Effective: 9-1-13 Senate Sponsor: Zaffirini et al.

House Bill 724 creates the Unclaimed Mineral Proceeds Commission to study and provide recommendations to the legislature regarding the distribution of mineral proceeds that are derived from an original land grant, owned by a descendant of an original grantee, unclaimed and presumed abandoned, and delivered to the comptroller of public accounts. The bill requires the commission to determine the amount of unclaimed original land grant mineral proceeds delivered to the comptroller that remain unclaimed on December 1, 2014, and to determine efficient and effective procedures under which the state may be required to determine the owners of the proceeds, notify the owners of the proceeds, and distribute the proceeds to the owners. The bill requires the commission to provide to the governor, lieutenant governor, and speaker of the house of representatives a final report on unclaimed original land grant mineral proceeds not later than January 1, 2015, and abolishes the commission on June 1, 2015.

House Bill 1931 House Author: Guillen et al. Effective: 9-1-13 Senate Sponsor: Estes

Current law authorizes a municipality or county to transfer certain excess funds received from the proceeds of the sale of an abandoned motor vehicle, aircraft, watercraft, or outboard motor to the municipality's or county's general revenue account to be used by the applicable law enforcement agency to compensate property owners whose property was damaged as a result of a pursuit involving the law enforcement agency. House Bill 1931 amends the Transportation Code to alternatively authorize the transfer of such funds in that manner to be used by the attorney representing the state for those compensation purposes, if the vehicle, aircraft, watercraft, or outboard motor was located in a county with a population of less than 150,000.

**House Bill 2840 Effective:** 9-1-13 **House Author:** Giddings **Senate Sponsor:** West

House Bill 2840 amends the Local Government Code to decrease from three to one the minimum number of housing units a developer is required to have built within the three-year period preceding the submission of a proposal to a land bank seeking to acquire real property as part of the urban land bank demonstration program.

House Bill 2840 authorizes a land bank, before the completion of the specified period within which it must sell a property to a qualified participating developer for the construction of affordable housing, subject to the right of first refusal, to transfer property determined to be inappropriate for residential development to certain taxing units or to sell such property to a political subdivision or a nonprofit organization. For purposes of provisions relating to the right of first refusal, the bill removes the requirement that an eligible adjacent property owner have owned the property adjacent to property owned by the land bank and continuously occupied that property as a primary residence for the two-year period preceding the date of the sale.

House Bill 2840 authorizes a land bank to sell property to a developer to allow the construction of a grocery store meeting certain requirements and sets out provisions relating to such a sale.

House Bill 3447 House Author: Gutierrez Effective: 9-1-13 Senate Sponsor: Uresti

House Bill 3447 amends the Local Government Code to expand the applicability of the Urban Land Bank Demonstration Program Act to include home-rule municipalities that have a population of 1.18 million or more and are located predominantly in a county with a total area of less than 1,300 square miles, rather than 1,000 square miles. The bill authorizes such a municipality to transfer to a land bank land that was part of the site of a world exposition recognized by the Bureau International des Expositions, subject to any deed restrictions the municipality adopts, after public notice and hearing, before January 1, 2014, and sets out provisions relating to the sale of such land.

Senate Bill 499 Senate Author: Lucio
Effective: 9-1-13 House Sponsor: Lucio III

Previous law required the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs, in determining the amount of actual damages for which the manufactured homeowners' recovery trust fund is liable, to make an independent inquiry as to the damages actually incurred by a consumer as a result of an act or omission found to be in violation of certain applicable state or federal laws unless the damages

have been established by a contested jury trial. Senate Bill 499 amends the Occupations Code to instead require the executive director to make that inquiry unless the damages have been previously established through a contested trial.

Senate Bill 672 Senate Author: Carona House Sponsor: Guillen

Senate Bill 672 amends the Occupations Code to prohibit the Texas Commission of Licensing and Regulation, the Texas Department of Licensing and Regulation (TDLR), and the executive director of TDLR from performing an inspection or investigation, opening a complaint, or initiating an administrative or enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing after the second anniversary of the date of the final on-site inspection of the industrialized housing by a municipal building official or an approved third-party inspector. The bill authorizes the commission or the executive director to impose a penalty or sanction in an enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing only if the commission, TDLR, or the executive director initiates the enforcement action before the second anniversary of the date of the final on-site inspection.

Senate Bill 1240 Senate Author: Duncan et al. House Sponsor: Keffer

Senate Bill 1240 amends the Property Code to prohibit the ordering of an action in a judicial proceeding the object or effect of which is to compel the partition of a mineral interest owned or claimed by a charitable trust that would divest the trust of its ownership of a mineral interest unless the trust has refused to execute a mineral lease, with fair and reasonable terms, to the plaintiff or petitioner in the proceeding.

# **Eminent Domain and Real Property Transactions**

House Bill 699 House Author: Davis, John Effective: 10-1-13 Senate Sponsor: Taylor

House Bill 699 amends the Civil Practice and Remedies Code to authorize the commissioners court of a county, under certain conditions, to designate an area other than an area at the county courthouse where public sales of real property taken in execution on judgment will take place and to require the sales to be held at an area so designated under certain additional conditions. The bill specifies that such a designation is not a ground for challenging or invalidating any sale. The bill also amends the Property Code and the Tax Code to establish similar provisions regarding the designation of alternate locations for certain public sales of real property involving contract liens or tax delinquency.

Senate Bill 887 Senate Author: Uresti Effective: 9-1-13 House Sponsor: Orr

Current law authorizes a person who has personal knowledge of facts relevant to the correction of a recorded original instrument of conveyance of real property to execute a correction instrument to make a nonmaterial change that results from a clerical error. Senate Bill 887 amends the Property Code to also authorize the preparation of a correction instrument for that purpose and the preparation or execution of a correction instrument to make a nonmaterial change that results from an inadvertent error. The bill clarifies that a correction instrument replaces and is a substitute for the original instrument. The bill establishes that a correction instrument is subject to the property interest of a creditor or a subsequent purchaser for

#### **Property Interests and Housing**

valuable consideration without notice acquired on or after the date the original instrument was acknowledged, sworn to, or proved and filed for record and before the correction instrument has been acknowledged, sworn to, or proved and filed for record.

Senate Bill 985 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 985 amends the Local Government Code to authorize the governing body of a home-rule municipality to contract with a real estate broker to sell a tract of real property owned by the municipality and to pay a fee if the broker produces a ready, willing, and able buyer to purchase the property. If a contract is made to list the property for sale for at least 30 days with a multiple-listing service, the bill authorizes the governing body to sell the property on or after the 30th day after the date the property is listed to a ready, willing, and able buyer who is produced by any broker using the multiple-listing service and who submits the highest cash offer.

## **Housing Assistance**

**House Bill 429 Effective:** 9-1-13 **House Author:** Guillen **Senate Sponsor:** Zaffirini

House Bill 429 amends the Government Code to authorize a proposed or existing development that, before September 1, 2013, has been awarded or has received certain federal financial assistance provided under the federal Housing Act of 1949 to apply for certain low income housing tax credits allocated for the uniform state service region in which the development is located, regardless of whether the development is located in a rural area.

House Bill 429 repeals a provision that defines "rural area" for purposes of an application for low income housing tax credits under the low income housing tax credit program and redefines "rural area," as it relates to the Texas Department of Housing and Community Affairs, by excluding from the definition an area that is located in a municipality with a population of less than 50,000 that is eligible for funding by the Texas Rural Development Office of the U.S. Department of Agriculture.

House Bill 1888 House Author: Anchia et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 1888 amends the Government Code to expand the definition of "at-risk development" for purposes of the low income housing tax credit program of the Texas Department of Housing and Community Affairs (TDHCA) to include a development that proposes to rehabilitate or reconstruct housing units that are owned by a public housing authority and receive assistance under Section 9 of the United States Housing Act of 1937 or that received such assistance and either are proposed to be disposed of or demolished by a public housing authority or have been disposed of or demolished by such an authority in the two-year period preceding the application for housing tax credits.

House Bill 1888 specifies that such an at-risk development is eligible for housing tax credits set aside by the TDHCA if a portion of the public housing operating subsidy received from the TDHCA is retained for the development and a portion of the development's units is reserved for public housing as specified in the qualified housing plan.

Senate Bill 109 Senate Author: West et al. Effective: 6-14-13 House Sponsor: Dutton

Previous law required the state low income housing plan, provided annually by the Texas Department of Housing and Community Affairs (TDHCA) along with its low income housing report, to include an estimate and analysis of the housing needs of specified populations in each uniform state service region. Senate Bill 109 amends the Government Code to instead require an estimate and analysis of the size and the different housing needs of the specified populations and to add veterans, farmworkers, youth who are aging out of foster care, and elderly individuals to the specified populations. The bill further requires the housing plan to include information regarding foreclosures of residential property in Texas, including the number and geographic location of the foreclosures. The bill expands the scope of the comprehensive statement of department activities that is provided in the low income housing report to include the TDHCA's progress in meeting goals established in the previous year's housing plan with respect to the populations analyzed and recommendations on how to improve the coordination of the department's services to those populations.

Senate Bill 109 repeals a Property Code provision relating to the collection and reporting of certain foreclosure data by the TDHCA.

Senate Bill 286Senate Author: HinojosaEffective: 6-14-13House Sponsor: Bonnen, Greg

Senate Bill 286 amends the Government Code to repeal a provision providing for the expiration of the firefighter, law enforcement or security officer, and emergency medical services personnel home loan program and to continue the program and rename it as the Homes for Texas Heroes home loan program. The bill adds a professional educator to the persons eligible for a loan under the program and sets out the qualifications for professional educators. Finally, the bill specifies that the funds set aside for the program are from the portion of state ceiling dedicated to the Texas State Affordable Housing Corporation for the purpose of issuing qualified mortgage bonds, rather than from the portion of state ceiling dedicated to the firefighter, law enforcement or security officer, and emergency medical services personnel home loan program.

Senate Bill 659

Senate Author: West

House Sponsor: Dutton

Previous law required the governing board of the Texas Department of Housing and Community Affairs (TDHCA) to adopt a policy providing for the debarment of a person from participation in the low income housing tax credit program. Senate Bill 659 amends the Government Code to instead require the TDHCA to develop, and the board to adopt, a policy providing for the debarment of a person from participation in programs administered by the TDHCA.

Senate Bill 659 requires the TDHCA to provide the owner of a proposed qualified low income housing project with either 30 days or 90 days to correct certain compliance failures, depending on the type of failure, so long as the failure does not pose an imminent hazard or threat to health and safety. For good cause shown, the executive director of the TDHCA may extend those periods, and, for purposes of determining eligibility to apply for and receive financial assistance from the TDHCA, a development may not be considered to be in noncompliance if the development owner takes appropriate corrective action during the specified period.

Senate Bill 1553 Senate Author: Lucio et al. Effective: 6-14-13 House Sponsor: Farias et al.

Senate Bill 1553 amends the Government Code to repeal a provision providing for the expiration of the firefighter, law enforcement or security officer, and emergency medical services personnel home loan program and to continue the program and rename it as the Homes for Texas Heroes home loan program. The bill adds a professional educator and a veteran to the persons eligible for a loan under the program and sets out the qualifications for professional educators. The bill specifies that the funds set aside for the program are from the portion of state ceiling dedicated to the Texas State Affordable Housing Corporation for the purpose of issuing qualified mortgage bonds, rather than from the portion of state ceiling dedicated to the firefighter, law enforcement or security officer, and emergency medical services personnel home loan program. Finally, the bill authorizes the corporation to contract with the Texas Veterans Commission to provide other housing assistance to veterans receiving loans under the program.

#### Landlord-Tenant

House Bill 1086 House Author: Rodriguez, Eddie et al.

**Effective:** 9-1-13 **Senate Sponsor:** Eltife et al.

House Bill 1086 amends the Property Code to increase the amount that a tenant is authorized to recover from a landlord if the landlord or the landlord's agent violates restrictions on the interruption of utility services by including as part of that amount one month's rent plus \$1,000, rather than the greater amount of one month's rent or \$500.

House Bill 1086 authorizes a landlord who submeters electricity or allocates or prorates nonsubmetered master metered electricity to interrupt a tenant's electric service for nonpayment of an electric bill if the landlord's right to interrupt electric service is authorized in the tenant's lease, if the tenant's electric bill is not paid on or before the 12th day after the date the electric bill is issued, and if electricity termination notices are appropriately delivered to the tenant. The bill sets out the landlord's notice requirements and the conditions under which the landlord is prohibited from interrupting a tenant's electric service for nonpayment of an electric bill and provides for a deferred payment option. If a delinquent electric bill is paid or a deferred payment plan is entered into during normal business hours, the landlord is required to reconnect the tenant's electric service within two hours of payment or entry into the deferred payment plan. The bill prohibits a landlord from applying a payment made by a tenant to avoid interruption of electric service or reestablish electric service to rent or any other amounts owed under the lease. The bill prohibits a landlord from evicting a tenant for failure to pay an electric bill when the landlord has interrupted the tenant's electric service unless the tenant fails to pay for the electric service after the electric service has been interrupted for at least two days. The bill authorizes a reconnection fee to be applied if electric service to a tenant is disconnected for nonpayment of bills, subject to certain conditions.

House Bill 1772 House Author: Turner, Chris et al. Effective: 1-1-14 Senate Sponsor: Davis et al.

House Bill 1772 amends the Property Code to require a customer responsible for bills received for electric or gas utility service provided to nonsubmetered master metered multifamily property to provide written notice of a service disconnection to each tenant or owner at the property after receiving a service disconnection notice from an electric service provider or gas utility. The bill sets out notice requirements. If the property is located in a

municipality, the customer must provide the same notice to the municipality's governing body, and the governing body may subsequently provide additional notice to the property's tenants and owners. However, these notices are not required if the customer avoids disconnection by paying the bill.

House Bill 1772 amends the Utilities Code to require a retail electric provider or vertically integrated electric utility in an area where customer choice has not been introduced and a gas utility to send a written service disconnection notice to a municipality before the provider or utility disconnects service to a nonsubmetered master metered multifamily property in the municipality for nonpayment. However, a municipally owned utility, an electric cooperative, and a gas utility owned by an electric cooperative are excluded from this notice requirement. These customer safeguards are in addition to safeguards provided by other law or agency rules, and a municipality, the Railroad Commission of Texas, or the Public Utility Commission of Texas may adopt safeguards exceeding those provided by the bill.

Senate Bill 630 Effective: 1-1-14 Senate Author: Carona et al. House Sponsor: Naishtat

Senate Bill 630 amends the Property Code to require a residential landlord, not later than the third business day after the date a lease is signed by each party, to provide at least one complete copy of the lease to at least one tenant who is a party to the lease. If more than one tenant is a party to the lease, the landlord, within three business days after receiving a written request for a copy of the lease from a tenant who has not yet received a copy, must provide one complete copy of the lease to the requesting tenant. A landlord's failure to provide a copy of the lease as required does not invalidate the lease or prevent the landlord from prosecuting or defending a legal action or proceeding to enforce the lease, but the landlord is prohibited from prosecuting such an action, other than an action for nonpayment of rent, until the landlord provides to the tenant a complete copy of the lease. If the tenant submits to the court evidence of the landlord's failure to comply, the court must abate the action until the landlord provides the lease to the tenant.

Senate Bill 630 prohibits a residential landlord from taking certain retaliatory actions against a tenant because the tenant establishes, attempts to establish, or participates in a tenant organization.

Senate Bill 946 Effective: 1-1-14

Senate Author: Nelson House Sponsor: Bohac

Current law authorizes a tenant who is a victim or a parent or guardian of a victim of certain sexual offenses to terminate the tenant's lease, vacate the dwelling, and avoid liability for future rent and certain other sums due under the lease if the offense takes place during the preceding six-month period on the premises or at any dwelling on the premises and if the tenant provides to the landlord certain documentation relating to the offense. Senate Bill 946 amends the Property Code to include indecency with a child and sexual performance by a child among the applicable sexual offenses. The bill also grants such authority to a tenant who is a victim or a parent or guardian of a victim of an attempt to commit any of the applicable sexual offenses and to a tenant who is a victim or a parent or guardian of a victim of stalking. The bill sets out alternate documentation requirements that apply with respect to a stalking offense.

Senate Bill 946 revises the language that must be contained in a lease with respect to a tenant's right to terminate a lease early in the described situations and establishes that a tenant who is a parent or guardian of a victim must reside with the victim in order to exercise that right.

### **Property Interests and Housing**

The bill prohibits a person who receives information from a tenant under such circumstances from disclosing that information to any other person except for a legitimate or customary business purpose or as otherwise required by law.

Senate Bill 1120 Senate Author: West Effective: 1-1-14 House Sponsor: Anchia

Senate Bill 1120 amends the Property Code to prohibit a landlord who allows a tenant of a rental premises that is totally unusable for residential purposes as a result of a natural disaster to move to another rental unit owned by the landlord from requiring the tenant to execute a lease for a term longer than the term remaining on the tenant's lease on the date the premises was rendered unusable.

Senate Bill 1268 Senate Author: Lucio Effective: 9-1-13 House Sponsor: Guillen

Senate Bill 1268 amends the Water Code and the Penal Code to redefine "recreational vehicle park" to mean a commercial property that is designed primarily for recreational vehicle transient guest use and for which fees for site service connections for recreational vehicles are paid daily, weekly, or monthly.

Under previous law, statutory provisions governing manufactured home tenancies applied to landlord-tenant relationships with respect to the lease of property in a manufactured home community for the purpose of situating either a manufactured home or a recreational vehicle on the property. Senate Bill 1268 amends the Property Code to make such provisions inapplicable with respect to a recreational vehicle.

Senate Bill 1268 amends the Utilities Code to exclude a recreational vehicle from the definition of "dwelling unit" for purposes of statutory provisions relating to metering in apartments, condominiums, and mobile home parks. The bill authorizes a person who operates a recreational vehicle park to withhold electric, water, or wastewater utility services from a person occupying a recreational vehicle at the park if the occupant is delinquent in paying for utility services provided by the operator until the occupant pays the delinquent amount.

Senate Bill 1268 amends the Water Code to prohibit a district that provides nonsubmetered master metered utility service to a recreational vehicle park from charging a person who owns or operates the recreational vehicle park an administrative fee for the services provided.

# Mortgages, Liens, and Foreclosures

**House Bill 584 Effective:** 9-1-13 **House Author:** Rodriguez, Eddie **Senate Sponsor:** Rodriguez

House Bill 584 amends the Property Code to require a county that maintains an Internet website to post notice of a public foreclosure sale on the website.

House Bill 1554 House Author: Rodriguez, Justin Effective: 9-1-13 Senate Sponsor: Campbell

House Bill 1554 amends the Local Government Code to authorize a municipality to bring a civil action for the enforcement of an ordinance relating to floodplain control and administration. If a municipality gives an owner of real property reasonable notice and opportunity to comply with a floodplain management ordinance and the owner fails to comply, the bill authorizes the municipality to abate the ordinance violation by causing the work necessary to bring the property into compliance. The bill also authorizes the municipality to assess the costs incurred

by the municipality against the property and provides that the municipality has a lien on the property for those costs and for interest accruing at the annual rate of 10 percent on the amount due until the municipality is paid. The bill sets out provisions relating to the perfection of the lien and lien priority.

House Bill 2590 House Author: Keffer Effective: Vetoed Senate Sponsor: Eltife

House Bill 2590 amends the Property Code to establish that an oil or gas lease covering real property subject to a security interest that has been foreclosed remains in effect after the foreclosure sale if the oil or gas lease has not terminated or expired on its own terms and was executed and recorded in the real property records of the county before the date the security interest was recorded or was executed and recorded in such records after such date but before the foreclosure sale. The bill requires any royalty payment under an oil or gas lease due to the owner of the real property that was subject to the security interest that has been foreclosed to be paid to the purchaser of the foreclosed real property. The bill sets out provisions relating to the following: the indemnification of a purchaser and any mortgagee of a foreclosed real property from actual damages resulting from a lessee's operations conducted pursuant to an oil or gas lease; the termination by certain foreclosure sales of a lessee's right to use the surface of real property pursuant to an oil or gas lease; and a controlling subordination agreement between a lessee of an oil or gas lease and a mortgagee of real property.

Reason Given for Veto: "House Bill 2590 would amend the Texas Property Code to allow for the continuation of certain oil and gas leases in the event that the leased land undergoes a foreclosure. This bill makes changes that would benefit all parties to mineral leases in urban environments, like certain sections of the Barnett Shale. However, the bill's language is less well suited to leases in rural areas, where the bill's prohibition on entering onto the land may make the lease impossible to utilize.

"The bill also includes a provision that could subject a lessee to lawsuits for reasonable and minimal damage to the land caused by the lessee's lawful production of oil and gas, a reversal of the well-established rule. Furthermore, the bill could be interpreted to allow these suits even if the mineral lease was recorded before the foreclosed mortgage, and even for lawful drilling that occurred before the foreclosure. This could have a serious chilling effect on the production of oil and gas across our state.

"Because I agree with the intent of HB 2590, I encourage the author and the sponsor of the bill to narrow this legislation to only affect leases in urban areas, and to limit the potential liability for lawful oil and gas production."

House Bill 3613 Effective: 9-1-13 House Author: Elkins Senate Sponsor: Lucio

House Bill 3613 amends the Tax Code to extinguish a tax lien on a manufactured home and require its removal from the title records of the home when no suit to collect a personal property tax lien has been filed and the lien has been delinquent for more than four years.

House Bill 3613 amends the Occupations Code to require a tax collector, on request by any person, to file a release of a manufactured home tax lien perfected with the Texas Department of Housing and Community Affairs (TDHCA) if the four-year statute of limitations to file a suit for collection of delinquent personal property taxes has expired; authorizes the TDHCA to request confirmation that no tax suit has been timely filed on any manufactured home tax lien more than four years in delinquency; and requires the TDHCA to remove a reference to such a tax lien from a manufactured home's statement of ownership and location if the tax collector either provides such confirmation or fails to respond within 60 days after receipt of a second such request.

Senate Bill 147 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Smithee

Senate Bill 147 repeals provisions of the Insurance Code that require a mortgage guaranty insurer, in providing insurance against financial loss because of nonpayment of amounts agreed to be paid under the terms of a note, bond, or other evidence of indebtedness that is secured by an authorized real estate security for certain real estate improvements, to elect to limit the insurer's coverage against such financial losses, net of reinsurance, to a maximum of 25 percent of the entire indebtedness to the insured or elect to pay the entire indebtedness to the insured and acquire title to the authorized real estate security.

Senate Bill 848 Senate Author: Carona House Sponsor: Davis, Sarah

Senate Bill 848 amends the Property Code to update language in statutory provisions governing the assignment of rents to a lienholder and to establish that the term "rents," for purposes of those provisions, does not include consideration payable under an oil and gas lease, mineral lease, or other conveyance of a mineral estate.

Senate Bill 1606 Senate Author: Zaffirini Effective: Vetoed House Sponsor: Strama

Senate Bill 1606 amends the Tax Code to clarify that a tax lien in solido that attaches to all inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires attaches to all such property irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches.

Reason Given for Veto: "Senate Bill 1606 would provide that a taxing authority has a annual lien that automatically attaches to all business personal property that the business owns in the state, including property outside the taxing authority's jurisdiction. Current law gives taxing units authority to deal with taxpayers who move property around the state in an attempt to avoid taxation, while also protecting taxpayers from overly aggressive taxing authorities.

"By providing taxing authorities with an automatic lien on property they do not have the authority to tax, this bill could lead to abusive taxing authorities overextending their reach, to the detriment of smaller taxing units and taxpayers."

Senate Joint Resolution 18 Senate Author: Carona For Election: 11-5-13 House Sponsor: Villarreal

Senate Joint Resolution 18 proposes an amendment to the state constitution to authorize advances under a reverse mortgage for the purchase of homestead property that the borrower will occupy as a principal residence and expand the conditions under which a lender may require repayment of this type of reverse mortgage to include the borrower's failure to timely occupy the homestead property within the period specified in the loan agreement. The resolution also prohibits the making of a reverse mortgage unless both the prospective borrower and the prospective borrower's spouse receive counseling regarding the advisability and availability of reverse mortgages and other financial alternatives that is completed within a prescribed period before the closing date of the loan. In addition, the resolution replaces the constitutionally required written notice provided by lenders to borrowers of a reverse mortgage with a separate written notice containing detailed language related to reverse mortgages, including the grounds for which the lender may foreclose the reverse mortgage.

## **Property Owners' Associations and Restrictive Covenants**

House Bill 35 House Author: Menendez Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 35 amends the Property Code to prohibit a property owners' association from adopting or enforcing a provision in a dedicatory instrument that prohibits or restricts the owner of a lot on which a residence is located from using for residential purposes an adjacent lot owned by the property owner. The bill requires the owner to obtain the approval of the property owners' association or, if applicable, an architectural committee established by the association or the association's dedicatory instruments before the owner begins the construction, placement, or erection of a building, structure, or other improvement for the residential purpose on an adjacent lot.

House Bill 35 requires an owner who elects to use an adjacent lot for residential purposes, on the sale or transfer of the lot containing the residence, to include the adjacent lot in the sales agreement and transfer the lot to the new owner under the same dedicatory conditions or to restore the adjacent lot to the original condition before the addition of the authorized improvements to the extent that the lot would again be suitable for the construction of a separate residence as originally platted and provided for in the conveyance to the owner. The bill authorizes the owner to sell the adjacent lot separately only for the purpose of the construction of a new residence that complies with existing requirements in the dedicatory instrument unless the lot has been restored as described.

House Bill 503 House Author: Hernandez Luna Effective: 9-1-13 Senate Sponsor: Garcia

House Bill 503 amends the Property Code to establish certain conditions that must be satisfied before a property owners' association may enter into an enforceable contract with a current association board member, a person related to a board member within the third degree by consanguinity or affinity, or a company in which a board member or a person so related to a board member has a financial interest in at least 51 percent of profits. Those conditions do not apply to a contract entered into during the development period.

House Bill 680 House Author: Burkett et al. Senate Sponsor: Patrick

Previous law prohibited a provision in the dedicatory instrument of a property owners' association that regulates the size, number, and location of flagpoles on which flags are displayed from preventing the installation or erection of at least one flagpole per property that is not more than 20 feet in height. House Bill 680 amends the Property Code to instead prohibit such a dedicatory instrument provision from preventing the installation or erection of at least one flagpole per property that is not more than 20 feet in height and located in the front yard of the property or that is attached to any portion of a residential structure owned by the property owner and not maintained by the property owners' association. The bill authorizes a property owner who has a front yard and who otherwise complies with any permitted property owners' association regulations to elect to install a flagpole that satisfies either of those conditions.

House Bill 1824 House Author: Harper-Brown et al. Effective: 9-1-13 Senate Sponsor: Hancock

House Bill 1824 amends provisions of the Property Code relating to master mixed-use property owners' associations. Previous law made single-residential properties in this type of

association subject to certain provisions of the Texas Residential Property Owners Protection Act. The bill exempts a master mixed-use property owners' association from all provisions of the act. The bill authorizes a master mixed-use property owners' association's declaration and any supplementary declaration to be amended by a simple majority notwithstanding any provision of the certificate of formation, declaration, or bylaws to the contrary.

House Bill 1824 establishes the exclusive procedure for examining the records of a master mixed-use property owners' association, the parameters for releasing the records, and recourse if authorized access to the records is denied.

House Bill 1824 requires an association or its agent to give written notice to an owner before charging the owner for property damage or filing a suit against the owner, other than a suit to collect a regular or special assessment or judicial foreclosure under the association's lien, and sets out requirements for the notice. The bill grants an owner who is entitled to an opportunity to cure a violation the right to request a hearing to discuss and verify facts and resolve the matter at issue before the association's board or a committee appointed by the board. The bill sets out provisions relating to such a hearing and specifies that the notice and hearing provisions do not apply if the association files a suit seeking a temporary restraining order or temporary injunctive relief or a suit that includes foreclosure as a cause of action.

House Bill 1824 requires an association to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent assessments or any other amount owed to the association without accruing additional monetary penalties. The bill requires the association to file its alternative payment schedule guidelines in the real property records of each county in which any portion of the subdivision is located.

House Bill 2075 House Author: Anchia Effective: 9-1-13 Senate Sponsor: West

House Bill 2075 amends provisions of the Uniform Condominium Act in the Property Code. The bill removes the authority of a condominium unit owners' association to assign its right to future income to the extent provided by the declaration that created the condominium and instead authorizes the association by resolution of its board of directors to borrow money and to assign as collateral for the loan the association's right to future income and the association's lien rights. The bill requires the loan or assignment to be approved by a vote of the association's members if required by the dedicatory instrument and sets out provisions relating to the vote. The bill authorizes the mandatory property and commercial general liability insurance policies maintained by an association to provide for commercially reasonable deductibles as the board determines appropriate or necessary and clarifies procedures for voting to repair or replace a damaged or destroyed portion of a condominium that requires association insurance. The bill establishes procedures for determining the party responsible for paying the costs of repairing or replacing a damaged or destroyed portion of a condominium that are less than or more than the insurance deductible, and in the case of damage due to an act or omission of a unit owner or an owner's guest or invitee. If the cost is a common expense in excess of the insurance proceeds, the bill authorizes the board to levy an assessment to pay the expenses in accordance with each owner's common expense liability.

Current law authorizes the owner of a condominium unit used for residential purposes and purchased by an association at a foreclosure sale of the association's lien for assessments to redeem the unit by a specified date. House Bill 2075 makes that authorization apply regardless of whether the purchaser is an association and sets out procedures for redeeming the unit if a party other than the association is the purchaser. The bill requires the county clerk of each county in which an association's management certificate is filed to record the management certificate in the county's real property records and index the document as a "Condominium

Association Management Certificate." The bill requires each association that recorded a management certificate before September 1, 2013, to record a new management certificate on or before January 1, 2014, to ensure that all management certificates are recorded and indexed.

House Bill 3176 House Author: Bohac Effective: 6-14-13 Senate Sponsor: Taylor

Previous law authorized the board of a property owners' association to appoint a board member to fill a vacancy on the association's board only if the vacancy was caused by a resignation, death, or disability. House Bill 3176 amends the Property Code to authorize the board to fill any vacancy on the board by appointment.

House Bill 3800 House Author: Coleman Senate Sponsor: Hinojosa

House Bill 3800 amends the Property Code to provide for the recording and indexing of property owners' association management certificates required by law in the real property records of a county.

Senate Bill 198Senate Author: WatsonEffective: 9-1-13House Sponsor: Dukes

Senate Bill 198 amends the Property Code to prohibit a property owners' association from including or enforcing a provision in a dedicatory instrument that prohibits or restricts a property owner from using drought-resistant landscaping or water-conserving natural turf, but establishes that a property owners' association may require an owner to submit a detailed description or a plan for the installation of such landscaping or turf for review and approval by the property owners' association to ensure aesthetic compatibility with other landscaping in the subdivision. The bill prohibits a property owners' association from unreasonably denying or withholding approval of such a proposed installation or from unreasonably determining that the proposed installation is aesthetically incompatible with other landscaping in the subdivision.

Senate Bill 1372 Senate Author: Hinojosa Effective: 9-1-13 House Sponsor: King, Phil

Senate Bill 1372 amends the Property Code to establish the Texas Timeshare Owners' Association Act. The bill authorizes a timeshare owners' association to be governed by a board of directors and prescribes certain powers and limitations of the board. The bill authorizes the timeshare project instrument to provide for a period of developer control of an association during which the developer or the developer's designee may appoint and remove board members and officers and sets out provisions governing that period. The bill sets out provisions relating to the election of initial board members and officers and the removal of board members. With respect to timeshare owners' association meetings, the bill establishes quorum requirements, voting procedures, open meeting requirements and exceptions, and notice and frequency requirements. The bill establishes the duties of an association or other managing entity with respect to maintaining and updating a list of the names and addresses of all owners of timeshare interests in the timeshare plan and to mailing to owners on the list any materials provided by any owner if the mailing meets certain criteria. The bill prohibits an association or other managing entity from publishing that list and from furnishing certain personal information of any owner to any other owner or authorized agent of an owner except under certain circumstances. The bill requires a declaration made in a timeshare instrument to include certain matters relating to timeshare owners' associations, unless the matters are set forth in other project instruments for the property.

#### **Property Interests and Housing**

Senate Bill 1372 exempts a timeshare property and a timeshare owners' association subject to the Texas Timeshare Act from certain Property Code provisions and exempts a timeshare plan subject to the Condominium Act that complies with the Texas Timeshare Act from requirements relating to declarant control. The bill sets conditions on the applicability of certain of its provisions with respect to a timeshare plan created before September 1, 2013. The bill establishes that a person, other than an owner of a timeshare interest who purchased the interest from a developer for the person's own personal use and occupancy, commits a false, misleading, or deceptive act or practice and an unconscionable action or course of action by knowingly participating, for consideration or with the expectation of consideration, in any plan or scheme a purpose of which is to transfer a timeshare interest to a transferee who does not have the ability, means, or intent to pay all assessments and taxes for the timeshare interest.

The summaries for the following bills are in the listed chapters: House Bill 2911 - Occupational Regulation
Senate Bill 193 - Taxes and Tax Administration

## **Public Education**

This chapter covers issues relating to the state's public school system, including school district, campus, and charter school operations. It contains legislation affecting the powers and duties of the Texas Education Agency, the State Board of Education, the State Board for Educator Certification, school district boards of trustees, school administrators, teachers, professional staff, and school employees. In addition, the chapter covers legislation relating to students, school curricula, school finance, and standardized testing. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 308 Effective: 6-14-13 House Author: Bohac et al. Senate Sponsor: Nichols et al.

House Bill 308 amends the Education Code to authorize a school district to educate students about the history of traditional winter celebrations; allow students and district staff to offer traditional greetings regarding the celebrations, including "Merry Christmas," "Happy Hanukkah," and "happy holidays"; and display on school property scenes or symbols associated with traditional winter celebrations if the display includes a scene or symbol of more than one religion or of one religion and at least one secular scene or symbol. The bill prohibits such a display from including a message that encourages adherence to a particular religious belief.

House Bill 525 House Author: Aycock et al. Effective: 5-25-13 Senate Sponsor: Fraser et al.

House Bill 525 amends the Education Code to require the Texas Education Agency (TEA) to collect data each year from school districts and open-enrollment charter schools through the Public Education Information Management System (PEIMS) relating to the enrollment of military-connected students, including the number of active duty military-connected students and National Guard or reserve military-connected students enrolled in the school district or charter school on a date at the beginning of the school year and a date at the end of the school year specified by TEA. The bill prohibits the data from being used for purposes of determining a campus or district performance rating with regard to accreditation.

House Bill 773 House Author: Farney et al. Senate Sponsor: Schwertner

House Bill 773 amends the Education Code to require the governing board of each open enrollment charter school to require students, once during each school day at each campus, to recite the pledges of allegiance to the U.S. and Texas state flags and to provide for the observance of one minute of silence at each campus following the recitation of the pledges of allegiance. The bill requires an open-enrollment charter school to excuse a student from reciting the pledges on written request from the student's parent or guardian. The bill also requires the board of trustees of each school district and the governing body of each open-enrollment charter school to require that the U.S. and Texas flags be prominently displayed in each campus classroom to which a student is assigned at the time the pledges of allegiance to those flags are recited.

**House Bill 1501 Effective:** 6-14-13 **House Author:** Raymond **Senate Sponsor:** Zaffirini

House Bill 1501 amends the Education Code to require each public elementary and secondary school, each year in which September 11 falls on a regular school day, to provide for the observance of one minute of silence at the beginning of the first class period of that day in commemoration of the events of September 11, 2001, which observance may be held in conjunction with the minute of silence required following the recitation of the pledges of allegiance to the U.S. and Texas flags. The bill requires a class instructor, immediately before the period of observance, to make a statement of reference to the memory of individuals who died on September 11, 2001.

**House Bill 2016 Effective:** 6-14-13 **House Author:** Keffer **Senate Sponsor:** Duncan

House Bill 2016 amends the Education Code to prohibit any of the school district boards of trustees that have adopted a resolution in favor of consolidation of their respective districts into a particular single district, if such a resolution has been adopted by the board of trustees of each other district included in the proposed consolidation, from receiving or considering a petition requesting detachment and annexation of district territory without the consent of each of the other of those boards of trustees before consolidation or before consolidation is disapproved at an election.

House Bill 2103 House Author: Villarreal et al. Effective: 6-14-13 Senate Sponsor: Seliger

House Bill 2103 amends the Education Code to require the Texas Education Agency (TEA), the Texas Higher Education Coordinating Board, and the Texas Workforce Commission to execute cooperative data sharing agreements for the purpose of facilitating education and workforce preparation studies or evaluations at education research centers. The bill requires the coordinating board, in accordance with an agreement, to maintain the data contributed by the cooperating agencies in a P-20/Workforce Data Repository operated by the coordinating board and, as provided by the agreement, to include certain other data in the repository, including data from college admissions tests and the National Student Clearinghouse, and to conduct data matching using a protocol approved by the cooperating agencies.

House Bill 2103 removes the provision authorizing the commissioner of education and the coordinating board to establish not more than three centers for education research for conducting specified research and instead requires the coordinating board to establish not more than three centers for education research to conduct studies or evaluations using the data described by the bill. The bill requires a center to be established as part of a public junior college, public senior college or university, or public state college, or a consortium of those institutions, as previously authorized, but no longer authorizes a center's establishment as part of either TEA or the coordinating board.

House Bill 2103 removes various provisions relating to the joint powers and duties of the commissioner of education and the coordinating board with respect to the funding and operation of such education research centers and instead vests those powers and duties in the individual cooperating agencies, as applicable, but adds a requirement for the commissioner of higher education to create, chair, and maintain an advisory board for the purpose of reviewing study proposals and ensuring appropriate data use by the education research centers. The bill provides for the advisory board's composition and organization and sets out requirements and procedures applicable to the advisory board.

House Bill 2549 House Author: Patrick Effective: 6-14-13 Senate Sponsor: Paxton

House Bill 2549 amends the Education Code to expand the duties of the vertical team of public school educators and college and university faculty members established by the commissioners of education and higher education with regard to advancing the college readiness of public school students to include periodically reviewing and revising the college readiness standards and expectations developed by the team and recommending revised standards for approval by the commissioner of education and the Texas Higher Education Coordinating Board. The bill requires the commissioner of education and the coordinating board by rule to establish a schedule for the periodic review, giving consideration to the cycle of review and identification of the essential knowledge and skills of subjects of the required curriculum.

Senate Bill 2 Senate Author: Patrick et al. Effective: 9-1-13 House Sponsor: Aycock

Senate Bill 2 amends provisions of the Education Code relating to certain charter schools. The bill requires an independent school district board that intends to sell, lease, or allow use of an unused or underused district facility for a non-district purpose to give each open-enrollment charter school located within the district the opportunity to make an offer to purchase, lease, or use the facility before offering the facility for sale or lease or to any other entity.

Senate Bill 2 prohibits an independent school district from requiring a campus or campus program that has been converted from an existing district campus and granted a district charter to pay rent for or to purchase a facility in order to use it or from requiring such a campus or campus program or an open-enrollment charter school to pay for any district service provided under a contract between the district and the campus, program, or charter school an amount greater than the district's actual costs of providing the service.

Senate Bill 2 requires a public vote by a school district board or the governing body of a home-rule school district for that body to grant or deny a petition by parents and teachers for a campus or campus program charter; authorizes a district board or governing body to grant a district charter to one or more low-performing campuses serving in total up to 15 percent of the district's prior year student enrollment and, although those campuses are considered open-enrollment charter schools, excludes those charters from the limit on the number of open-enrollment charter schools; requires a district board that grants a campus or campus program charter to enter into a performance contract with the campus's or program's chief operating officer and sets the charter's term at 10 years unless academic goals specified in the contract are met before the end of that period; and authorizes a campus or campus program charter to provide for the campus to be a neighborhood school, with the school's principal or equivalent given certain discretion in managing the school's funding.

Senate Bill 2 authorizes a school district to contract with another district or an open-enrollment charter school for services at a campus charter and makes a district or charter school employee providing those services eligible for membership in and benefits from the Teacher Retirement System of Texas (TRS) if the employee would be eligible for membership and benefits if holding the same position at the district or charter school.

Senate Bill 2 makes a campus or program that is granted a district charter subject to public school requirements for financial accountability and to procedures for challenging an adverse academic or financial accountability rating. The bill requires an employee of a charter holder who is employed on a campus or in a program granted a campus or campus program charter and who qualifies for TRS membership to be covered in the same manner and to the same extent as a qualified school district employee who is employed on or in a regularly operating campus or program. The bill requires each campus or campus program charter to provide that

the charter's continuation is contingent on satisfactory financial performance in accordance with applicable statutory provisions.

Senate Bill 2 transfers authority to grant a charter for an open-enrollment charter school from the State Board of Education (SBOE) to the commissioner of education and sets out a six-year schedule for increasing the cap on the number of open-enrollment charter schools from 215 to 305. The bill adds to the conditions that must be met for a charter to be granted and requires the commissioner to notify the SBOE of each charter the commissioner proposes to grant. The bill provides that a proposal takes effect if the SBOE does not oppose the grant within 90 days after receiving notice.

The bill prohibits the commissioner from granting more than one charter for an open-enrollment charter school to any charter holder and authorizes the commissioner to consolidate charters for an open-enrollment charter school held by multiple charter holders into a single charter held by a single charter holder with the written consent to the terms of consolidation by or at the request of each charter holder affected by the consolidation.

Senate Bill 2 authorizes a charter holder having an accreditation status of accredited and at least 50 percent of its student population in grades assessed under the state's standardized testing program or at least 50 percent of the students in the grades assessed having been enrolled for at least three school years to establish, without the commissioner's approval, one or more new open-enrollment charter school campuses under an existing charter held by the charter holder if certain conditions are met. The bill sets the initial term of a charter granted for an open-enrollment charter school at five years and excludes a charter for an open-enrollment dropout recovery school from the limit on the number of open-enrollment charter schools.

Senate Bill 2 authorizes the commissioner to grant a charter for an open-enrollment charter school to certain proven high performing entities, with the initial term of the charter set at five years. The bill provides for the preparation of an annual report concerning the performance of open-enrollment charter schools by authorizer compared to campus charters and matched traditional campuses in a format that enables the public to distinguish and compare public school performance by school type.

The bill authorizes the commissioner to grant up to five charters for open-enrollment charter schools intended primarily to serve special education students and excludes those charters from the limit on the number of open-enrollment charter schools if at least 50 percent of the students are eligible for special education services.

Senate Bill 2 revises the conditions under which an open-enrollment charter school retains authority to operate under the charter to reflect changes made by the bill and makes an open-enrollment charter school subject to public school accountability provisions relating to procedures for challenging an adverse academic or financial accountability rating and to statutory provisions relating to parental rights and responsibilities.

Senate Bill 2, with certain exceptions, makes a provision relating to school district employment policies that establishes the applicability of certain antinepotism laws to a school district superintendent and each member of a district board of trustees applicable to an open-enrollment charter school as though the school's governing body were a district board and to the school's educational leader and chief executive officer as though that person were a district superintendent.

Senate Bill 2 removes a provision authorizing the SBOE to approve or deny an application based on criteria the SBOE adopts and instead bases approval or denial by the commissioner on documented evidence collected through the application review process, merit, and other criteria as adopted by the commissioner, which must include criteria relating to the applicant's capability to carry out the charter responsibilities and the likelihood that the applicant will operate a school of high quality. The bill requires the commissioner to give priority to applications for

an open-enrollment charter school campus in the attendance zone of a school district campus assigned an unacceptable performance rating for the two preceding school years.

Senate Bill 2 revises the required contents of each charter for an open-enrollment charter school to reflect certain of the bill's provisions. The bill sets out the process by which the charter for an open-enrollment charter school may be renewed or denied renewal or may expire. The bill removes provisions relating to the bases on which a charter may be modified, placed on probation, or denied renewal and provisions relating to the procedure for modifying, placing on probation, or denying renewal of the charter. The bill instead requires the commissioner either to revoke the charter or to reconstitute the charter holder's governing body on those same bases, adds to the bases for revocation or reconstitution, and requires the commissioner to adopt an informal procedure to be used for revocation or reconstitution.

Senate Bill 2 requires the commissioner to develop and adopt performance frameworks that establish standards by which to measure an open-enrollment charter school's performance and separate, specific performance frameworks by which to measure the performance of an open-enrollment charter school that is registered under the Texas Education Agency's (TEA) alternative education accountability procedures for evaluation. The bill requires the commissioner to evaluate the performance of each open-enrollment charter school annually based on the applicable performance frameworks but prohibits a school's performance on a performance framework from being considered for purposes of a charter renewal or revocation.

Senate Bill 2 authorizes an open-enrollment charter school, following a review of a person's criminal history record information, to employ the person as a teacher or educational aide on the same bases as those on which a school district could employ the person as a teacher or educational aide or to employ the person in a position other than teacher or educational aide if a school district could employ the person in the other position.

Senate Bill 2 requires a majority of the members of the governing body of an open-enrollment charter school or of a charter holder to be qualified voters and requires an open-enrollment charter school to list the names of the governing body's members on the home page of the school's Internet website.

Senate Bill 2 requires each TEA employee assigned responsibility related to granting charters for open-enrollment charter schools or providing oversight or monitoring of charter holders or open-enrollment charter schools to undergo training on charter school authorization, oversight, and monitoring not later than October 1, 2013. The bill specifies that property purchased or leased with state funds received by a charter holder after September 1, 2001, and held in trust by the charter holder for the benefit of the students of the open-enrollment charter school is state property. The bill requires a person employed as a principal or a teacher by an open-enrollment charter school to hold a bachelor's degree.

Senate Bill 2 requires an open-enrollment charter school to post on the school's Internet website the salary of the school's superintendent or the administrator serving as educational leader and chief executive officer. The bill makes statutory provisions requiring the board of trustees of each school district to provide for the daily recitation of the pledges of allegiance to the U.S. flag and the Texas flag and the observance of one minute of silence in public schools applicable to the governing body of each open-enrollment charter school.

Senate Bill 2 requires the commissioner to adopt procedural rules for a challenge made by a school district or open-enrollment charter school with regard to a decision by the commissioner either to close the district or a district campus or the charter school or to pursue alternative management of a district campus or the charter school.

Senate Bill 2 amends the Human Resources Code to make conforming changes relating to the grant of a school charter for certain juvenile justice facilities and amends the Local Government

Code to require the governing body of an open-enrollment charter school to take action to ensure that the school's annual financial statement is made available as required by law and is posted continuously on the school's Internet website.

Senate Bill 123 Senate Author: Rodriguez
Effective: 6-14-13 House Sponsor: Marquez et al.

Senate Bill 123 amends the Education Code to authorize, rather than require, the commissioner of education to authorize special accreditation investigations to be conducted in certain circumstances, including in response to a complaint submitted to the Texas Education Agency (TEA) with respect to alleged inaccurate data that is reported through the Public Education Information Management System (PEIMS) or through other reports required by state or federal law or rule or court order and that is used by TEA to make a determination relating to public school accountability, including accreditation. The bill authorizes the commissioner to issue a subpoena to compel the attendance of relevant witnesses or the production of relevant evidence located in Texas during these investigations.

Senate Bill 260 Senate Author: Davis et al. House Sponsor: Stickland et al.

Senate Bill 260 amends the Education Code to require a school district to excuse a student for not more than five days in a school year to visit with the student's parent, stepparent, or legal guardian if the parent, stepparent, or legal guardian is an active duty member of the U.S. military and has been called to duty for, is on leave from, or has immediately returned from continuous deployment of at least four months outside the locality where the parent, stepparent, or guardian regularly resides. Such an excused absence must be taken not earlier than the 60th day before the member's deployment nor later than the 30th day after the member's return from deployment.

Senate Bill 453 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Flynn

Senate Bill 453 amends the Education Code to require a school district or open-enrollment charter school, if a student is required to pay tuition to cover the cost of the student's education as a condition of obtaining or holding the appropriate United States student visa, to accept tuition for the student in an amount equal to the full unsubsidized per capita cost of providing the student's education for the period of the student's attendance at school in the district or at the charter school. The bill requires the commissioner of education to develop guidelines for determining the amount of that cost and caps the amount of tuition a district or charter school may accept at the amount computed under the commissioner's guidelines, unless the commissioner approves a greater amount as a more accurate reflection of the cost of education to be provided by the district or charter school.

Senate Bill 503 Senate Author: West

Effective: 6-14-13 House Sponsor: Strama et al.

Senate Bill 503 amends the Education Code to establish the Expanded Learning Opportunities Council to study issues concerning expanded learning opportunities for Texas public school students, which may be provided during an extended school day or an extended school year or through structured learning programs outside the regular school day, and to make recommendations to address those issues. The bill subjects the council to the Texas Sunset Act and abolishes the council effective September 1, 2017, unless it is continued in existence as provided by that act. The bill provides for the council's organization and requires the council

to develop a comprehensive statewide action plan for the improvement of expanded learning opportunities for Texas public school students, including a timeline for plan implementation, and to submit a biennial written report concerning the plan's development and implementation to the legislature, the governor, and the Texas Education Agency.

Senate Bill 709
Senate Author: Lucio
Effective: 6-14-13
House Sponsor: Allen

Senate Bill 709 amends the Education Code to authorize a person in an impartial special education due process hearing brought under federal law to be represented either by an attorney who is licensed in Texas or by an individual who is not an attorney licensed in Texas but who has special knowledge or training with respect to problems of children with disabilities and who satisfies qualifications prescribed by commissioner of education rule. The bill requires the commissioner by rule to adopt additional qualifications required of a representative who is not an attorney licensed in Texas for purposes of providing such representation and requires a special education due process hearing officer to determine whether an individual satisfies those qualifications.

Senate Bill 833 Senate Author: Davis Effective: 6-14-13 House Sponsor: Dukes

Senate Bill 833 amends the Education Code to require the Texas Education Agency (TEA) to collect data through the Public Education Information Management System (PEIMS) as to the foster care status of students in the manner established by commissioner of education rule in order to facilitate implementation of the requirement that TEA provide the Department of Family and Protective Services (DFPS) with aggregate information regarding educational outcomes of students who were in DFPS conservatorship following an adversarial hearing.

Senate Bill 1404 Senate Author: Patrick et al. Effective: 6-14-13 House Sponsor: Parker

Senate Bill 1404 amends the Education Code to expand the Texas Education Agency's duties in assisting the transition of substitute care students from one school to another to include developing procedures for awarding partial credit for course work when appropriate and for allowing such a student to complete a course required for graduation at no additional cost before the start of the next school year; ensuring that such a student who is not likely to receive a high school diploma within five school years of enrolling in 9th grade has the student's course credit accrual and personal graduation plan reviewed; and ensuring that a substitute care student in grade 11 or 12 is provided information about dual credit course tuition and fee exemptions for students under the conservatorship of the Department of Family and Protective Services (DFPS).

The bill requires a school district to excuse a student who is in the conservatorship of DFPS from attending school to participate in an activity ordered by a court in a suit affecting the parent-child relationship filed by a governmental entity or in a review of the child's placement in such conservatorship if it is not practicable to schedule the participation outside of school hours. The bill requires a school district to offer an intensive program of instruction to a student who is not likely to receive a high school diploma within five school years after enrolling in 9th grade. If an 11th or 12th grade student in the conservatorship of DFPS transfers to a different school district and the student is ineligible to graduate from the district to which the student transfers, the bill requires the school district from which the student transferred to award a diploma at the student's request if the student meets that district's requirements.

Senate Bill 1474 Senate Author: Duncan Effective: 6-14-13 House Sponsor: Allen

Senate Bill 1474 amends the Education Code to require a school district, before adopting a major curriculum initiative, including the use of a curriculum management system, to use a process that includes teacher input, provides district employees with the opportunity to express opinions regarding the initiative, and includes a meeting of the district's board of trustees at which information regarding the initiative, including the initiative's cost and any considered alternatives, is presented and at which members of the public and district employees are given the opportunity to comment on the initiative.

### **Educators and Employees**

House Bill 642 House Author: Patrick Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 642 amends the Education Code to require continuing education requirements for a classroom teacher and for a principal, respectively, to include instruction regarding recognizing early warning indicators that a student may be at risk of dropping out of school, integrating technology into classroom instruction, and educating diverse student populations. The bill further requires the continuing education requirements for a classroom teacher to include instruction regarding collecting and analyzing information that will improve classroom effectiveness and requires the continuing education requirements for a principal to include instruction regarding effective and efficient management, which includes collecting and analyzing information, making decisions and managing time, and supervising student discipline and managing behavior. The bill requires continuing education requirements for a counselor to include instruction regarding assisting students in developing high school graduation plans, implementing dropout prevention strategies, and informing students concerning college admissions and career opportunities. The bill requires the instruction provided in each of these continuing education requirements to comprise not more than 25 percent of the training required every five years for each such category of educator.

House Bill 647 House Author: Patrick Effective: 6-14-13 Senate Sponsor: Davis

House Bill 647 amends the Education Code to authorize an open-enrollment charter school to employ a person as a teacher or educational aide or in a position other than teacher or educational aide if a school district could employ the person as a teacher or educational aide or in such other position.

**House Bill 1751 Effective:** 6-14-13 **House Author:** Patrick et al. **Senate Sponsor:** Van de Putte

House Bill 1751 amends the Education Code to replace the educator excellence awards program with the educator excellence innovation program and to set out the new program's purposes. The bill also replaces the previous program's fund with a new fund from which the Texas Education Agency (TEA) is to award grants to school districts on a competitive basis and in an amount determined by TEA in accordance with commissioner of education rule, rather than as a per capita distribution among qualifying districts as provided under the previous program.

The bill requires TEA, depending on the amount of money available for distribution from the fund, to approve plans that most comprehensively and innovatively address the program's purposes so that the various plans' effectiveness can be compared and evaluated.

House Bill 1751 repeals statutory provisions relating to the authorized uses of payments awarded under the previous program and instead authorizes a school district to use grant funds only to carry out the program's purposes in accordance with the district's local educator excellence innovation plan. The bill authorizes a district to apply to the commissioner for a waiver to exempt the district or district campuses from certain statutory provisions relating to educator appraisals and incentives and staff development and requires the waiver application to demonstrate that the waiver is necessary to carry out the program's purposes in accordance with the district's plan. The bill requires a waiver application, before being submitted, to be approved by a vote of a majority of the members of the school district board of trustees and a majority of the educators employed at each campus for which the waiver is sought. The bill requires the commissioner to grant or deny an application based on standards adopted by commissioner rule.

House Bill 1952 House Author: Thompson, Senfronia Senate Sponsor: Van de Putte

House Bill 1952 amends the Education Code to require each principal or other appropriate administrator who oversees student discipline, at least once every three school years, to attend professional development training regarding the removal of students and their placement in alternative settings for behavior management and to authorize the provision of such training in coordination with regional education service centers through the use of distance learning methods and available Texas Education Agency resources.

House Bill 2012 House Author: Villarreal Effective: 9-1-13 Senate Sponsor: Patrick

House Bill 2012 amends the Education Code to require the Texas Education Agency (TEA) to collect school district information on salaries paid to professional district staff entitled to the minimum monthly salary and to use the data to conduct a cost-of-living salary comparability analysis in each region of the state to determine how classroom teacher salaries compare to salaries in similar professions. The bill requires the commissioner of education to delineate regional boundaries and to designate the professions that constitute similar professions. The bill requires TEA to make the information available for public use in summary form on TEA's Internet website; to deliver a report on the analysis to the governor, the legislature's presiding officers, and the chairs of the house and senate committees with jurisdiction over public education not later than December 1, 2014; and to post the report on its Internet website. The bill limits TEA funding for the data collection and analysis to available funds and resources from public or private sources. These provisions expire September 1, 2015.

House Bill 2012 requires the commissioner to develop an online survey to be administered statewide at least biennially by a contracted third party administrator to certain full-time certified professional staff for the purpose of eliciting information on teaching and learning conditions as predictors of student achievement and growth; the relationship between teaching and learning conditions on teacher retention and on student attendance and graduation; the influence of school leadership on teaching and learning conditions; and related educational resource and support needs. The bill requires the commissioner to make each survey's results available to the public as well as to school districts and campuses, which are required to use the results to review and revise district-level or campus-level improvement plans and otherwise enhance the district and campus learning environment, as appropriate. The bill requires the

commissioner to use the results to develop, review, and revise TEA professional development offerings, TEA teacher retention initiatives, and standards for principals and superintendents. The bill limits the commissioner's funding for these purposes to available funds and resources from public and private sources.

House Bill 2012 requires each educator preparation program to provide certain information regarding the teaching profession and requires rules proposed by the State Board for Educator Certification (SBEC) to render a person, other than one seeking career and technology certification, ineligible for admission to an educator preparation program unless the person satisfies a minimum grade point average requirement prescribed by the board and, for an initial certification, either successfully completes a specified minimum number of semester credit hours in the applicable subject-specific content area or passes a content certification examination. The bill also requires the SBEC to determine the satisfactory level of performance required for each educator certification examination and to require satisfactory performance in each core subject covered by the generalist certificate examination and prohibits the SBEC from requiring that more than 45 days elapse before a person may retake an examination.

House Bill 2012 requires a school district, in addition to conducting a complete teacher appraisal as frequently as is required by law, to require that appropriate components of the appraisal process occur more frequently as necessary to ensure that a teacher receives adequate evaluation and guidance, with priority given to conducting those components more frequently for inexperienced teachers or experienced teachers with identified deficiencies. The bill requires a district to use a teacher's consecutive appraisals from more than one year, if available, in making employment decisions and developing career recommendations for the teacher and requires the timely notification of appraisal results to the teacher in order for the district and the teacher to use the appraisal as a developmental tool to improve the teacher's overall performance.

House Bill 2012 requires TEA, using only available funds and resources from public or private sources, to conduct periodic audits of the professional development requirements applicable to Texas educators and, based on audit results, to seek to eliminate conflicting requirements and consolidate duplicative requirements by taking administrative action, encouraging local initiatives, or recommending legislative action. The bill also requires TEA to provide districts guidance regarding high-quality professional development and the expected outcomes of such development.

House Bill 2012 requires the commissioner each year to report to the legislature regarding the effectiveness of school district mentoring programs and requires the governor and the legislature's presiding officers to form a temporary advisory committee, with TEA administrative support, to evaluate the implementation of such programs, recommend improvements, develop guidelines aligning teacher induction and mentoring activities with expectations for new teachers, and submit a report of its recommendations. The bill's provisions relating to the temporary committee expire January 31, 2015.

House Bill 2318 Effective: 6-14-13 House Author: Aycock Senate Sponsor: Seliger

House Bill 2318 amends the Education Code to require the State Board for Educator Certification (SBEC) to require an educator preparation program to provide candidates for teacher certification with information concerning skills and responsibilities required of teachers, expectations for student performance based on state standards, the current supply of and demand for teachers in Texas, the importance of developing classroom management skills, and the state's framework for appraisal of teachers and principals. The bill requires the

commissioner of education to determine the satisfactory level of performance required for each educator certification examination and, for the issuance of a generalist certificate, to require a satisfactory level of performance in each core subject covered by the examination.

House Bill 2318 requires the SBEC, after consulting with appropriate higher education faculty and public school teachers and administrators and soliciting advice from other interested persons with relevant knowledge and experience, to develop and carry out a process for reviewing and, as necessary, updating standards and requirements for educator preparation programs.

House Bill 2607 House Author: Huberty Effective: 6-14-13 Senate Sponsor: Davis

House Bill 2607 amends the Education Code to require a school district grievance policy to permit an attorney or other person representing a district employee concerning a grievance reported against a supervisor that alleges the supervisor's violation of the law in the workplace or the supervisor's unlawful harassment of the employee to represent the employee through a telephone conference call, provided that the district has the equipment necessary for that type of call, at any formal grievance proceeding, hearing, or conference at which the district employee is entitled to representation according to the school district grievance policy.

House Bill 2952 House Author: Rodriguez, Justin et al. Effective: 6-14-13 Senate Sponsor: Watson

House Bill 2952 amends the Education Code to set a deadline by which the commissioner of education is required to issue a decision in an appeal against a school district, based on a review of the record developed at the district level under a substantial evidence standard of review, requiring such a decision to be issued not later than the 240th day after the date the appeal is filed. The bill authorizes the parties to the appeal to agree in writing to extend that deadline by not more than 60 days.

House Bill 2961 House Author: Huberty Effective: 9-1-13 Senate Sponsor: Deuell

House Bill 2961 amends the Education Code and Government Code to require a school district to adopt a policy prohibiting the use of an employee's social security number as an employee identifier other than for tax purposes and to establish that a school district employee's social security number that is in the custody of the district is confidential.

House Bill 3573 House Author: Aycock Effective: 6-14-13 Senate Sponsor: Patrick

House Bill 3573 amends the Education Code to require the State Board for Educator Certification (SBEC), in establishing the requirements for obtaining a health science technology education teaching certificate, to require only that a person have an associate's degree or more advanced degree from an accredited institution of higher education; current licensure, certification, or registration as a health professions practitioner issued by a nationally recognized accrediting agency for health professionals; and at least two years of wage earning experience using the licensure requirement and to prohibit SBEC from specifically requiring a bachelor's degree or any other credential or experience beyond the specified requirements. The bill expands the scope of the courses a person who holds a technology applications certificate is authorized to teach to include courses in principles of arts, audio/video technology, and communications and in principles of information technology.

Senate Bill 715 Senate Author: Lucio et al. Effective: 6-14-13 House Sponsor: Farney

Senate Bill 715 amends the Education Code to change various references to a counselor, guidance counselor, high school counselor, or high school guidance counselor to a uniform reference to a school counselor. The bill prohibits a person from being employed by a school district as a licensed professional counselor unless the person is licensed by the state agency that licenses that profession. The bill authorizes a person employed as a licensed professional counselor to perform specific services within that profession for a school district only if the person holds the appropriate credential from the appropriate state agency. The bill makes a conforming change to the Occupations Code.

Senate Bill 832 Senate Author: Davis Effective: 6-14-13 House Sponsor: Dukes

Senate Bill 832 amends the Education Code to require each open-enrollment charter school to appoint at least one employee to act as a liaison officer to facilitate the enrollment or transfer of a child in the area served by the charter school who is in the conservatorship of the state. The bill requires each school district and open-enrollment charter school to submit the name and contact information of the district's or charter school's liaison to the Texas Education Agency (TEA) in a format and under the schedule determined by the commissioner of education and requires TEA to provide information to the liaisons on practices for facilitating the enrollment or transfer of children who are in the conservatorship of the state.

#### **School Finance**

House Bill 885 House Author: Murphy et al. Effective: 9-1-13 Senate Sponsor: Patrick

House Bill 885 amends the Education Code to include refunding and refinanced bonds among the types of bonds issued under the Higher Education Facility Authority for Public Schools Act for which a charter district may apply and that are to be guaranteed by the permanent school fund; to include refinanced bonds among the types of bonds guaranteed by the corpus and income of the permanent school fund on approval by the commissioner of education; and to cap the total amount of charter district refunding or refinanced bonds that the commissioner may approve for guarantee at one-half of the total amount available for the guarantee of all charter district bonds.

House Bill 2610 House Author: Pitts Effective: 9-1-13 Senate Sponsor: Hegar

House Bill 2610 amends the Education Code to increase from 5 years to 15 years the maximum maturity period for an interest-bearing time warrant issued by a school district, to authorize a school district to issue interest-bearing time warrants to refund warrants previously issued if the refunding warrants are coterminous with the original warrants, and to increase from \$500,000 to \$1 million the maximum total value of warrants a school district is authorized to have outstanding at any one time. The bill also authorizes a school district to evidence loans for the purpose of paying maintenance expenses with nonnegotiable notes as well as negotiable notes and specifies that the term "maintenance expenses" or "maintenance expenditures" includes expenditures relating to refunding notes if those notes are coterminous with the original notes.

House Bill 2610 amends the Government Code to exempt a nonnegotiable note issued for the purpose of paying school district maintenance expenses, if the principal amount does not exceed \$1 million, from approval and registration requirements applicable to public securities.

Senate Bill 758 Senate Author: Williams Effective: 6-14-13 House Sponsor: Pitts et al.

Senate Bill 758 amends the Education Code to revert payment of the final installment of each category 2 and category 3 school district's yearly entitlement from the foundation school fund to the previous schedule and require payment of that final installment on or before August 25 rather than after September 5 but not later than September 10, with a one-time exception for the 2013 state fiscal year when the final installment must be paid on or before August 30. The bill amends the Government Code to require the comptroller of public accounts' transfer of funds from the state lottery account to the foundation school fund to occur before the August installment payments from the foundation school fund are made to each category 2 and category 3 school district.

Senate Bill 1658 Senate Author: Paxton
Effective: 9-1-13 House Sponsor: Huberty

Senate Bill 1658 amends the Education Code to require the commissioner of education, when the commissioner initially identifies a school district as having a wealth per student for a school year that exceeds the equalized wealth level, to estimate the amount of state revenue to which the district is entitled in general under the Foundation School Program (FSP) for that school year, rather than the additional state aid to which the district is entitled specifically to offset the loss of local property tax revenue resulting from a previously enacted reduction in school district tax rates, as well as the cost to the district to purchase attendance credits in an amount sufficient to reduce the district's wealth per student to the equalized wealth level for that school year. The bill authorizes such a district's board of trustees to authorize the commissioner to withhold an amount equal to the cost of purchasing those attendance credits from the state FSP funding to which it is entitled rather than from the additional state aid to which it is entitled for the tax rate reduction.

Senate Bill 1658 requires the commissioner, if the cost of purchasing such attendance credits exceeds the amount of state FSP funding to which the district is entitled for that year and the district has authorized the withholding of such costs from the district's state FSP funding and, as a result, the commissioner has withheld the entire amount of state FSP funding for that year, either to withhold the additional amount from the state FSP funding to which the district is entitled for a subsequent school year or, if the additional amount exceeds the amount of state revenue to which the district is entitled, to add the difference to the cost of the attendance credits that the district is required to purchase in the subsequent year.

# **Specialized Curricula and Programs**

House Bill 462 House Author: Huberty et al. Senate Sponsor: Patrick et al.

House Bill 462 amends the Education Code to prohibit the State Board of Education from adopting national curriculum standards developed by the Common Core State Standards Initiative to comply with a duty imposed under statutory provisions relating to courses of study in the public school curriculum and student advancement; to prohibit a school district from using common core state standards to comply with the requirement to provide instruction in

the essential knowledge and skills at appropriate grade levels; to prohibit a school district or open-enrollment charter school from being required to offer any aspect of a common core state standards curriculum; and to prohibit the Texas Education Agency from adopting or developing a statewide standardized test based on common core state standards.

**House Bill 590 Effective:** 9-1-13 **House Author:** Naishtat **Senate Sponsor:** Zaffirini

For purposes of adequately providing for comprehensive diagnosis and evaluation of each school-age child with a serious visual impairment, as required by the statewide plan for the education of children with visual impairments, and for purposes of determining a child's eligibility for a school district's special education program on the basis of the impairment, House Bill 590 amends the Education Code to require a student's full individual and initial evaluation to include an orientation and mobility evaluation conducted in a variety of conditions and settings by a certified orientation and mobility specialist and to provide for a certified specialist's participation as part of a multidisciplinary team in evaluating data on which the determination of eligibility is based.

House Bill 617 House Author: Rodriguez, Eddie et al. Senate Sponsor: Zaffirini

House Bill 617 amends the Education Code to require the commissioner of education to require each school district or shared services arrangement to designate at least one employee to serve as the district's or shared services arrangement's designee on transition and employment services for students enrolled in special education programs for the purpose of ensuring that local school staff communicate and collaborate with special education students and their parents and, as appropriate, with local and regional staff of the Health and Human Services Commission (HHSC) and of the state agencies under HHSC oversight in providing effective transition planning and coordinated delivery of services.

House Bill 617 requires the Texas Education Agency (TEA), with assistance from HHSC, to develop for special education students and their parents a transition and employment guide to provide information on statewide services and programs that assist in the transition to life outside the public school system. The bill authorizes TEA to contract with a private entity to prepare the guide and sets out certain content and format requirements for the guide and requirements for periodic updates and Internet posting of the guide.

House Bill 742 House Author: Strama et al. Senate Sponsor: Watson et al.

House Bill 742 amends the Education Code to require the commissioner of education to establish and administer a competitive grant program for up to 10 school districts with majorities of their enrollments consisting of educationally disadvantaged students to provide both summer instruction primarily for such students in prekindergarten through eighth grade and summer teaching opportunities for high-performing, new, and student teachers. The bill sets out specific goals for the program's design, conditions of eligibility for district participation in the program, and program funding provisions and requires the commissioner, in accordance with commissioner rule and based on the amount available for the program, to determine the amount of each grant awarded. The bill also requires each district participating in the program to submit an annual report to the Texas Education Agency (TEA) on local program participation data, requires TEA to contract with a third-party program evaluator to prepare a report on the program's effectiveness, and requires TEA to submit a biennial report to each member of the legislature describing program results.

House Bill 753 House Author: Villarreal Effective: 9-1-13 Senate Sponsor: Zaffirini

House Bill 753 amends the Education Code to require a school district to include, as part of the annual notice provided to parents concerning supplemental educational services, information provided by the Texas Education Agency (TEA) that identifies characteristics of supplemental educational services that, based on rigorous research, have been demonstrated to be more likely to foster improvement in student academic performance and that sorts, for each subject for which supplemental educational services are provided, services providers serving district students according to the providers' level of effectiveness in improving student performance in the applicable subject area. The bill requires TEA and the commissioner of education, respectively, to develop and to establish by rule a process for approving and revoking approval for a supplemental educational services provider and requires TEA to maintain a publicly available list of approved providers. The bill also requires TEA to promptly investigate a complaint against an approved provider, promptly remove a provider whose approval has been revoked, and notify each appropriate school district of the removal; requires such a district to notify the appropriate parents of the removal; and permanently prohibits a provider whose approval has been revoked for fraudulent activity from acting as a provider in Texas.

House Bill 842 House Author: Bell et al. Effective: 6-10-13 Senate Sponsor: Deuell

House Bill 842 amends the Education Code to establish that a college credit program implemented by a school district may provide a student the opportunity to earn credit for a course or activity for which a student may earn credit concurrently toward both the student's high school diploma and postsecondary academic requirements and that satisfies a requirement necessary to obtain an industry-recognized credential or certificate or an associate degree.

House Bill 897 House Author: Zerwas et al. Senate Sponsor: Hinojosa

House Bill 897 amends the Education Code to remove provisions requiring the State Board of Education (SBOE) by rule to include instruction in cardiopulmonary resuscitation (CPR) and the use of an automated external defibrillator (AED) as part of the essential knowledge and skills of the required health curriculum. The bill instead requires the SBOE by rule to require CPR instruction for students in grades 7 through 12; requires a school district and open-enrollment charter school to provide CPR instruction to students in those grades in a manner consistent with law and SBOE rules, which may be provided as part of any course; and requires a student to receive this instruction at least once before graduation.

House Bill 897 authorizes a school administrator to waive the CPR curriculum requirement for an eligible student who has a disability and authorizes a school district or an open-enrollment charter school to use emergency medical technicians, paramedics, police officers, firefighters, representatives of the American Heart Association or the American Red Cross, teachers, other school employees, or other similarly qualified individuals to provide CPR instruction and training.

House Bill 1122 House Author: Johnson et al. Effective: 9-1-13 Senate Sponsor: West

House Bill 1122 amends the Education Code to authorize a school district with an enrollment of more than 150,000 students that is located primarily in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 600,000 to develop and implement a pilot program for students who wish to obtain a high school diploma after completing three years of high school rather than the traditional four years. The bill

requires the program to include partnerships with public postsecondary institutions in Texas that offer academic or technical education or vocational training under a certificate program or an associate's degree program to facilitate a student's prompt enrollment in those institutions after graduating from high school under the program.

House Bill 1122 requires the school district to specify the program curriculum requirements, which must ensure that a graduate is capable of performing successfully in public junior college courses; to submit the district's proposal regarding the program's scope and curriculum requirements to the commissioner of education for approval; and to submit the proposed curriculum requirements to the State Board of Education for comment. The bill prohibits the district from implementing the program without the commissioner's approval.

House Bill 1122 entitles a student to a high school diploma if the student successfully complies with the program's curriculum requirements and performs satisfactorily on any end-of-course tests required for courses in which the student was enrolled. The bill requires the commissioner to determine that level of satisfactory performance, requires the school district to report a program graduate's academic achievement record on a transcript that clearly identifies and distinguishes the program from traditional four-year high school programs, and exempts a student receiving a diploma under the program from compulsory school attendance requirements.

House Bill 1122 requires the commissioner, beginning with the first school year that follows the first school year in which students receive high school diplomas under the pilot program and continuing for every subsequent school year that the district operates the program, to provide funding for the district's free prekindergarten program on a full-day basis for a number of prekindergarten students equal to twice the number of students who received a high school diploma under the program during the preceding school year. The bill's provisions expire September 1, 2023.

House Bill 1775 House Author: Thompson, Ed et al. Senate Sponsor: Hancock

Effective: 6-14-13 Senate Sponsor: Hancock

House Bill 1775 amends the Education Code to authorize the University Interscholastic League (UIL) to require a sports official, as a condition of eligibility to officiate a UIL-sponsored contest, to be registered with the UIL and comply with the registration requirements set out by the bill, have completed initial and continuing education programs regarding UIL rules, be a member in good standing of a local chapter or association of sports officials recognized by the UIL for that purpose, and agree to abide by UIL rules.

House Bill 1775 requires a sports official registering with the UIL to provide directory information and submit to a criminal background check. The bill prohibits the UIL from charging a sports official who completes an initial or continuing education program regarding UIL rules a fee for more than one of those programs, authorizes the collection of a registration fee only to defray the cost of registering sports officials, limits the fee amount to the amount determined necessary for that purpose, and requires the UIL to post the fee amount on the UIL's Internet website. The bill authorizes the UIL to revoke or suspend UIL registration of a sports official determined to have violated UIL constitutional provisions or contest rules governing sports officials or other applicable UIL policy, sets out procedures for such revocation or suspension, and requires the UIL to adopt rules to provide a sports official with the opportunity for an appeals process before the UIL revokes or suspends the sports official's registration.

House Bill 1775 prohibits the UIL from sponsoring or organizing any association of sports officials in which the majority of the membership is composed of sports officials who officiate team sports. The bill authorizes the UIL to set rates or fee schedules payable by a school district or open-enrollment charter school to a sports official.

House Bill 1926 House Author: King, Ken et al. Senate Sponsor: Hegar et al.

House Bill 1926 amends the Education Code to revise the conditions under which a school district or open-enrollment charter school may deny a request to enroll a student in an electronic course offered through the state virtual school network (VSN). The bill also authorizes a district or charter school to decline to pay the cost for a student of more than three yearlong electronic courses during any school year; limits a district's or charter school's formula funding for a student's enrollment in a VSN course to not more than three VSN courses during any school year; and authorizes a district or charter school to charge a fee for enrollment in a VSN electronic course to a full-time district student who elects to enroll in such a course for which the district or school declines to pay the cost. A student, however, is not restricted from enrolling in additional electronic courses at the student's cost, and a student enrolled in a full-time online program that was operating on January 1, 2013, is exempted from these funding provisions.

House Bill 1926 authorizes a school district or open-enrollment charter school that provides a course through distance learning and seeks to inform other districts or schools of the course's availability to submit course information, including the number of available student positions, to the Texas Education Agency (TEA), which must make that information available on TEA's Internet website. The bill limits the commissioner of education's rulemaking authority regarding these provisions by prohibiting the commissioner from adopting rules governing course pricing, which is to be determined by the districts or charter schools involved.

House Bill 1926 replaces the term "provider school district or school" as it relates to the VSN with the term "course provider"; includes within the term a nonprofit or private entity providing an electronic course through the VSN or an entity providing an electronic professional development course through the VSN; makes a nonprofit or private entity or corporation eligible to act as a course provider only if it complies with all applicable federal and state laws prohibiting discrimination and demonstrates both financial solvency and a history of success in offering online courses to middle school or high school students; but prohibits an entity other than a district or charter school from awarding course credit or a diploma for VSN courses.

House Bill 1926 requires a school district or charter school, at least once per school year, to send to the parents of the district's or school's middle school or high school students, as applicable, a copy of its written policy regarding student enrollment in VSN electronic courses.

House Bill 1926 requires the VSN administrator to develop a comprehensive course numbering system for all VSN courses and authorizes the administrator to enter into a reciprocity agreement with one or more other states to facilitate expedited course approval. The bill removes the annual August 1 deadline for the VSN administrator's approval of electronic courses and instead provides for course submission and approval on a rolling basis and requires a course provider to apply for renewed approval of a previously approved course in accordance with a schedule designed to coincide with revisions to the required state curriculum but not later than the 10th anniversary of the previous course approval.

House Bill 1926 prohibits a course provider from offering any inducements for a student's enrollment in a VSN electronic course and requires the commissioner to revoke approval of electronic courses offered by a course provider that violates this prohibition.

House Bill 1926 requires the VSN administrator's "informed choice" report for each VSN electronic course to include information regarding the course's developer and provider and course completion rates and performance data for students taking the course. The bill also requires the commissioner to conduct a study, to be completed not later than December 1, 2015, to assess the network capabilities of each school district.

**House Bill 2058 Effective:** 6-14-13 **House Author:** Allen **Senate Sponsor:** Ellis

House Bill 2058 amends the Education Code to remove a requirement for the State Board of Education (SBOE) to provide for the administration of high school equivalency examinations by the adjutant general's department for students enrolled in the department's Seaborne ChalleNGe Corps. The bill also removes a requirement that the SBOE rules relating to the online administration of high school equivalency examinations prohibit a person under 18 years of age from taking the examination online.

House Bill 2137 House Author: Fletcher Effective: 6-14-13 Senate Sponsor: Paxton

House Bill 2137 amends the Education Code to require a school district to permit a person who is eligible to attend school in the district but does not attend a district school to enroll in a district summer school course on the same basis as a district student, including satisfaction of any course eligibility requirement and payment of any fee that an independent school district's board of trustees is authorized to charge in connection with the course. The requirement to permit a non-district student to enroll in a district summer course does not apply to such a student's enrollment in an intensive mathematics or science instruction program, an intensive program for students identified as being at risk of dropping out of school, or a similar intensive summer program.

House Bill 2201 House Author: Farney et al. Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 2201 amends the Education Code to require the State Board of Education, not later than September 1, 2014, to ensure that at least six advanced career and technology education or technology applications courses, including a course in personal financial literacy, are approved to satisfy a fourth credit in mathematics required for high school graduation. The bill requires the commissioner of education to review and report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the legislature with primary responsibility over public primary and secondary education regarding the progress of increasing the number of courses approved for the career and technology education or technology applications curriculum.

Current law provides for board rules that allow a student to alternatively comply with certain mathematics and science curriculum requirements under the foundation high school program for recommended and advanced high school programs by successfully completing an advanced career and technical course designated by the board as containing substantively similar and rigorous academic content. The bill specifies that the rules are required to allow such alternative compliance with the curriculum requirements for the third and fourth mathematics credits or for the third and fourth science credits rather than for a mathematics course or science course taken after successful completion of specified mathematics or science courses. The bill also removes a provision that limits the use of this option for alternative compliance to not more than two courses. The bill accordingly revises provisions relating to the process under which an applied science, technology, engineering, and mathematics (STEM) course may be reviewed and approved for purposes of satisfying the mathematics and science curriculum requirements through substitution of the applied STEM course for a specific mathematics or science course otherwise required under the recommended high school program.

House Bill 2483 House Author: Alvarado et al.

Effective: 6-14-13 Senate Sponsor: Ellis

House Bill 2483 amends the Education Code to include the prevention of oral diseases among the objectives of the coordinated health programs made available to each school district by the Texas Education Agency and to include oral health education in each program's coordinated health education.

House Bill 2662 House Author: Farney et al. Effective: 6-14-13 Senate Sponsor: Patrick

House Bill 2662 amends the Education Code to add personal financial literacy to the required enrichment curriculum of each school district that offers kindergarten through grade 12 and to require each school district and open-enrollment charter school that offers a high school program to provide an elective course in personal financial literacy that meets the high school curriculum requirements for a one-half elective credit, rather than requiring such a district or charter school to provide instruction in personal financial literacy in any course meeting the curriculum requirements for an economics credit. The bill also removes a requirement for a district or open-enrollment charter school to ensure that a dual high school and college credit course satisfying the requirements for a high school economics credit include instruction in financial literacy. The bill requires the Texas essential knowledge and skills and, as applicable, high school curriculum requirements to include, rather than require, instruction in personal financial literacy.

Senate Bill 39 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Naishtat

Senate Bill 39 amends the Education Code to require the comprehensive statewide plan for the education of children with visual impairments to include methods to ensure that such children receive evaluation of the impairment and instruction in an expanded core curriculum before being placed in a classroom setting or within a reasonable time after placement and to specify that the expanded core curriculum, which is required for students with visual impairments to succeed in classroom settings and to derive lasting practical benefits from their public education, includes instruction in compensatory skills such as braille and concept development and other skills needed to access the rest of the curriculum; orientation and mobility; social interaction skills; career planning; assistive technology, including optical devices; independent living skills; recreation and leisure enjoyment; self-determination; and sensory efficiency.

Senate Bill 119
Senate Author: Rodriguez
House Sponsor: Marquez et al.

Senate Bill 119 amends the Education Code to authorize the commissioner of education to require a school district with a student enrollment of at least 60,000 located in a county on the international border with a population of 800,000 or more to operate a special student recovery program if the commissioner has imposed a sanction based on a determination that the district, for the purpose of affecting an applicable performance rating or distinction designation, has: assigned a student to a grade level to which the student would not otherwise be assigned or retained a student at a grade level at which the student would not otherwise be retained, in violation of local policy; declined to admit a student with limited English proficiency who was eligible for admission; or encouraged a student who was eligible for admission to enroll in another district or to drop out of school. The bill makes the program's operation in such a district mandatory if the district superintendent or assistant superintendent or a principal or an

assistant principal of a district campus is convicted of or receives a grant of deferred adjudication or community supervision for an offense associated with conduct precipitating such a sanction.

Senate Bill 119 sets out certain program requirements, authorizes a school district to use compensatory education allotment funding to pay the program's costs, and authorizes the provision of instructional services to students identified as having been affected by the district's misconduct using either compensatory education allotment funds or other Foundation School Program funds. The bill requires the commissioner to determine the program's duration, with a required minimum duration of two years, and requires the district, before a program may be concluded, to conduct a public hearing to solicit comments regarding whether there is a continuing need for the program. The bill's provisions expire September 1, 2018.

Senate Bill 435 Senate Author: Duncan House Sponsor: Cortez et al.

Senate Bill 435 amends the Education Code to make permanent a statutory provision exempting a school district from being required to pay a district student's tuition or other associated costs for taking a course in a college credit program. That exemption, originally set to expire September 1, 2011, had been previously extended until September 1, 2013.

Senate Bill 542 Senate Author: Watson et al. Effective: 6-14-13 House Sponsor: Allen

Senate Bill 542 amends the Education Code to require the Texas Education Agency (TEA) to provide information to parents regarding individualized education program facilitation as an alternative dispute resolution method that may be used to avoid a potential dispute between a school district and a parent of a student with a disability. The bill requires a district that chooses to use individualized education program facilitation to inform parents regarding such facilitation and sets out the manner in which the information is to be provided.

Senate Bill 542 gives a school district offering individualized education program facilitation the option of using independent contractors, district employees, or other qualified individuals as facilitators; requires the parental notification to include a description of any applicable procedures for requesting the facilitation; and requires the facilitation to be provided at no cost to a parent. The bill requires the use of alternative dispute resolution methods to be voluntary on the part of the participants and prohibits the use or availability of any of those methods from being used to deny or delay the right to pursue a special education complaint, mediation, or due process hearing in accordance with federal law.

Senate Bill 542 requires TEA to develop rules for the administration of a state individualized education program facilitation project, which must provide for an independent program facilitator to facilitate an admission, review, and dismissal committee meeting with parties in a dispute about the appropriate public education to be provided to a student with a disability. The bill authorizes the commissioner, if the commissioner determines that adequate funding is available, to use federal funds to implement the project.

Senate Bill 816 Senate Author: Hegar et al. House Sponsor: Huberty

Senate Bill 816 amends the Education Code to change the deadline for completing a written report of a full individual and initial evaluation of a student for purposes of special education services from the 60th calendar day to the 45th school day following the date on which the school district receives written consent for the evaluation, unless the student has been absent from school during that period on three or more days, in which case the bill requires the period to be extended by the same number of school days as the number of absences. The bill sets the

same deadline for completing a report on the evaluation of a student under five years of age by September 1 of the school year and not enrolled in public school and for a student enrolled in a private or home school setting.

If a school district receives written consent for an initial evaluation at least 35 but less than 45 school days before the last instructional day of the school year, the bill requires the evaluation to be completed and the written report to be provided to the parent or legal guardian not later than June 30 of the same year and requires the student's admission, review, and dismissal committee to meet not later than the 15th school day of the following school year to consider the evaluation.

Senate Bill 860 Effective: 5-24-13 Senate Author: Lucio et al. House Sponsor: Farney et al.

Senate Bill 860 amends the Education Code to authorize a public junior college to partner with a public technical institute to provide, as part of the dropout recovery program curriculum, career and technology education courses that lead to industry or career certification. The bill authorizes a public technical institute to receive from a partnering public junior college for each student enrolled in such a career and technology education course an amount negotiated between the institute and junior college.

Senate Bill 914 Effective: 6-14-13 Senate Author: Lucio House Sponsor: Ratliff

Senate Bill 914 amends the Education Code to authorize the committee that develops an individualized education program for a student enrolled in a school district's special education program to determine that a behavior improvement plan or a behavioral intervention plan is appropriate for the student and, if such a determination is made, to require that the appropriate plan be included as part of the student's individualized education program and be provided to each teacher responsible for the student's education.

Senate Bill 1142 Effective: 9-1-13 Senate Author: Duncan et al. House Sponsor: Davis, John et al.

Senate Bill 1142 amends the Education Code to require the commissioner of education to establish an adult high school diploma and industry certification charter school pilot program for adults 19 to 50 years of age as a strategy for meeting industry needs for a sufficiently trained workforce within the state. The bill requires the Texas Education Agency (TEA) to adopt and administer a standardized secondary exit-level test appropriate for assessing participants who successfully complete high school curriculum requirements under the pilot program and requires the commissioner to determine the level of test performance considered to be satisfactory for receipt of a high school diploma. The bill authorizes a charter under the pilot program, in addition to the limited number of charters for open-enrollment charter schools otherwise permitted, to be granted to a single qualified nonprofit entity to provide an adult education program for up to 150 individuals to successfully complete a high school diploma program and career and technology education courses leading to industry certification.

Senate Bill 1142 sets out qualifications and conditions for a nonprofit entity to be granted a program charter and eligibility criteria for an individual to enroll in the adult education pilot program. The bill funds an adult education program operated under a pilot program from both general revenue and the Foundation School Program (FSP) on a per-person basis, taking into account a person's eligibility for FSP benefits, and requires TEA to prepare and deliver a biennial report that evaluates any such program and makes recommendations regarding the program's abolition, continuation, or expansion.

Senate Bill 1406 Senate Author: Patrick et al. Effective: 6-14-13 House Sponsor: Toth et al.

Senate Bill 1406 amends the Education Code to require instructional lessons developed as part of a curriculum management system by a regional education service center, acting alone or in collaboration with one or more regional education service centers, to be subject to the review and adoption process adopted by the State Board of Education for instructional materials for each subject in the required curriculum.

Senate Bill 1538 Senate Author: Van de Putte et al. House Sponsor: Farney et al.

Senate Bill 1538 amends the Education Code to require the commissioner of education to designate a school district, an open-enrollment charter school, or a district or charter school campus with a majority high school enrollment consisting of students 17 years of age or older that is registered under alternative education accountability procedures adopted by the commissioner as a dropout recovery school. The bill requires the commissioner to use the alternative completion rate established by the bill to determine the student achievement indicator for a dropout recovery school and, in determining a dropout recovery school's performance rating, to include any student expelled from school for a serious offense who graduates or receives a high school equivalency certificate. The bill limits a determination of a dropout recovery school's performance rating with respect to student test performance to a consideration of only the best result from the primary administration and any retaking of a test administered to a student in the school year evaluated under the accountability procedures adopted by the commissioner.

Senate Bill 1557

Effective: 9-1-13

Senate Author: Lucio et al.
House Sponsor: Villarreal

Senate Bill 1557 amends the Education Code to remove the specification that gifts, grants, and donations accepted by the commissioner of education for purposes of the early college education program be used to pay any program costs not covered by a participating student's Foundation School Program benefits and to require that contributing private and nonprofit organizations receive the State Board of Education's Employers for Education Excellence Award. The bill requires the commissioner to collaborate with the Texas Workforce Commission (TWC) and the Texas Higher Education Coordinating Board to develop and implement a strategic plan to enhance private industry participation in the program and requires the commissioner to provide a report summarizing the strategic plan to the legislature's presiding officers, the governor, TWC, and the coordinating board.

# **Student Discipline**

House Bill 1479 House Author: Villarreal Senate Sponsor: Van de Putte

House Bill 1479 amends the Education Code to require the establishment of a temporary committee to recommend a uniform truancy policy for each school district located in a county with a population greater than 1.5 million that includes at least 15 school districts with the majority of district territory in the county and one school district with a student enrollment of 50,000 or more and an annual dropout rate spanning grades 9-12 of at least five percent, computed in accordance with standards and definitions adopted by the National Center for

Education Statistics of the U.S. Department of Education. The bill provides for the appointment of the committee's membership by the county judge and the mayor of the municipality in the county with the greatest population, who also are required either to serve on the committee or to appoint designees to serve on their behalf. The bill requires the committee to submit its recommendations not later than September 1, 2014; makes compliance with those recommendations voluntary; and requires the committee's presiding officer to issue a report not later than December 1, 2016, on the implementation of the recommendations and compliance with state truancy laws by a school district located in the county. The bill's provisions expire January 1, 2016.

Senate Bill 1234 Senate Author: Whitmire Effective: Vetoed House Sponsor: Price

Senate Bill 1234 amends the Education Code to authorize a school district, as a truancy prevention measure, to impose a behavior improvement plan or school-based community service on a truant student or to refer the student to counseling, community-based services, or other services aimed at addressing the student's truancy. The bill requires a school district to either employ a truancy prevention facilitator or designate an existing district employee to implement truancy prevention measures and requires the facilitator to meet at least annually to discuss effective truancy prevention measures with a case manager or other individual designated by a juvenile or criminal court to provide services to district students in truancy cases. The bill prohibits a school district from revoking the enrollment of a person who voluntarily enrolls in or attends school after the person's 18th birthday and who has more than five unexcused absences in a semester on a day on which the person is physically present at school and requires the district to issue a warning letter to the person after the third unexcused absence regarding potential enrollment revocation. The bill authorizes a school district to impose a behavior improvement plan as an alternative to revoking such a person's enrollment. The bill requires the establishment of a committee in certain counties to recommend a uniform truancy policy for each school district located in the county and provides for the appointment of committee members and the committee's duty to make recommendations for uniform truancy policies and issue a report regarding district compliance with the recommendations and state truancy laws. The bill makes the Class C misdemeanor offense of failure to attend school punishable by a fine ranging from \$100 for a first offense to \$500 for a fifth or subsequent offense and clarifies the process for filing a complaint against both a student and the student's parent for that offense.

Senate Bill 1234 amends the Code of Criminal Procedure to remove a school district from the entities authorized to employ a juvenile case manager and to authorize those entities, as an alternative to jointly employing a case manager with any appropriate governmental entity, to jointly contribute to the costs of a case manager employed by one governmental entity.

Reason Given for Veto: "Senate Bill 1234 attempts to change how truancy is handled by placing progressive sanctions on students based on recommendations established in a behavioral improvement plan. While these plans are meant to hold students accountable for attendance and behavior management, they do not track the child from district to district and are lost as a student transfers from one school to another, which is common for chronically truant students.

"Senate Bill 1234 will hurt established local programs and prevent schools from identifying and helping address the issues students are facing. Additionally, SB 1234 conflicts with other legislation, such as SB 393, concerning which truancies are considered a ticketable offense."

Senate Bill 1541 Effective: 6-14-13 Senate Author: Van de Putte House Sponsor: Allen

Senate Bill 1541 amends the Education Code to require the student code of conduct adopted by the board of trustees of an independent school district to specify the circumstances under

which a student may be removed from a school bus and to authorize the driver of a school bus transporting students to or from school or a school-sponsored or school-related activity to send a student to the principal's office to maintain effective discipline on the school bus.

## **Student Health and Safety**

House Bill 217 House Author: Alvarado et al. Effective: Vetoed Senate Sponsor: Uresti et al.

House Bill 217 amends the Agriculture Code to prohibit a public elementary, middle, or junior high school from selling or allowing to be sold to a student on the school campus any type of beverage other than water without added sweetener, milk with a fat content of one percent or less, certain fluid milk substitutions, or 100 percent vegetable or fruit juice, except on a day that school is not in session or during certain times of the school day.

Reason Given for Veto: "I support reasonable measures to sustainably improve the health and wellness of Texas students through nutrition. To that end, current Texas Public School Nutrition Policy already responsibly limits unnecessary, unhealthy access to high-sugar, high calorie beverages. House Bill 217 takes this effort to an unreasonable and unnecessary extreme, and would limit access to such innocuous beverages as two percent milk."

House Bill 455 House Author: Dukes et al. Effective: 6-14-13 Senate Sponsor: Davis

House Bill 455 amends the Education Code to expand the requirement for a school district to excuse a student for a temporary absence from school resulting from a health care-related appointment to provide a student an excused absence for an appointment with health care professionals for either the student or the student's child.

House Bill 1018 House Author: Patrick et al. Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1018 amends the Education Code to expand the duties of a school district's local school health advisory council to include recommending, for purposes of health education instruction, joint use agreements or strategies for collaboration between the district and community organizations or agencies, if feasible. The bill requires such an agreement to address liability for the school district and community organization or agency. The bill requires each district's advisory council to establish a physical activity and fitness planning subcommittee to consider issues relating to student physical activity and fitness and to make policy recommendations to increase physical activity and improve fitness among students, which must be included in the advisory council's annual written report to the district's board of trustees.

House Bill 1264 House Author: Huberty Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 1264 amends the Education Code to require the commissioner of education by rule to require each school district and open-enrollment charter school to report through the Public Education Information Management System information regarding the number of students enrolled in the district or school who are identified as having dyslexia, with the information to be maintained by the Texas Education Agency.

**House Bill 1781 Effective:** 6-14-13 **House Author:** King, Ken et al. **Senate Sponsor:** Seliger

House Bill 1781 amends the Agriculture Code to prohibit the Department of Agriculture from imposing sanctions on a school district based on the sale of food of minimal nutritional value to students at a high school if the sale is approved in advance by the school and is made outside of a school area designated for food service or food consumption or during a period other than a school meal service period for the purpose of raising money for a student organization or activity sponsored or sanctioned by the school or the district in which the school is located.

Senate Bill 376 Senate Author: Lucio et al.

Effective: 9-1-13 House Sponsor: Rodriguez, Eddie et al.

Senate Bill 376 amends the Education Code to require a school district campus or an open-enrollment charter school participating in the national school breakfast program provided by the federal Child Nutrition Act of 1966 and in which 80 percent or more of the students qualify for a free or reduced-price breakfast to offer a free breakfast to each student. The bill requires the commissioner of education to grant a one-year waiver of this requirement to a school district campus or charter school if the district's board of trustees or the charter school's governing body votes to request the waiver at the board's or governing body's annual budget meeting, the waiver was listed as a separate item for consideration on the meeting's agenda, and the public was provided an opportunity to comment on the waiver at the meeting.

Senate Bill 460 Senate Author: Deuell et al. Effective: 9-1-13 House Sponsor: Coleman

Senate Bill 460 amends the Education Code to require any minimum academic qualifications specified for a certificate by the State Board for Educator Certification (SBEC) that require a person to possess a bachelor's degree to require also that the person receive instruction in detection of students with mental or emotional disorders as part of the training required to obtain that certificate. The bill requires the training to be developed by a panel of experts in the treatment of such disorders appointed by SBEC and specifies the types of information to be included in the instruction. The bill expands the duties of each school district's local school health advisory council to include recommending grade level-appropriate policies, procedures, and strategies, as well as curriculum, designed to prevent cardiovascular diseases and Type 2 diabetes and expands the scope of such measures to include prevention of mental disorders.

Senate Bill 460 amends the Health and Safety Code to require each school district to provide training relating to early mental health intervention and suicide prevention for teachers, counselors, principals, and all other appropriate personnel, with training provided at an elementary school campus only to the extent that sufficient funding and programs are available.

Senate Bill 460 amends both the Health and Safety Code and the Civil Practice and Remedies Code to clarify the extent of immunity from liability for a school district or district school officer or employee with respect to an act or omission under a program or policy or procedure adopted under Health and Safety Code provisions governing early mental health intervention and prevention of youth suicide other than liability arising from wilful or intentional misconduct.

Senate Bill 831 Senate Author: Taylor

Effective: 9-1-13 House Sponsor: Coleman et al.

Senate Bill 831 amends the Health and Safety Code to require the list of recommended best practice-based programs required to be provided and annually updated by the Department of State Health Services (DSHS) from which each school district may select to implement in public elementary, junior high, middle, and high schools to include programs in mental health

promotion and positive youth development and substance abuse prevention and intervention, in addition to programs in early mental health intervention and suicide prevention. The bill requires DSHS to coordinate with regional education service centers, in addition to the Texas Education Agency (TEA), in providing and updating the list and requires DSHS, TEA, and each regional education service center to make the list easily accessible on their websites.

**Senate Bill 939 Senate Author:** West et al. **Effective:** 9-1-13 **House Sponsor:** Parker et al.

Senate Bill 939 amends provisions of the Education Code and the Human Resources Code relating to reporting child abuse and neglect and to training regarding recognizing and reporting child abuse and neglect at schools, institutions of higher education, and certain child-care facilities, homes, and agencies. The bill includes open-enrollment charter schools and their employees among those subject to Texas Education Agency (TEA) policy governing reports of child abuse and neglect and requires the policy to require each school district and open-enrollment charter school employee to report child abuse and neglect in the manner prescribed by the Family Code. The bill expands the training requirement regarding prevention techniques for and recognition of sexual abuse and all other maltreatment of children to include existing school district and open-enrollment charter school employees on a schedule adopted by TEA and sets out requirements for posting the child abuse hotline telephone number in each public school and open-enrollment charter school. The bill requires an institution of higher education to adopt a policy governing the reporting of child abuse and neglect for the institution and its employees and establishes child abuse training requirements for certain employees who are professionals. The bill requires each employee of certain licensed child-care facilities, homes, and agencies to sign a statement verifying the employee's attendance at a child abuse training program and requires the statement to be maintained by the facility.

Senate Bill 1556

Effective: 6-14-13

Senate Author: Seliger

House Sponsor: Davis, John

Senate Bill 1556 amends the Education Code to establish the School Safety Task Force to study, on an ongoing basis, best practices for school multihazard emergency operations planning and to make recommendations based on the studies to the legislature, the Texas School Safety Center, and the governor's office of homeland security. The bill requires the task force, in performing its duties for schools, to consult with and consider recommendations from school district and school personnel and other entities with knowledge and experience concerning school emergency operations planning and to prepare and submit to the legislature a report concerning the results of the task force's most recent study. The bill requires the Texas School Safety Center, in consultation with the task force, to develop a school safety certification program under which the center awards a school safety certificate to a school district that has adopted and implemented a multihazard emergency operations plan containing specified safety measures and a training outline and that meets certain other requirements and eligibility criteria. The bill repeals a provision requiring the center to develop security criteria that school districts may consider in the design of instructional facilities. The bill abolishes the task force and the school safety certification program on September 1, 2017.

# **Testing and Accountability**

House Bill 5 House Author: Aycock et al. Effective: See below Senate Sponsor: Patrick et al.

House Bill 5 amends the Education Code to replace the minimum, recommended, and advanced high school programs with a foundation high school program consisting of a total of 22 credits, including 5 elective credits, in the curriculum's subject areas as specified by the State Board of Education (SBOE), with the added condition that any advanced English, mathematics, and science courses required under the program's curriculum prepare students to enter the workforce successfully or postsecondary education without remediation.

House Bill 5 allows a student to earn a distinguished level of achievement under the foundation high school program by successfully completing additional mathematics and science courses, including an Algebra II course among the mathematics courses completed, and earning an endorsement on the student's diploma and transcript and allows a student to earn such an endorsement by successfully completing the specific curriculum requirements for that endorsement, with endorsements available in the following categories: science, technology, engineering, and mathematics (STEM); business and industry; public services; arts and humanities; and multidisciplinary studies. The bill also authorizes a student to earn a performance acknowledgment on the student's diploma and transcript for outstanding performance in a specified area or for earning a recognized business or industry certification or license. The bill includes the percentage of graduating students who meet the course requirements for the foundation high school program, the distinguished level of achievement, and each diploma endorsement among the indicators of the quality of learning in a district and on campuses for purposes of preparing parent and educator reports.

House Bill 5 requires each district to make an Algebra II course available to each district high school student as a condition of accreditation and authorizes a district to offer a locally developed and approved course or other activity for credit without obtaining SBOE approval if the course or activity allows students to enter a career and technology training or apprentice program, an institution of higher education without remediation, or an internship required for an industry-recognized credential or certificate for course credit.

House Bill 5 requires each school district to partner with at least one institution of higher education to develop and provide college preparatory mathematics and English language arts courses for students whose academic performance indicates a lack of college readiness and authorizes the use of course credit earned in such college preparatory courses to satisfy curriculum requirements for advanced mathematics and English language arts courses.

House Bill 5 provides for the preparation of a personal graduation plan for each student entering ninth grade based on information prepared by the Texas Education Agency (TEA), in consultation with the Texas Workforce Commission and the Texas Higher Education Coordinating Board, on the distinguished level of achievement and the diploma endorsements. The bill requires each district to make that information available to students and their parents in the language with which the parents are most comfortable; requires a high school principal to designate a school counselor to review the plan options with each student and the student's parent; and requires each plan to identify a course of study that promotes college and workforce readiness and career placement and advancement and facilitates the transition from high school to college.

House Bill 5 requires a school district, each time a district student fails an end-of-course test, to provide that student accelerated instruction in the applicable subject area using funds appropriated for the purpose and increases from 21 to 26 the age below which a student at risk

of dropping out of school is eligible for compensatory, intensive, or accelerated instructional services. The bill extends the requirement for a school district to post notice regarding the law on automatic college admissions to apply also to each open-enrollment charter school that operates a high school and expands the requirement to include notice of the curriculum requirements for state student financial aid. The bill authorizes use of the instructional materials allotment to purchase instructional materials for college preparatory courses and authorizes a district or open-enrollment charter school to place a limited order for instructional materials before the start of the fiscal year and to receive the materials before payment based on an estimate by the commissioner of education of the district's or school's entitlement for that fiscal year.

House Bill 5 requires TEA to redevelop the alternative tests given to students in special education programs for administration to students with significant cognitive disabilities in alignment with federal law; reduces the number of high school end-of-course tests by eliminating the Algebra II, geometry, chemistry, physics, English III, world geography, and world history tests; requires the English I and II tests each to assess reading and writing in the same test and to provide a single test score; and removes requirements for school district policies requiring a student's end-of-course test score to account for 15 percent of the student's final course grade. The bill also prohibits end-of-course test scores from being used to determine class ranking or entitlements to automatic college admission or as the sole criterion in college admissions and provides for the adoption and discretionary administration of Algebra II and English III postsecondary readiness tests.

House Bill 5 requires each school district board of trustees to adopt and strictly enforce a policy limiting the removal of students from class for remedial tutoring or test preparation and, with certain exceptions, prohibits a district from giving to any student more than two benchmark tests in preparation for a state-administered test and requires that an English language learner be enrolled for at least 60 consecutive days in a school year for that school year to count as one year in a United States school in determining whether to give that student an accommodated or alternative state-administered test or a test exemption.

House Bill 5 prohibits the commissioner from appointing a person retained or employed by a test vendor to an advisory committee on the public school accountability system or on the content or administration of a state-administered test and makes it a Class B misdemeanor for an agent of an entity contracted to develop or implement state-administered tests to make or authorize a political contribution to or take part in the campaign of any person seeking election to or serving on the SBOE or to serve as a member of an advisory committee established by the commissioner, TEA staff, or the SBOE with respect to the state's testing program.

House Bill 5 expands the set of performance indicators of student achievement adopted by the commissioner, requires the commissioner to adopt rules for evaluating school district and campus performance and assign each district a performance rating of A, B, C, D, or F, with A, B, and C letter ratings reflecting acceptable performance and D and F letter ratings reflecting unacceptable performance. The bill also requires the commissioner to assign each campus a rating of exemplary, recognized, acceptable, or unacceptable and prohibits a district from receiving an A rating if any district campus is rated unacceptable.

House Bill 5 requires each school district, using evaluation criteria developed by a local committee for such purposes, to evaluate specific programs or categories of performance at each campus with respect to community and student engagement as well as the records of the district and of each campus regarding compliance with statutory reporting and policy requirements; to assign district and campus performance ratings of exemplary, recognized, acceptable, or unacceptable for both overall performance and each individual evaluation factor; and to report each rating to TEA.

House Bill 5 adds the occurrence of a disproportionate number of students of a particular demographic group graduating with a particular endorsement or of an excessive number of students graduating with a particular endorsement as grounds for a special accreditation investigation. The bill requires the financial accountability rating systems for school districts and open-enrollment charter schools to include processes for anticipating the future financial solvency of each; requires the commissioner to assign a point value to each indicator in that system to be used in a scoring matrix; and requires each school district and charter school to be assigned a financial accountability rating. The bill requires the commissioner, by rule and in consultation with the comptroller of public accounts, to determine the criteria for each designated performance rating, sets out criteria for a failing rating, requires the commissioner to assign a preliminary rating before assigning a final rating, and sets out procedures for finalizing a rating.

House Bill 5 requires a district or open-enrollment charter school assigned a failing rating under the financial accountability rating system to submit to the commissioner a corrective action plan to address the district's or school's financial weaknesses and authorizes the commissioner to impose appropriate accreditation sanctions against a district or charter school failing to submit or implement a plan.

House Bill 5 requires TEA to develop and maintain the Texas School Accountability Dashboard as a separate website specifically for public access to school district and campus accountability information and requires the commissioner to adopt performance indices relating to student achievement, student progress, the closing of performance gaps, and postsecondary readiness for use on the dashboard. The bill requires the district and campus ratings with respect to student achievement, community and student engagement, compliance, and financial accountability to be made publicly available not later than August 8 of each year and to be posted on TEA's Internet website not later than October 1 of each year.

House Bill 5 revises certain eligibility requirements for automatic admission into a general academic teaching institution for students who qualify for such admission under the state's top 10 percent rule to include the successful completion of the curriculum requirements for the distinguished level of achievement under the foundation high school program or its equivalent or completion of that portion or its equivalent that was available to the student. The bill revises the conditions under which a graduating student who does not qualify for automatic admission may apply to any general academic teaching institution.

House Bill 5 takes effect June 10, 2013, except as otherwise provided and except for various repealers, which take effect September 1, 2013, and September 1, 2014, and a nonsubstantive change that takes effect beginning with the 2014-2015 school year.

House Bill 866 Effective: See below House Author: Huberty et al. Senate Sponsor: Seliger et al.

House Bill 866 amends the Education Code to remove the requirement for the administration of statewide standardized tests in mathematics and reading to students in grades four, six, and seven or in any other subject or grade required by federal law. The bill instead requires a student in any of those grades who failed in the preceding year to achieve a satisfactory score on the final administration of any of the statewide standardized tests given to students in the preceding grade level to be tested again in that subject and requires the Texas Education Agency (TEA) to determine the minimum satisfactory adjusted scale score for each statewide standardized test initially administered to a student and each statewide standardized test administered in grade six for purposes of retesting a student.

House Bill 866 authorizes a school district or open-enrollment charter school, for its own use in determining whether students are performing satisfactorily, to test a student at the

appropriate grade level, other than a student who must be tested, using a test developed for the purposes of retesting a student in the applicable subject matter in grades four, six, and seven. The bill requires TEA, at the district's or charter school's request, to provide, allow for the administration of, and score each of those tests in the same manner and at the same cost as for tests that are required to be administered but prohibits the results of such tests from being included as an indicator of student achievement.

House Bill 866 requires the commissioner of education to seek a waiver from the application of a federal law or regulation if there is a conflict between state law and a federal law or regulation as a result of forgoing the administration of certain tests to students who have recently performed successfully on tests assessing the same subject and specifies certain relevant data to be submitted in seeking such a waiver.

House Bill 866 expands the scope of the duties of TEA, the commissioner, and the State Board of Education with respect to the adoption and administration of statewide standardized tests to include those tests administered to a student in grades four, six, and seven for the purposes of retesting the student in the applicable subject matter. The bill takes effect on any date not later than September 1, 2015, on which the commissioner obtains any necessary waiver from the application of federal law or regulation or receives written notification that a waiver is not required. The provisions amended and added by the bill revert to their form before amendment and addition effective September 1, 2017.

House Bill 2694 House Author: Villarreal et al. Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 2694 amends the Education Code to transfer from the State Board of Education (SBOE) to each individual school district's board of trustees the responsibility for reviewing and approving examinations developed or selected by the district for accelerated advancement from one primary school grade level to the next or for earning high school subject credit by examination. The bill requires the board of trustees to approve for each subject, if available, at least four examinations that satisfy SBOE guidelines, which must include advanced placement examinations administered by the College Board and Educational Testing Service and examinations administered through the College-Level Examination Program.

House Bill 2694 lowers from the 90th percentile to the 80th percentile the minimum percentile ranking for a student's score on an approved acceleration examination or on an approved examination for credit at which a district is required to give the student credit for a grade level and advance the student one grade level or to give the student credit for a subject, as applicable. The bill requires a district to give a student credit for a subject if the student scores a three or higher on an approved advanced placement examination administered by the college board or a scaled score of 60 or higher on an approved examination administered through the College-Level Examination Program. A student who earns credit by examination in a subject is not required to take an end-of-course test for that subject and is exempt from the minimum attendance requirement for a class in order to receive credit for that class.

House Bill 2694 increases the frequency at which each district must administer each approved examination for credit from at least once a year to not fewer than four times each year, at times to be determined by the SBOE, unless the examination is administered on a date established by an entity other than the district. The bill limits a student to two attempts to receive credit by examination for a particular subject and requires a student who fails to achieve the designated score for such credit for a subject before the start of the school year in which the student would ordinarily be enrolled in a course in that subject in accordance with the district's prescribed course sequence to satisfactorily complete the course to receive credit for the course.

House Bill 2824 House Author: Ratliff et al.

Effective: Vetoed Senate Sponsor: Paxton et al.

House Bill 2824 amends the Education Code to clarify that participants in the Texas High Performance Schools Consortium are school district campuses and open-enrollment charter schools selected for participation and districts with one or more participant campuses and to authorize a participant district, with approval of the commissioner of education, to add one or more district campuses to the consortium. The bill authorizes the commissioner to charge a fee to a participating school district or charter school for use of state-provided assessment items or other costs associated with evaluating participant campuses and to collect and use that fee for purposes of administering the consortium.

House Bill 2824 transfers performance reporting requirements regarding the consortium from the commissioner to the participant districts and open-enrollment charter schools, adds the State Board of Education to the recipients of those reports, requires an additional report due not later than December 1, 2016, and sets out content requirements for the reports due in 2014 and 2016. The bill requires the school board or governing body of each participant district or charter school, at least annually, to hold a public hearing to discuss its goals and work in the consortium and to provide for parental and community input; sets out a schedule, criteria, and conditions for evaluating participant campuses for accountability purposes; and requires the consortium to receive independent evaluation from one or more external evaluation teams.

House Bill 2824 expands a district option regarding the provision of a flexible school day program for certain students to authorize a district to apply for commissioner approval to provide such a program for students attending a campus in the high performance schools consortium. The bill authorizes a school district or charter school participating in the consortium by policy to allow a student at a participant campus who demonstrates satisfactory high school level performance in a required subject to be exempt from having to take or retake an end-of-course test in that subject and specifies the manner in which satisfactory high school level performance may be demonstrated and in which the demonstration may be used.

Reason Given for Veto: "Education is changing, and Texas must remain at the forefront of innovation as the digital age evolves. That is why I signed legislation during the 82nd regular session to create the Texas High Performance Schools Consortium. The 23 participating districts are responsible for informing policymakers about methods to improve student learning through digital learning strategies and improved standards and assessments, while relying more on local control of the educational process.

"House Bill 2824 would exempt consortium districts, which have shown a range of performance levels on the most recent STAAR assessments, from the Texas accountability system and many of the assessments required of other public schools throughout the state. Flexibility and innovation are important, but we will not compromise academic rigor or student outcomes.

"The Texas Commissioner of Education, guided by input from stakeholders and changes in statute by House Bill 5, is developing a new accountability system that will allow districts to innovate without sacrificing important accountability."

House Bill 2836 House Author: Ratliff et al.

Effective: Vetoed Senate Sponsor: Patrick et al.

House Bill 2836 amends the Education Code to require a statewide standardized test adopted or developed by the Texas Education Agency (TEA) to be determined by an independent entity to be valid and reliable on the basis of empirical evidence before being administered. The bill requires TEA to ensure that the test is designed primarily to assess the subject's essential knowledge and skills for the grade level for which the test is administered. The bill authorizes a test, only to the extent necessary or helpful for diagnostic or reporting purposes, to also assess supporting knowledge or skills that are introduced or referenced in the subject at the grade level for which the test is administered but that are essential knowledge or skills primarily of a

different subject or for a different grade level. The bill prohibits the related student achievement indicator adopted by the commissioner of education from including student performance as to such supporting knowledge or skills.

House Bill 2836 requires standardized tests to be designed so that 85 percent of students will be able to complete the test within 120 minutes if administered to students in grades three through five, and within 180 minutes if administered to students in grades six through eight. The bill caps the time allowed for administration of a test at eight hours and limits its administration to one day. The bill requires TEA, in conjunction with appropriate interested persons, to redevelop tests adopted or developed for special education students for administration to significantly cognitively disabled students in a manner consistent with federal law but prohibits such a test from requiring a teacher to prepare tasks or materials for students to be tested.

House Bill 2836 requires TEA to conduct a study regarding the required curriculum's essential knowledge and skills and the statewide standardized tests and to report the study's results to the State Board of Education (SBOE); requires the SBOE to review those results and to submit the TEA report and the SBOE's recommendations to the governor, the legislature, and a temporary advisory committee established specifically to review the study and the SBOE's recommendations; and requires that committee also to report the results of its review or of any independent study the committee undertakes. The bill requires the SBOE, based on TEA's study and the advisory committee's report, to adopt policies and procedures to limit the number and scope of the essential knowledge and skills of each subject and grade level to correspond with the readiness standards capable of being accurately assessed by applicable tests.

House Bill 2836 prohibits a school district from administering to any student more than two benchmark tests to prepare the student for a corresponding state-administered test but authorizes a parent of a special needs student to request administration of additional benchmark tests. The bill requires the commissioner and a school district, in establishing and implementing procedures for the administration of state-administered tests, respectively, to take steps to minimize disruptions to school operations and the classroom environment.

House Bill 2836 requires TEA by rule to develop a comprehensive methodology for auditing and monitoring performance under contracts for services to develop or administer state-administered tests and to ensure that all new and renewed contracts allow TEA to conduct periodic contract compliance reviews, without advance notice, to monitor vendor performance.

House Bill 2836 excludes any student receiving treatment in a residential facility from consideration as a student either of the school district in which the program or facility is physically located or of a charter school, as applicable, in determining district, campus, or charter school performance.

Reason Given for Veto: "The State Board of Education (SBOE) is responsible for developing the curriculum standards required to be taught in Texas schools. House Bill 2836 has the potential to deemphasize the majority of these important curriculum standards in the classroom, and would also circumvent the responsibilities of the elected SBOE. The SBOE has initiated a process to streamline the scope of the curriculum standards required to be taught in classrooms, addressing concerns about the number of curriculum standards taught and assessed.

"Maintaining our rigorous standards is crucial to ensuring Texas students have the fundamental building blocks necessary to succeed in their education and ultimately compete in a global economy."

Senate Bill 172 Senate Author: Carona Effective: 6-14-13 House Sponsor: Ratliff

Senate Bill 172 amends the Education Code to require the commissioner of education to include on the commissioner's list of reading instruments that a school may use to diagnose student reading development and comprehension at least two multidimensional assessment

tools for use in diagnosing the reading development and comprehension of kindergarten students. A multidimensional assessment tool on the commissioner's list must either include a reading instrument and test at least three developmental skills, including literacy, or test at least two developmental skills, other than literacy, and be administered in conjunction with a separate reading instrument on the commissioner's list.

Senate Bill 306 Senate Author: Huffman

Effective: 6-14-13 House Sponsor: Sheffield, Ralph

Current law requires the academic performance of a student ordered by a juvenile court into a residential program or facility to be treated separately from that of students in regular attendance in a district school and establishes that such a student is not considered to be a student of the district in which the program or facility is physically located for purposes of determining district or campus performance. Senate Bill 306 amends the Education Code to exclude such a student also from consideration as a student of an open-enrollment charter school and to further exclude any student who is receiving treatment in a residential facility from consideration as a district or charter school student for purposes of determining district, campus, or charter school performance.

Senate Bill 377 Senate Author: Lucio et al.

Effective: 9-1-13 House Sponsor: Gonzalez, Mary et al.

Senate Bill 377 amends the Education Code to prohibit a student from being considered to be enrolled in a school in the United States for a year for the purpose of determining the number of years after a student's initial enrollment in a school in the United States during which the student may be administered an accommodated or alternative test or granted an exemption from or a postponement of the administration of a test based on the student's status as a student of limited English proficiency, as a recent unschooled immigrant, or as an unschooled asylee or refugee, or on the student's enrollment in a grade for which there is no test in the student's primary language unless the student is enrolled in a school in the United States for a period of at least 60 consecutive days during that year.

Senate Bill 906 Senate Author: Deuell et al. Effective: 6-14-13 House Sponsor: Huberty

Senate Bill 906 amends the Education Code to prohibit the Texas Education Agency from adopting a performance standard that indicates that a student's performance on the alternate statewide standardized test administered to special education program students does not meet standards if the lowest level of the test accurately represents the student's developmental level as determined by the student's admission, review, and dismissal committee.

Senate Bill 1365

Senate Author: Duncan et al.

House Sponsor: Villarreal et al.

Senate Bill 1365 amends the Education Code to transfer from the State Board of Education (SBOE) to each individual school district's board of trustees the responsibility for reviewing and approving examinations developed or selected by the district for accelerated advancement from one primary school grade level to the next or for earning high school subject credit by examination. The bill requires the board of trustees to approve for each subject, if available, at least four examinations that satisfy SBOE guidelines, which must include advanced placement examinations administered by the College Board and examinations administered through the College-Level Examination Program.

Senate Bill 1365 lowers from the 90th percentile to the 80th percentile the minimum percentile ranking for a student's score on an approved acceleration examination or on an approved examination for credit at which a district is required to give the student credit for a grade level and advance the student one grade level or to give the student credit for a subject, as applicable. The bill requires a district to give a student credit for a subject if the student scores a three or higher on an approved advanced placement examination administered by the College Board or a scaled score of 60 or higher on an approved examination administered through the College-Level Examination Program. A student who earns credit by examination in a subject is not required to take an end-of-course test for that subject and is exempt from the minimum attendance requirement for a class in order to receive credit for that class.

Senate Bill 1365 increases the frequency at which each district must administer each approved examination for credit from at least once a year to not fewer than four times each year, at times to be determined by the SBOE, unless the examination is administered on a date established by an entity other than the district. The bill limits a student to two attempts to receive credit by examination for a particular subject and requires a student who fails to achieve the designated score for such credit for a subject before the start of the school year in which the student would ordinarily be enrolled in a course in that subject in accordance with the district's prescribed course sequence to satisfactorily complete the course to receive credit for the course.

#### The summaries for the following bills are in the listed chapters:

House Bill 347 - Transportation

House Bill 697 - Taxes and Tax Administration

House Bill 809 - Labor and Employment

House Bill 1009 - Public Safety

House Bill 1174 - Transportation

House Bill 3028 - Labor and Employment

Senate Bill 17 - Public Safety

Senate Bill 124 - Criminal Justice

Senate Bill 1114 - Juvenile Justice

Senate Bill 1590 - Higher Education

Senate Bill 1857 - Public Safety

# **Public Officials and Employees**

This chapter covers legislation relating to elected and appointed officials, judges, and other public employees, including qualifications, rights, compensation, and personal financial disclosure. Legislation on the qualifications, training, and duties of peace officers is in the **Public Safety** chapter. Legislation on public pension systems is in the **Public Retirement Systems** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 12 Effective: 6-14-13 House Author: Flynn et al. Senate Sponsor: Zaffirini

House Bill 12 amends the Government Code to require a state agency, including an institution of higher education, that accepts consideration from a person that the person designates to be used as a salary supplement for an employee of the agency to post the amount of each such consideration on the agency's Internet website. The bill sets out requirements relating to such compensation. Such an agency is also required to provide on the agency's website specified information relating to executive staff compensation, the compensation of nonexecutive staff, and the amount of legislative appropriations to the agency for a certain period.

House Bill 480

**Effective:** 6-14-13

House Author: Alvarado et al.

Senate Sponsor: Ellis

House Bill 480 amends the Government Code to entitle a state employee who is a parent of a child who is a student attending a grade from prekindergarten through 12th grade to use up to eight hours of sick leave each fiscal year for the purpose of attending school-sponsored activities of the employee's child.

House Bill 2710

**Effective:** 6-14-13

**House Author:** Gonzales

Senate Sponsor: Schwertner

House Bill 2710 repeals a provision in the Occupations Code prohibiting the Texas Funeral Service Commission from employing an attorney.

Senate Bill 122

**Effective:** 6-14-13

Senate Author: Rodriguez House Sponsor: Marquez et al.

Senate Bill 122 amends the Local Government Code to authorize the removal of a member of an independent school district board of trustees from office by a district judge under statutory provisions governing the removal of county officers from office by petition and trial.

Senate Bill 148 Effective: 9-1-13

Senate Author: Williams et al.

House Sponsor: Toth

Current law exempts certain gifts and benefits from the offense of offering a gift to a public servant and the offense of a public servant's soliciting, accepting, or agreeing to accept a gift from a person known to be subject to the public servant's jurisdiction. Senate Bill 148 amends the Penal Code to exempt from these statutory provisions complimentary legal advice or legal services relating to an estate planning document rendered to a first responder through an approved program or clinic that is operated by a local bar association or the State Bar of Texas.

Senate Bill 221 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Cortez

Senate Bill 221 amends the Occupations Code to remove the prohibition against a member of the Texas Funeral Service Commission from being appointed for more than one full term, except under certain circumstances, and to repeal a provision prohibiting the commission from employing legal counsel except as provided by statutory provisions relating to the provision of legal services by counsel other than the attorney general.

Senate Bill 546

Senate Author: Williams et al.

House Sponsor: Hilderbran

Senate Bill 546 amends the Tax Code to require a county tax assessor-collector to successfully complete approved continuing education courses on ethics and on the constitutional and statutory duties of the office not later than the 90th day after the date on which the county assessor-collector first takes office and to successfully complete 20 hours of approved continuing education, including at least 10 hours of instruction on laws relating to property tax assessment and collection, if applicable to the office, before each anniversary of that date. The bill allows a county assessor-collector to carry forward from one 12-month period to the next up to 10 hours completed above the 20-hour minimum to satisfy the annual requirements, requires a county tax assessor-collector to file a certificate of completion with the county commissioners court, and makes failure to complete those continuing education requirements grounds for the removal from office. Senate Bill 546 also amends the Occupations Code to exempt a county assessor-collector or an employee of the county assessor-collector from the requirements of the Property Taxation Professional Certification Act. The bill takes effect June 14, 2013, except for the continuing education requirements, which take effect January 1, 2014.

Senate Bill 560Senate Author: EllisEffective: 9-1-13House Sponsor: Coleman

Senate Bill 560 amends the Government Code and Local Government Code to provide for biweekly installment payments for the compensation of certain justices, judges, and district attorneys.

Senate Bill 1080 Senate Author: Lucio et al.

Effective: 9-1-13 House Sponsor: Thompson, Senfronia

Senate Bill 1080 requires the Office of Court Administration of the Texas Judicial System to conduct a study to determine the adequacy and appropriateness of additional compensation paid to a county judge of a constitutional county court who serves in a county that does not have a county court at law and who has at least jurisdiction of Class A and Class B misdemeanor cases, probate matters, guardianship matters, and matters of mental health under the Texas Mental Health Code. The bill requires the office to prepare a report on the results of the study and recommendations on methods to improve compensation for such judges and to submit a copy of the report to the lieutenant governor, the speaker of the house of representatives, and the chairs of the appropriate committees of the legislature with jurisdiction over the judiciary not later than November 1, 2014. The bill's provisions expire January 1, 2016.

Senate Bill 1814 Senate Author: Estes Effective: 5-18-13 House Sponsor: Fletcher

Senate Bill 1814 amends the Government Code to require members of the Public Safety Commission to have and maintain a secret security clearance granted by the United States government. The bill authorizes a member to serve on the commission upon the granting of

an interim security clearance, but prohibits a member from being given access to classified information, participating in a briefing involving classified information, or voting on an issue involving classified information until a secret security clearance has been finally approved by the U.S. government.

## Ethics, Reporting, and Disclosure

House Bill 343

Effective: 1-1-14

House Author: Marquez et al.
Senate Sponsor: Rodriguez

House Bill 343 amends the Education Code to require each member of the board of trustees of an independent school district located in a county on the international border and in which a municipality with a population of 600,000 or more is located to file a financial statement with both the board and the commissioners court of the county in which the school district's central administrative office is located in the same manner and under the same conditions as if the trustee were a state officer filing with the Texas Ethics Commission. The bill makes it a Class B misdemeanor offense for a trustee to fail to file the required financial statement. The bill also makes the trustee liable for a \$500 civil penalty for a late filing, if the commissioners court determines that the statement is late and notifies the trustee of that determination; requires the commissioners court to issue a warning if the statement is more than 30 days late; and makes the trustee liable for a civil penalty of up to \$10,000, as determined by the commissioners court, if the initial penalty is not paid within 10 days of the warning's receipt.

The bill's provisions expire January 1, 2019, and a trustee is not required to file a statement for financial activity occurring on or after January 1, 2018.

House Bill 1256 House Author: Stephenson et al. Effective: 9-1-13 Senate Sponsor: Hegar

House Bill 1256 amends the Government Code to authorize a member of the legislature or a business entity in which the legislator has a substantial interest to donate the use of office space that the member or entity owns and that is located in the member's district to the house of the legislature in which the member serves to be used for the member's official business. The bill establishes that office space donated in this manner is not considered a political contribution and that the acceptance of such a donation is not subject to statutory provisions relating to gifts or grants accepted by members of the legislature for the purpose of funding legislative activity.

Senate Bill 346

Effective: Vetoed

Senate Author: Seliger et al.
House Sponsor: Geren

Senate Bill 346 amends the Election Code to establish that a person or a group of persons accepts political contributions if its members or donors make a payment, including dues, to the person or group of persons and, at the time of making the payments, the members or donors have reason to know that their payments may be used to make political contributions or political expenditures or may be commingled with other funds used to make political contributions or political expenditures. The bill sets out related reporting requirements for such contributions. The bill applies only to a person or a group of persons that does not meet the definition of a political committee; accepts political contributions as established by the bill; and makes one or more political expenditures, excluding certain authorized expenditures, that in the aggregate exceed \$25,000 during a calendar year. The bill does not apply to a labor organization or any subordinate entity or associated account of a labor organization. The bill specifies that statutory

provisions relating to a direct campaign expenditure exceeding \$100 do not apply to a person to whom the bill's provisions apply.

Reason Given for Veto: "Freedom of association and freedom of speech are two of our most important rights enshrined in the Constitution. My fear is that Senate Bill 346 would have a chilling effect on both of those rights in our democratic political process. While regulation is necessary in the administration of Texas political finance laws, no regulation is tolerable that puts anyone's participation at risk or that can be used by any government, organization or individual to intimidate those who choose to participate in our process through financial means.

"At a time when our federal government is assaulting the rights of Americans by using the tools of government to squelch dissent it is unconscionable to expose more Texans to the risk of such harassment, regardless of political, organizational or party affiliation."

Senate Bill 692 Effective: 9-1-13 Senate Author: Carona House Sponsor: Miller, Doug

Senate Bill 692 amends Local Government Code provisions relating to financial disclosure by county officers and employees to provide for electronic filing of the financial disclosure.

### The summaries for the following bills are in the listed chapters:

House Bill 1632 - Open Government and Privacy

House Bill 2924 - Local Government

House Bill 2929 - Insurance

House Bill 3739 - Local Government

Senate Bill 1102 - State Government

Senate Bill 1914 - Transportation

# **Public Retirement Systems**

This chapter covers legislation on the Employees Retirement System of Texas, the Teacher Retirement System of Texas, and other public retirement systems; certain functions and duties of the State Pension Review Board; and deferred compensation plans offered by political subdivisions.

### General

House Bill 13 House Author: Callegari et al. Effective: 5-24-13 Senate Sponsor: Duncan

House Bill 13 amends the Government Code to require the State Pension Review Board to post on the board's Internet website, or on a publicly available website linked to the board's website, the most recent data from system reports relating to each public retirement system's actuarial valuation, annual finances, membership, registration, and investment returns and assumptions; to post on the board's website a list of systems that have not submitted the required reports or information within 60 days of the report's or information's due date; and to notify the governor, the Legislative Budget Board, and the governing body of the applicable political subdivisions regarding that lack of timely submission.

House Bill 13 requires the pension review board to develop and make reasonably accessible on the board's Internet website model ethical standards and conflict-of-interest policies for voluntary use by a public retirement system; to develop and administer an educational training program for trustees and system administrators that includes in the program's curriculum minimum training requirements for those individuals; to develop a system to track those individuals' compliance with those requirements; and to include compliance levels in the board's biennial report to the legislature and governor. The bill authorizes a public retirement system to provide its own educational training to its trustees and administrators if the board determines that the system's training meets or exceeds the minimum training requirements set by the board and establishes that a participant in that system's training fulfills the board's training requirements.

House Bill 13 requires a public retirement system to post prominently on a publicly available Internet website that is maintained by or for the system, by the political subdivision whose officials or employees are members of the system, or by a state agency contact information for a system administrator, a copy of the most recent edition of each required report, and other written information that the system is required to submit to the pension review board.

House Bill 13 requires a public retirement system to submit to the pension review board an investment returns and actuarial assumptions report that includes the system's gross and net investment returns and rolling gross and net returns for various specified periods and authorizes the calculation of a net investment return as the money-weighted rate of return for that purpose. The bill requires the governing body of a public retirement system, if any information required in the report is unavailable, to certify and explain that fact to the board and to agree to make a timely submission of that information if it becomes available.

House Bill 13 requires the pension review board to conduct a study of the financial health of public retirement systems in Texas, including each system's ability to meet its long-term obligations, and requires each retirement system to cooperate fully and provide timely responses to board requests for information, other than confidential information protected from public disclosure. The bill requires the board to prepare a written report containing the findings of the study, including recommendations for mitigating risks; to provide each applicable public

retirement system an opportunity to review and respond to applicable portions of that report, which the board may revise; and to submit the final written report, including the board's recommendations and any system responses, to the legislature not later than December 1, 2014.

Senate Bill 366 Senate Author: Taylor Effective: 5-18-13 House Sponsor: Callegari

Senate Bill 366 amends the Government Code to authorize a political subdivision to establish a qualified Roth contribution program or, if authorized to do so by federal law, another program offering a deferred compensation plan, under which program an employee may either designate all or part of the employee's contribution under a 401(k) plan or a 457 plan, as applicable, as a Roth contribution at the time the contribution is made or convert all or part of the employee's previous contribution under those plans to a Roth contribution. The bill authorizes a 457 plan administrator to develop and implement procedures to efficiently administer a program under the plan that allows a qualified vendor to lend money to a participating employee.

Senate Bill 1812 Senate Author: Duncan Effective: 6-14-13 House Sponsor: Otto

Senate Bill 1812 amends Government Code and Insurance Code provisions relating to the determination of the state contributions for participation by certain junior college employees in the Teacher Retirement System of Texas (TRS), the TRS optional retirement program, and the state employees group benefits program administered by the Employees Retirement System of Texas (ERS). The bill includes in the aggregate annual contributions on which such state contributions to TRS and to the TRS optional retirement program are based no creditable compensation other than 50 percent of the eligible creditable compensation of public junior college and public junior college district employees who are eligible for TRS membership and are instructional or administrative staff whose salaries are fully payable by the state. The bill requires the ERS board of trustees to include in its certified estimate of the amount required to pay the state contribution for coverages provided to public junior college and college district employees under the group benefits program no costs other than 50 percent of the cost associated with program-eligible employees who are instructional or administrative staff whose salaries are fully payable by the state.

Senate Bill 1812 requires the certification by both the TRS and ERS boards of trustees of their respective estimates of the amounts necessary to pay the state's contributions to TRS and to ERS for coverages provided under the state employees group benefits program for the following biennium, as applicable, to be performed in coordination with the Legislative Budget Board (LBB) and adds a similar certification requirement for TRS with respect to an estimate of the amount necessary to pay the state's contributions to the TRS optional retirement program. The bill prohibits the number of qualifying employees whose compensation may be included in each of the above TRS certified estimates or whose group benefits program costs may be included in the ERS estimate for each public junior college or public junior college district from being adjusted in a proportion greater than the change in student enrollment at each college during the reporting period, except that a college that experiences a decline in enrollment may petition the LBB to maintain the number of eligible employees up to 98 percent of the level of the preceding biennium.

Senate Bill 1812 requires each public junior college or public junior college district to contribute monthly to TRS an amount equal to the state contribution rate multiplied by 50 percent of the aggregate eligible creditable compensation of its qualifying employees reported to TRS plus an amount equal to the state contribution rate multiplied by 100 percent of the aggregate eligible creditable compensation of all other employees reported to TRS. The bill

requires the designated disbursing officer of each such college or district to submit a monthly report to TRS certifying the total amount of compensation paid and of employer contributions to be made to TRS for the payroll period; to maintain and retain the name of each of the college's or district's employees, the employee's salary for the most recent payroll period, and whether the employee is a qualifying employee; and to include payment of the certified amount of employer contributions due along with the submitted monthly report. The bill requires TRS, before the end of each school year, to certify to the comptroller the names of any public junior colleges or junior college districts that have failed to remit all required contributions for the school year and the amounts of the unpaid contributions and requires the comptroller to withhold the certified amount of unpaid contributions, plus interest, from the first state money payable to the college or district and to deposit the withheld funds to the credit of the appropriate TRS accounts. The bill also requires TRS to deposit all money received from the collection of employer contributions from public junior colleges and college districts in the state contribution account.

## **Employees Retirement System**

House Bill 1265 House Author: Guillen Effective: 6-14-13 Senate Sponsor: Zaffirini

House Bill 1265 amends the Insurance Code to require the Employees Retirement System of Texas (ERS) board of trustees by rule to ensure that employees receive specific information as provided by the bill about coverage for life, accidental death and dismemberment, and long-term and short-term loss of salary, if those coverages are included in a group coverage plan under the Texas Employees Group Benefits Act, and to publish the information on the ERS website. The bill authorizes the board to provide the information in printed materials distributed to new employees on the first day of employment and to consider the use of printed materials, online presentations, and other means to ensure the provision of that information. The bill requires the board to review the materials and presentations annually to determine whether content changes are necessary and requires the Texas Department of Insurance, if applicable, to adopt rules necessary for considering and making changes to the materials and presentations.

House Bill 2127 House Author: Howard et al. Effective: 9-1-13 Senate Sponsor: Watson

House Bill 2127 amends the Insurance Code to make an adjunct faculty member at a public institution of higher education eligible to participate in the group benefits program under the Texas Employees Group Benefits Act after just one academic year, rather than three academic years, of teaching at least one course in both the regular fall and spring semesters as a faculty member at the institution. The bill also makes a professional librarian on the faculty of a public institution of higher education eligible to participate in the group benefits program if the person is compensated for services rendered as an adjunct faculty member. The bill requires coverage under the bill's provisions to be included in a policy, contract, or evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2014, and authorizes its inclusion in a policy, contract, or evidence of coverage delivered, issued, or renewed before then if the Employees Retirement System of Texas board of trustees determines that the coverage may reasonably be included.

House Bill 2155 House Author: Callegari Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 2155 amends the Insurance Code to redefine "dependent," with respect to an individual eligible to participate in the state employees group benefits program, by removing conditions of dependent coverage eligibility that, in the case of a mentally or physically incapacitated child who lives with or whose care is provided by the individual on a regular basis and who is 26 years of age or older, required the child to have been previously and continuously enrolled and participating in health benefits coverage either under the program or under another health benefit plan.

Senate Bill 1459
Senate Author: Duncan et al.
House Sponsor: Callegari et al.

Senate Bill 1459 amends the Government Code to entitle the Employees Retirement System of Texas (ERS) to obtain criminal history record information from the FBI Criminal Justice Information Services Division or another law enforcement agency as well as from the Department of Public Safety relating to a current or former ERS employee or job applicant; an ERS consultant, contract employee, independent contractor, intern, or volunteer or an applicant to serve in one of those positions; or a potential member of the ERS board of trustees or an advisory committee to the board.

Senate Bill 1459 allows an ERS member who is entitled to a lump-sum payment for unused vacation time and an ERS member in the employee class of membership who retires on the basis of service or a disability and is entitled to service credit for unused annual leave to choose to receive either a lump-sum payment or service for that unused vacation time or leave.

Senate Bill 1459 grants members of an ERS advisory committee immunity from liability for any action taken or omission made or suffered by them in good faith in the performance of any official duty. The bill provides that an office or employment with a university system or institution of higher education does not qualify an individual to participate in ERS.

Senate Bill 1459 clarifies that the matching state contribution for a member establishing ERS service credit for membership, military, or equivalent membership service not previously established is a matching contribution with respect to the interest on, as well as the base cost of, the credit being established and removes the receipt of federal retirement pay based on 20 years or more of the equivalent of federal military duty as a disqualification from eligibility for establishing military service credit in either ERS or the Judicial Retirement System of Texas Plan Two. The bill makes a provision restricting the use of accumulated and unused sick or annual leave by a member hired on or after September 1, 2009, for a purpose other than calculating the member's or a death benefit beneficiary's annuity applicable to any member regardless of the date hired.

Senate Bill 1459 changes the base period for calculating the standard service retirement annuity for a member in the employee class of membership and for a law enforcement or custodial officer with at least 20 years of service credit from the 36 highest paid months to the 60 highest paid months; increases from age 60 to age 62 the early retirement threshold below which a retiree's standard service retirement annuity for employee class service is subject to a five percent reduction for each year of retirement in advance of that age; and removes the 25 percent cap on such early retirement reductions. The bill also increases the normal retirement age for a law enforcement or custodial officer with at least 20 years of service credit from 50 years of age to 57 years of age, unless the officer meets the rule of 80 at an earlier age, and reduces an officer's annuity by five percent for each year of difference between the officer's age at retirement and 57 if the officer takes an early retirement under any eligibility criteria.

Senate Bill 1459 requires ERS, on a finding that the amortization period for ERS's unfunded actuarial liabilities does not and will not exceed 30 years, to grant a one-time cost-of-living adjustment equal to the lesser of three percent or \$100 per month either to the annuity of a retiree who has been retired for 20 years or more on the date the board of trustees makes the finding or to the death benefit of the retiree's beneficiary, as applicable.

Senate Bill 1459, effective January 1, 2014, decreases from five percent to two percent the annual interest rate on the mean balance of the member's individual account in the employees saving account that is used to compute the monthly interest earned on money in the individual account and establishes that member contributions to the law enforcement and custodial officer supplemental retirement fund earn interest at that same rate and are subject to the same treatment as member contributions to an individual account in the employees saving account.

Senate Bill 1459 increases the member contribution rates both for a member who is not a member of the legislature and for a judicial officer who is a member of the Judicial Retirement System of Texas Plan Two in graduated annual increments to a rate of 7.5 percent of member compensation for service rendered after August 31, 2016, and, for service rendered on or after September 1, 2017, to the lesser of 7.5 percent or a percentage equal to 7.5 percent reduced in proportion to any reduction in the state contribution rate established for the 2015 fiscal year.

Senate Bill 1459 requires the ERS board of trustees to assess each employer whose employees are ERS members a state retirement contribution equal to 0.5 percent of the employer's total payroll and to deposit that contribution to the credit of the ERS trust fund to be used for purposes of administering ERS assets.

Senate Bill 1459 amends the Insurance Code to decrease from 40 to 30 the minimum number of work hours per week required of a "full-time employee" for purposes of the Texas Employees Group Benefits Act and redefines "child" for purposes of establishing a person's status as a dependent of an individual eligible for coverage under that act to include a child for whom the participant is the managing conservator under an affidavit of relinquishment.

Senate Bill 1459, effective September 1, 2014, makes a newly hired employee or a newly elected or appointed official eligible to participate in the state employees group benefits program and makes a newly retired individual who does not retire at the end of the last month for which the individual is on a state payroll before retirement eligible to participate in that program as an annuitant not later than 90 days after the date the individual starts work, takes office, or retires, as applicable, rather than the first day of the calendar month following that date.

Senate Bill 1459 raises from 25 to 26 the age at which coverage under the Texas Employees Group Benefits Act for a dependent child who is unmarried ends and at which the individual may reinstate coverage if the child or child's participating parent pays the coverage's full cost.

Senate Bill 1459, effective September 1, 2014, provides an annuitant the benefits of a full state contribution for coverage under the Texas Employees Group Benefits Act if the annuitant has at least 20 years of eligible service credit and reduces those benefits to 75 percent of a full state contribution if the annuitant has at least 15 years but less than 20 years of eligible service credit and 50 percent of a full state contribution if the annuitant has less than 15 years of eligible service credit and, if an annuitant receives a reduced state contribution, provides a proportional reduction in the state contribution for dependent coverage.

Senate Bill 1459 requires ERS to conduct an interim study on the feasibility of adding custodial officers employed by the Texas Juvenile Justice Department to the class of employees eligible to participate in the law enforcement and custodial officer supplemental retirement fund as custodial officers and to report its findings to the governor, the legislature's presiding officers, and the house and senate committees with jurisdiction over ERS.

Senate Bill 1459 repeals various provisions of the Government Code and Insurance Code. Senate Bill 1459 takes effect June 14, 2013, except as otherwise provided.

## **Other Retirement Systems**

Senate Bill 1133 Senate Author: Rodriguez Effective: 5-24-13 House Sponsor: Pickett

Senate Bill 1133 amends the law governing firemen and policemen pension funds in cities or towns within a specified population bracket to authorize the governing board of such a city or town to decrease the rate of the city or town contribution to the local firemen and policemen pension fund if a qualified actuary selected by the pension fund's board determines that the total contribution rate to the fund is sufficient to amortize the unfunded actuarial accrued liability over a 25-year period. The bill requires the member contribution rate to the fund, to the extent that the city or town contribution rate decreases, to decrease proportionally and prohibits the sum of both rates after the decrease from falling below the total contribution rate determined by the qualified actuary to be necessary to amortize the unfunded actuarial accrued liability over a 25-year period.

Senate Bill 1413 Senate Author: Deuell House Sponsor: King, Susan

Senate Bill 1413 amends the Texas Local Fire Fighters Retirement Act to include the president of the board of emergency services commissioners for an emergency services district subject to the act as a member of the board of trustees of the district's firefighters' retirement system. The bill removes the local residency requirement for the two persons elected to the board by the board's membership and authorizes a person to be elected by acclamation of the participating members of the retirement system present at an election meeting without the necessity of a secret ballot if only one person is nominated for a board position to be elected by participating members of the system. The bill repeals a requirement that copies of the minutes of each board meeting be forwarded to each fire station and to each division of the fire department.

Senate Bill 1413 sets the cap on the annual amount of payments for administrative costs to be paid out of a retirement system's trust fund as a percentage of the market value of the fund's assets rather than of their book value. The bill also removes provisions relating to the temporary treatment of an employer pick up of employee contributions to the retirement system as employee wages, rather than as employer contributions, for income tax withholding purposes and to the effective date of a pick up of employee contributions, each of which provisions established a time frame conditioned on the filing of certain notices with the secretary of state by the pension commissioner regarding an applicable Internal Revenue Service determination or federal court ruling.

# **Teacher Retirement System**

House Bill 3357 House Author: Callegari et al. Effective: See below Senate Sponsor: Duncan

House Bill 3357 amends the Government Code to remove a restriction on the conditions under which a non-board member may address the Teacher Retirement System of Texas (TRS) board of trustees at a board meeting from a remote location by telephone conference call.

House Bill 3357 makes provisions relating to a retiree's revocation of a designation of a beneficiary to receive the retiree's selected optional TRS service or disability retirement annuity on the retiree's death applicable instead to a change in the retiree's selection of that annuity reverting back to the standard service or disability retirement annuity, as applicable, rather

than to a revocation of the beneficiary designation, provided the retiree has received at least one payment under the plan previously selected. The bill establishes that the change cancels a beneficiary designation only with respect to the optional annuity benefit but not with respect to any other TRS benefit payable on the retiree's death. The bill also clarifies the circumstances under which a former spouse of a TRS retiree who is the retiree's designated beneficiary under an optional retirement annuity must give written, notarized consent to change the designated beneficiary for the benefits payable after the retiree's death.

House Bill 3357 opens membership on the TRS board of trustees to both currently active and retired charter school and regional service center employees by including such TRS members in the nomination process, both as potential nominees and as voters in the selection of the two slates of nominees from which the governor appoints members to the board to represent the interests of active and retired TRS members, respectively.

House Bill 3357 authorizes the board or its audit committee to conduct a closed meeting with TRS's internal or external auditors to discuss certain specified matters and, under certain conditions, authorizes the board to conduct a closed meeting with TRS staff, consultants, or legal counsel or with a third party regarding procurement matters but requires the board to vote or take final action on the procurement in an open meeting.

House Bill 3357 exempts the medical board appointed by the TRS board of trustees from being subpoenaed regarding findings the medical board makes in assisting the TRS executive director or the TRS board and grants members of the medical board immunity from liability for any opinions, conclusions, or recommendations lawfully made.

House Bill 3357 removes provisions requiring the TRS board to enforce an ethics policy for TRS employees, consultants, and advisors and requiring disclosures on the part of TRS employees with decision-making or fiduciary authority and repeals provisions relating to required disclosures from and restrictions on TRS employees, consultants, and advisors with potential conflicts of interests. The bill instead requires the board to adopt a code or codes of ethics applicable to trustees, employees, and any contractors or any categories of contractors providing advice or opinions that form the basis for decisions or action made by or on behalf of TRS or providing services relating to TRS administration or operations.

House Bill 3357 repeals a provision requiring the legislature to appropriate a specified amount from the general revenue fund to pay TRS operating expenses for each fiscal year and provisions authorizing a contributing member to establish or reestablish service creditable in TRS by making payroll reduction payments in lieu of lump-sum payments otherwise authorized or required and makes conforming changes to reflect those repeals. The bill also repeals provisions relating to the TRS board's authorization regarding increases in the rate of member contributions and to restrictions on the making of supplemental payment based on findings of an adverse effect on the amortization period for the system's unfunded actuarial liabilities.

House Bill 3357 expands the confidentiality provisions that protect the records of a TRS member, retiree, annuitant, beneficiary, or alternate payee that are in the custody either of TRS or of another entity acting for or with TRS from public disclosure to include information about those records as well as the records themselves and to include such records and information in the custody of the comptroller of public accounts within that protection. The bill also includes records and information regarding an employee or contractor of an employer covered by TRS for whom records were received by TRS for certain administrative purposes.

House Bill 3357 amends the Insurance Code to raise from 25 years of age to 26 years of age the age below which a child qualifies as a dependent for purposes of the Texas Public School Retired Employees Group Benefits Act and the Texas School Employees Uniform Group Health Coverage Act and to remove the condition that the child be an unmarried child.

House Bill 3357 conditions the authorization for TRS to spend a part of the money received for the Texas Public School Employees Group Insurance Program to offset a part of the costs for optional coverage paid by the retirees on a projection that the group program will remain financially solvent during the currently funded biennium, rather than on a projection that the expenditure will not reduce the period of solvency by more than one year in the biennium.

House Bill 3357 amends the Education Code to authorize a school district to contract with another district or an open-enrollment charter holder for services at a campus charter and makes a district or charter holder employee providing those services eligible for TRS membership and benefits if the employee would be eligible for membership and benefits by virtue of holding the same position at the employing district or open-enrollment charter school. The bill also requires an employee of a charter holder who is employed on a campus or in a program granted a charter and who qualifies for TRS membership to be covered under TRS in the same manner and to the same extent as a qualified employee of an independent school district who is employed on a regularly operating campus or in a regularly operating program.

House Bill 3357 takes effect June 14, 2013, except for provisions relating to changing a selection from an optional annuity to a standard annuity and to the circumstances under which a former spouse who has been designated as beneficiary must give written notarized consent to a change in that designation, which take effect September 1, 2013.

Senate Bill 1458 Effective: See below Senate Author: Duncan et al. House Sponsor: Callegari et al.

Senate Bill 1458 amends the Government Code to require a minimum of five years of service credit as a member of the Teacher Retirement System of Texas (TRS) for a TRS member to be eligible to retire and receive a standard service retirement annuity under the rule of 80. The bill also makes a member who does not have at least five years of TRS service credit on or before August 31, 2014, or who becomes a TRS member on or after September 1, 2014, subject to the following conditions of eligibility for retirement or for early retirement:

- The member is eligible to retire and receive a standard service retirement annuity at age 65 with at least five years of TRS service credit or at age 62 with at least five years of TRS service credit if the member meets the rule of 80.
- The member is eligible to retire and receive a reduced annuity at age 55 with at least five years of service credit if the member does not meet the rule of 80, with the annuity reduced to specified percentages of the standard service retirement annuity for each year of early retirement before the age of 65.
- The member is eligible to retire, regardless of age, and receive an annuity reduced from the standard service retirement annuity by five percent for each year of early retirement before the age of 62 if the member either meets the rule of 80 or has at least 30 years of service credit.

Senate Bill 1458, effective September 1, 2013, requires TRS to make a one-time cost-of-living adjustment of three percent or \$100 per month, whichever is less, payable to annuitants receiving a monthly death or retirement benefit annuity and sets out related provisions.

Senate Bill 1458 decreases from five percent to two percent the annual, prorated interest rate applicable to the interest on a member's TRS deferred retirement option account and the annual interest rate used to calculate the monthly interest on member contributions to an individual TRS account. The bill, effective September 1, 2013, incrementally increases the rate of member contributions to TRS each year up to 7.7 percent of the member's annual compensation or that 7.7 percent reduced in proportion to any reduction in the state contribution rate for services rendered on or after September 1, 2017. The bill also requires an employer who reports

a member to TRS for whom the employer is not making contributions to the federal Old-Age, Survivors, and Disability Insurance (OASDI) program to make monthly employer contributions to TRS for each such member at the rates specified by the bill.

Senate Bill 1458 amends the Insurance Code to make a service retiree and any dependent of a service retiree ineligible to participate in an optional group health benefit plan under the Texas Public School Retired Employees Group Benefits Act unless the retiree is at least 62 years of age, is ineligible under the Texas Employees Group Benefits Act and the State University Employees Uniform Insurance Benefits Act, and meets other conditions prescribed in statute relating to taking a service retirement under TRS. The bill authorizes such a retiree, on the date the retiree reaches 62 years of age and under rules adopted by TRS, to enroll in any coverage tier under the group program and to enroll in the same coverage tier the retiree's dependents who are enrolled in the group program as of the date the retiree reaches 62 years of age.

Senate Bill 1458, effective September 1, 2013, repeals provisions relating to comparability of primary care coverage plans provided under both the Texas School Employees Uniform Group Health Coverage Act and the Texas Employees Group Benefits Act.

Senate Bill 1458 takes effect September 1, 2014, except as otherwise provided.



# **Public Safety**

This chapter covers legislation relating to the qualifications, training, and duties of peace officers; rights of retired peace officers; law enforcement agencies; concealed handguns and firearms possession; the duties and functions of the Texas Department of Public Safety; and homeland security matters. This chapter also includes legislation relating to peace officer compensation, benefits, employment issues, and retirement. Legislation on crime victims and criminal offenses, penalties, and procedures is in the **Criminal Justice** chapter, and legislation on juvenile offenders and proceedings is in the **Juvenile Justice** chapter. Legislation on emergency response and the Texas Division of Emergency Management is in the **Emergency Response** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 912 Effective: 9-1-13 House Author: Gooden et al. Senate Sponsor: Estes

House Bill 912 enacts the Texas Privacy Act and amends the Government Code to create the Class C misdemeanor offense of illegal use of an unmanned aircraft to capture an image for a person who uses an unmanned aircraft to capture an image of an individual or privately owned real property in Texas with the intent to conduct surveillance on the individual or property captured in the image. The bill establishes a defense to prosecution for the offense if the person destroyed the image in a specified manner. The bill defines "image" as any capturing of sound waves, thermal, infrared, ultraviolet, visible light, or other electromagnetic waves, odor, or other conditions existing on or about real property in Texas or an individual located on that property. The bill makes it a Class C misdemeanor to capture an image in the previously described manner and to possess that image, makes it a Class B misdemeanor to capture an image in that manner and to disclose, display, distribute, or otherwise use that image, and establishes a defense to prosecution for these offenses under certain circumstances. The bill makes each image a person possesses, discloses, displays, distributes, or otherwise uses in committing such an offense a separate offense. The bill prohibits an image captured by the illegal use of an unmanned aircraft or by an unmanned aircraft that was incidental to the lawful capturing of an image from being used as evidence in criminal proceedings, civil actions, and administrative proceedings and exempts such an image from any disclosure or legal compulsion requirements, except to prove a violation under the bill's provisions.

House Bill 912 authorizes an owner or tenant of private property in Texas to bring an action against a person who illegally captured an image of the property or owner or tenant while on the property by using an unmanned aircraft to enjoin a violation under the bill's provisions or to recover a civil penalty or actual damages and establishes venue and a deadline for bringing such action. The bill requires the Department of Public Safety to adopt rules and guidelines for use of an unmanned aircraft by a law enforcement authority in Texas and requires each state law enforcement agency and certain county or municipal law enforcement agencies that used or operated an unmanned aircraft during the preceding 24 months to issue, each odd-numbered year, a written report containing specified statistics regarding the agency's use of such aircraft to the governor, the lieutenant governor, and each member of the legislature. The bill requires an agency to retain the report for public viewing and to post the report on the agency's publicly accessible website, if one exists. The bill sets out the circumstances under which it is lawful to capture an image using an unmanned aircraft in Texas.

House Bill 1272 House Author: Thompson, Senfronia et al. Effective: 6-14-13 Senate Sponsor: Van de Putte et al.

House Bill 1272 amends Government Code provisions relating to the Human Trafficking Prevention Task Force. The bill includes among the duties of the task force working with the Texas Education Agency, the Department of Family and Protective Services, and the Health and Human Services Commission to develop a list of key indicators of human trafficking; to develop a standardized training curriculum; to train certain professionals and personnel in identifying and assisting human trafficking victims and in identifying foster care children who may be at risk of becoming victims; and to develop a process for referring identified victims and at-risk individuals to appropriate entities for services. The bill also requires a state or local law enforcement agency, district attorney, or county attorney that assists in the prevention of human trafficking, on request, to cooperate and assist the task force in collecting statistical data on the nature and extent of human trafficking. The bill extends the expiration date of the task force from September 1, 2013, to September 1, 2015.

Senate Bill 545 Senate Author: Hancock
Effective: 6-14-13 House Sponsor: Harper-Brown

Senate Bill 545 amends the Transportation Code to include airport security personnel commissioned as peace officers by the governing body of certain political subdivisions in Texas that operate an airport that serves commercial air carriers among the peace officers authorized to act as police escorts for purposes of facilitating the movement of a funeral, oversized or hazardous load, or other traffic disruption for public safety purposes.

Senate Bill 686 Senate Author: Huffman et al. Effective: 5-18-13 House Sponsor: Villalba

Senate Bill 686 amends the Occupations Code, Code of Criminal Procedure, Education Code, Election Code, Government Code, Health and Safety Code, Human Resources Code, Labor Code, Local Government Code, Parks and Wildlife Code, Penal Code, and Transportation Code, effective January 1, 2014, to rename the Commission on Law Enforcement Officer Standards and Education (TCLEOSE) as the Texas Commission on Law Enforcement. The bill requires TCLEOSE to adopt a schedule for phasing in the name change so as to minimize the change's fiscal impact.

Senate Bill 742 Senate Author: Carona Effective: 9-1-13 House Sponsor: Frullo

Senate Bill 742 amends the Code of Criminal Procedure to require the missing children and missing persons information clearinghouse established within the Department of Public Safety (DPS) to receive and maintain information on attempted child abductions in Texas, excluding attempted abductions by a relative of the child intended to be abducted. The bill establishes procedures for a law enforcement officer or local law enforcement agency to report an attempted child abduction to the clearinghouse, requires the public safety director of DPS to adopt rules regarding the procedures for a local law enforcement agency on receiving a report of a certain missing child who has been reported missing on several occasions in the 24-month period preceding the date of the current report, and provides for the agency's duty to enter certain information regarding the report into the national crime information center missing person file. The bill requires each law enforcement agency to provide to the clearinghouse any information regarding an attempted child abduction that has been reported to the agency or that the agency has received from any person or another agency.

Senate Bill 742 amends the Government Code to authorize DPS to award a grant to certain nonprofit organizations operating in Texas to provide programs and information on child and

Internet safety and the prevention of child abductions and child sexual exploitation to assist DPS in performing its duties related to missing or exploited children and authorizes DPS to adopt rules to implement this provision. The bill amends the Occupations Code to require a peace officer or reserve law enforcement officer to complete an education and training program on missing and exploited children as a requirement for an intermediate or advanced proficiency certificate issued by the Commission on Law Enforcement Officer Standards and Education (TCLEOSE), to require TCLEOSE by rule to establish the program, and to establish the program's required contents.

Senate Bill 877 Senate Author: Patrick
Effective: 9-1-13 House Sponsor: Guillen et al.

Senate Bill 877 amends the Government Code to require the Citizens' Star of Texas Award to be awarded to a private citizen who is seriously injured while aiding or attempting to aid a peace officer, firefighter, or emergency medical first responder in the performance of duties and the surviving next of kin of a private citizen who is killed or sustains a fatal injury while providing or attempting to provide that aid. The bill requires certain award advisory committees to advise the governor on the issuance, design, and presentation of the Citizens' Star of Texas Award and authorizes the head of an agency that employs a peace officer, firefighter, or emergency medical first responder who has knowledge of a private citizen who qualifies for the award and a state legislator representing the district in which the private citizen resides to submit written information about the private citizen to such a committee.

Senate Bill 1238 Senate Author: Hinojosa et al. Effective: 6-14-13 House Sponsor: Pickett

Senate Bill 1238 amends provisions of the Code of Criminal Procedure regarding the Texas Forensic Science Commission and the accreditation of criminal laboratories by the Department of Public Safety (DPS). The bill revises the manner in which certain commission members are appointed, changes certain member qualifications and terms, and requires the governor to appoint a person to fill the applicable vacancies on or before specified dates. The bill clarifies that the commission's duties apply with respect to a crime laboratory, rather than an accredited laboratory, facility, or entity, authorizes the commission to initiate for educational purposes an investigation of a forensic analysis without receiving a complaint, and establishes requirements for the investigation report. The bill expands the commission's duties with respect to investigating an allegation of professional negligence or professional misconduct that would affect the integrity of the results of a forensic analysis conducted by a DPS-accredited crime laboratory and establishes provisions relating to such a commission investigation with respect to a laboratory that is not accredited by DPS or an investigation that is conducted pursuant to an allegation involving a forensic method or methodology that is not an accredited field of forensic science. The bill prohibits the commission from issuing findings relating to professional negligence or misconduct in certain investigations or relating to the guilt or innocence of a party in an underlying civil or criminal trial involving conduct investigated by the commission. The bill requires the commission to annually prepare and publish a report that includes information on complaints filed with the commission, recommendations regarding forensic methodologies. forensic science developments in other state or federal investigations, and other information relevant to forensic science investigations. The bill provides for the administrative attachment of the commission to Sam Houston State University, exempts certain information relating to an allegation of professional misconduct or professional negligence or an investigation of such an allegation from state public information law until the conclusion of an investigation, and makes a written report prepared by the commission inadmissible in a civil or criminal action.

Senate Bill 1238 amends the Government Code to specify that a criminal justice agency includes a local government corporation created for governmental purposes relating to criminal identification activities, including forensic analysis, that allocates a substantial part of its annual budget to those activities.

Senate Bill 1393 Senate Author: Estes

Effective: 6-14-13 House Sponsor: Pickett et al.

Senate Bill 1393 amends the Government Code to update the objectives of and requirements relating to the governor's statewide homeland security strategy, to expand those objectives, and to update the composition of the Homeland Security Council with respect to the members who are representatives of certain legislative committees.

Senate Bill 1394 Senate Author: Estes

Effective: 6-14-13 House Sponsor: Pickett et al.

Senate Bill 1394 amends the Government Code to remove the development and coordination of a statewide critical infrastructure protection strategy from the matters on which the Homeland Security Council and each permanent special advisory committee involved in activities relevant to homeland security or infrastructure protection must advise the governor.

#### **Concealed Handguns and Firearms Possession**

House Bill 48 House Author: Flynn et al. Effective: 9-1-13 Senate Sponsor: Patrick et al.

House Bill 48 amends the Government Code to remove from the requirements to renew a concealed handgun license the completion of a continuing education course in handgun proficiency and submission of evidence of that proficiency and the renewal applicant's photograph. The bill requires the license holder to submit the required renewal materials on or before the date the license expires, requires the public safety director of the Department of Public Safety (DPS) by rule to adopt a procedure by which a license holder may submit the renewal materials on the Internet, and authorizes a license holder to make the required acknowledgment of the informational form describing certain weapons-related laws electronically on the Internet as an alternative to returning the form by mail. The bill requires the public safety director by rule to set the renewal fee in an amount sufficient to cover certain renewal-related costs to DPS, rather than to cover the actual cost to DPS only to renew a license.

House Bill 333 House Author: Guillen et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 333 amends the Occupations Code to require a hotel that has a policy prohibiting or restricting the possession, storage, or transportation of firearms by hotel guests to include the policy on the hotel's Internet reservation website. The bill requires the hotel, if it provides a written confirmation or statement of terms and conditions to a customer after accepting a telephone reservation, to include information specifying how to review applicable guest policies, which must indicate the hotel's firearms policy. A noncompliant hotel owner or keeper commits a misdemeanor offense punishable by a fine of not more than \$100.

House Bill 485 House Author: Davis, Sarah et al. Effective: 9-1-13 Senate Sponsor: Whitmire

Previous law required the Department of Public Safety to reduce by 50 percent any fee required for the issuance of an original or renewed concealed handgun license to an applicant who is an honorably discharged veteran. House Bill 485 amends the Government Code to remove that requirement and to instead establish a \$25 fixed fee for the issuance of such a license to such a veteran. The bill extends this \$25 fixed fee for an original or renewed concealed handgun license to an applicant who is a correctional officer of the Texas Department of Criminal Justice. The bill makes state law regarding the issuance of a concealed handgun license to peace officers apply regardless of whether the officer is employed full-time by a law enforcement agency and expands the applicability of that law to include a member of the Texas military forces, excluding Texas State Guard members who are serving in the Texas Legislature.

House Bill 698 House Author: Springer et al. Effective: 9-1-13 Senate Sponsor: Estes

House Bill 698 amends the Government Code to require the Department of Public Safety to establish procedures for the submission of legible and classifiable fingerprints by a concealed handgun license applicant who is required to submit those fingerprints, who resides in a county having a population of 46,000 or less, and who does not reside within a 25-mile radius of a facility with the capability to process digital or electronic fingerprints.

House Bill 1349
House Author: Larson et al.
Senate Sponsor: Campbell

House Bill 1349 amends the Family Code and Government Code to prohibit the Department of Public Safety from requesting or requiring a concealed handgun license applicant or holder to provide the applicant's or holder's social security number as part of the licensing process.

House Bill 3142 House Author: Bell

Effective: 6-14-13 Senate Sponsor: Estes et al.

House Bill 3142 repeals Government Code provisions relating to a concealed handgun license holder's authority to modify a license to allow the license holder to carry a handgun of a different category than the license indicates and relating to the two categories of handguns and modification procedures. The bill makes conforming changes in the Alcoholic Beverage Code, Government Code, Parks and Wildlife Code, and Penal Code.

House Bill 3370 House Author: Craddick Effective: 9-1-13 Senate Sponsor: Patrick

House Bill 3370 amends the Government Code to authorize a person who served as a reserve law enforcement officer not less than 15 years with one or more state or local law enforcement agencies to apply for a concealed handgun license at any time by submitting to the Department of Public Safety (DPS) fingerprints and a sworn statement from the head of the agency at which the applicant last served as such an officer. The bill prohibits the agency head from refusing to issue the statement, requires DPS to investigate the validity of a statement the applicant alleges is untrue, and sets out the required contents of the statement. The bill provides for DPS issuance of a concealed handgun license to the applicant on payment of a \$25 fee, provides for license expiration, and requires the license holder to maintain weapons proficiency, which must be reported to DPS on application and renewal.

House Bill 3370 amends the Occupations Code to authorize the head of a state or local law enforcement agency to allow a person who is such a former reserve officer to demonstrate weapons proficiency if the person provides a sworn affidavit stating that the person meets certain eligibility requirements and to require the agency head to issue a proficiency certificate on satisfactory demonstration and issue to the person on request identification that indicates the person's status and includes the person's photograph. The bill authorizes the head of such an agency to allow an honorably retired peace officer to demonstrate weapons proficiency by providing a sworn affidavit stating that the officer separated from employment with a state or local law enforcement agency before completing 15 years of service as a commissioned officer with one or more such agencies and is a qualified retired law enforcement officer as defined by federal law. The bill amends the Penal Code to include a qualified retired law enforcement officer and a former reserve law enforcement officer who has served in that capacity not less than 15 years with one or more state or local law enforcement agencies in the peace officer exemption from the offenses of unlawful carrying of a weapon and possessing or going with a weapon in a place where weapons are prohibited.

Senate Bill 17 Senate Author: Patrick et al. House Sponsor: Fletcher

Senate Bill 17 amends the Education Code to require the Department of Public Safety (DPS), beginning with the 2013-2014 school year, to establish and maintain a school safety training program for eligible employees of a school district or an open-enrollment charter school who hold a DPS-issued concealed handgun license. The bill sets out the powers and duties of DPS in annually providing the training program at certain schools and to certain school employees and establishes prohibitions against requiring an employee to involuntarily participate in the program and imposing a penalty on or taking disciplinary action against an employee for refusing to participate. The bill sets out provisions regarding eligibility for program participation and authorizes an employee who has met the eligibility requirements and successfully completed the program to carry a concealed handgun on certain district or school premises during a high school event or interscholastic event in which district or school students are participating. The bill establishes provisions regarding the limited liability of certain school-related entities, officers, and employees and provides for the confidentiality of all records maintained under the training program, except certain employee identifying information subject to disclosure to a criminal justice agency. The bill establishes the school safety training fund in the state treasury from which funds are to be used to establish and maintain the training program.

Reason Given for Veto: "A safe, secure learning environment is essential to all Texas students. To provide adequate security, we must ensure school safety planning and preparation for all levels of emergencies and threats.

"SB 17 falls short of clearly expressing the role armed school employees would play during times of crisis and emergencies and the qualifications and standards they would have to meet, fails to address secure weapon storage, and carries a \$10 million fiscal note.

"I have signed HB 1009 and SB 1857, which take a far more measured approach to school safety, and do not impose a large fiscal burden on taxpayers."

Senate Bill 164 Senate Author: Van de Putte Effective: 9-1-13 House Sponsor: Isaac et al.

Senate Bill 164 amends the Government Code and Transportation Code to require the Department of Public Safety to include the designation "VETERAN" on any original, duplicate, modified, or renewed concealed handgun license or a personal identification certificate issued

to certain veterans who request the designation and provide sufficient proof of military service and honorable discharge. The application for such a license or certificate must provide space for the applicant to list any military service that may qualify the applicant to receive that designation and include proof of the applicant's eligibility to receive that designation.

Senate Bill 299
Senate Author: Estes et al.
House Sponsor: Sheets et al.

Senate Bill 299 amends the Penal Code to make it an offense for a concealed handgun license holder to carry a handgun and intentionally display the handgun in plain view of another person in a public place, rather than intentionally fail to conceal the handgun. The bill establishes a defense to prosecution for such an offense if the actor displayed the handgun under circumstances in which the actor would have been justified in the use of force or deadly force, rather than only in the use of deadly force.

Senate Bill 864 Senate Author: Campbell House Sponsor: Flynn et al.

Previous law required a concealed handgun license holder to complete a continuing education course in handgun proficiency within a certain time frame in order to renew the license. Senate Bill 864 amends the Government Code to instead require the license holder to complete within that time frame the handgun proficiency course required for obtaining an original license and to decrease the minimum and maximum number of hours of instruction on certain laws and safety and use procedures that are required to be included in the classroom instruction part of the course. The bill clarifies that proficiency is not among the topics required to be included in the classroom instruction part of the course and authorizes the Department of Public Safety to offer online or allow a qualified handgun instructor to offer online the classroom instruction part of the course for concealed handgun license holders seeking renewal.

Senate Bill 987 Senate Author: Hegar et al. Effective: 6-14-13 House Sponsor: Harless

Senate Bill 987 amends the Local Government Code to authorize the attorney general to bring an action in the name of the state to obtain a temporary or permanent injunction against a municipality or a county that adopts a regulation relating to the transfer, private ownership, keeping, transportation, licensing, or registration of firearms, ammunition, or firearm supplies or the discharge of a firearm at a sport shooting range, in violation of statutory prohibitions against adopting such regulations.

Senate Bill 1189

Effective: 9-1-13

Senate Author: Huffman
House Sponsor: Fletcher

Senate Bill 1189 amends the Health and Safety Code and Code of Criminal Procedure to authorize a peace officer who without a warrant takes a person into custody for emergency detention due to mental illness to immediately seize any firearm found in the person's possession and to require the officer, after seizing the firearm, to follow certain procedures in disposing of the weapon. The bill sets out provisions regarding the officer's duty to provide the detained person with a receipt for the firearm and notice of the procedure for the firearm's return and regarding the duty of the law enforcement agency holding the firearm to provide notice of that procedure to the detained person or the person's closest immediate family member. The bill establishes procedures for the applicable law enforcement agency to follow depending on whether the detained person is released or is ordered to receive inpatient mental health services and also establishes procedures, in the case of a person who is ordered to receive those services,

for the release of the firearm to the person's designee or to the agency holding the firearm for its sale by a federally licensed firearms dealer. The bill sets out disposition procedures for a seized firearm that is wholly or partly owned by a person other than the person taken into custody. The bill authorizes a law enforcement agency to have the seized firearm sold by a federally licensed firearms dealer if a person to whom the agency provided notice regarding disposition or another lawful owner of the firearm does not submit a written request to the agency for the firearm's return by a specified date after the notice was provided and requires the proceeds from the sale to be given to the firearm's owner, less the cost of administering the sale. The bill prohibits an unclaimed firearm that was seized from a person taken into custody from being destroyed or forfeited to the state.

Senate Bill 1857 Senate Author: Estes et al. House Sponsor: Geren

Senate Bill 1857 amends the Government Code to require the Department of Public Safety (DPS) to establish a process to enable qualified handgun instructors to obtain an additional DPS certification in school safety. The bill sets out school safety certification course requirements, authorizes an instructor certified in school safety to provide school safety training to employees of a school district or an open-enrollment charter school who hold a concealed handgun license, and authorizes DPS to establish a fee in an amount sufficient to cover the certification.

Senate Bill 1907 Senate Author: Hegar et al.

Effective: 9-1-13 House Sponsor: Kleinschmidt et al.

Senate Bill 1907 amends the Government Code to prohibit a public, private, or independent institution of higher education in Texas from taking any action prohibiting or placing restrictions on the storage or transportation of a firearm or ammunition in a locked motor vehicle that is located on the institution's campus and that is privately owned or leased by a person, including a student enrolled at that institution, who holds a concealed handgun license and lawfully possesses the firearm or ammunition.

## **Employees**

House Bill 1009 House Author: Villalba et al. Effective: 6-14-13 Senate Sponsor: Hancock et al.

House Bill 1009 amends the Education Code, Code of Criminal Procedure, Government Code, and Occupations Code to enact the Protection of Texas Children Act. The bill authorizes the board of trustees of a school district or the governing body of an open-enrollment charter school to appoint a maximum of one school marshal per 400 students in average daily attendance per campus who is an employee of the district or school and certified by the Commission on Law Enforcement Officer Standards and Education (TCLEOSE). The bill authorizes an appointed school marshal to carry or possess a handgun on the physical premises of a school, but only in the manner provided by written regulations adopted by the board or governing body and only at the school specified by the board or governing body, establishes requirements relating to the written regulations, authorizes a school marshal to access a handgun only under circumstances that would justify the use of deadly force under state law, and establishes the circumstances under which a school district or charter school employee's status as a school marshal becomes inactive. The bill specifies that the identity of an appointed school marshal is confidential, except to certain persons and entities, and is not subject to a request under state public information law. The bill establishes the powers of a school marshal, including making arrests, prohibits a school

marshal from issuing certain traffic citations, and provides that a school marshal is not entitled to state benefits normally provided to a peace officer. The bill requires the Department of Public Safety (DPS) to notify TCLEOSE if DPS takes any action against a certified school marshal's concealed handgun license.

House Bill 1009 requires TCLEOSE to establish and maintain a training program open to school district or charter school employees who are concealed handgun license holders and to collect certain identifying information from program participants. The bill sets out the instruction requirements for the 80-hour training program and establishes a program participation fee. The bill requires TCLEOSE to license an eligible person as a school marshal on completion of the training program and on TCLEOSE's determination that the person is psychologically fit to carry out school marshal duties in an emergency shooting or active shooter situation, establishes expiration dates for an original and renewed school marshal license, provides for license renewal and a renewal fee, and prescribes the circumstances under which TCLEOSE must revoke a person's license and under which a person may obtain recertification. The bill requires TCLEOSE to submit a licensed school marshal's identifying information and report the licensee's license expiration or revocation to certain state and local law enforcement entities and the licensee's employing school district or charter school, if applicable, and provides for the confidentiality and exemption from public disclosure of that identifying information.

House Bill 1951 House Author: Thompson, Senfronia

Effective: See below Senate Sponsor: Carona

House Bill 1951 amends the Occupations Code to provide for the licensing and regulation of telecommunicators by the Commission on Law Enforcement Officer Standards and Education (TCLEOSE). The bill requires TCLEOSE to issue a telecommunicator license to a person who submits an application, completes the required training, passes the required examination, and meets statutory and TCLEOSE-prescribed requirements. The bill prohibits a person from appointing or employing an unlicensed telecommunicator, requires a person to notify TCLEOSE of such appointment or employment and to have new criminal history record information and fingerprint cards on file for certain telecommunicators who were previously employed in that capacity, and requires a state agency, county, special district, or municipality that appoints or employs a telecommunicator to provide at least 20 hours of TCLEOSE-approved training to the telecommunicator during each 24-month period of employment. The bill prohibits the state or a political subdivision of the state from employing an unlicensed telecommunicator unless the person agrees to obtain a license by a specified date, specifies that a peace officer or reserve law enforcement officer is not required to obtain a telecommunicator license to act in that capacity, and makes it a misdemeanor punishable by a fine ranging from \$100 to \$1,000 to appoint or retain a person as a telecommunicator in violation of relevant statutory requirements. Effective September 1, 2013, the bill requires TCLEOSE to adopt rules, standards, and procedures necessary to implement the licensing and regulation of telecommunicators, exempts a person employed as a certified telecommunicator on January 1, 2014, from the requirements for an initial license, and requires TCLEOSE to issue a license to the person on receipt of an application showing that the person was employed in that capacity on that date. Except as otherwise noted, the bill takes effect January 1, 2014.

House Bill 2100 House Author: Thompson, Senfronia et al. Senate Sponsor: Williams

House Bill 2100 amends the Government Code to authorize the Department of Public Safety to pay its employees classified as Trooper Trainee, Probationary Trooper, and Trooper I at rates that exceed the maximum rates designated for those positions in the position classification

schedule prescribed by the General Appropriations Act for the 2012-2013 state fiscal biennium by up to five percent until September 1, 2014, and by up to 10 percent after that date.

House Bill 2509 House Author: Anchia et al. Effective: 9-1-13 Senate Sponsor: Carona

House Bill 2509 amends Local Government Code provisions relating to the business leave time account for a police officer employee organization in certain municipalities with a population of one million or more. The bill makes the current procedure for authorizing member donations of accumulated vacation or compensatory time to such an account contingent on the majority of the organization's membership not having affirmatively voted to require member contributions to the account. The bill adds an additional procedure for authorizing member donations to such an account, contingent on the majority of the organization's membership having affirmatively voted to require member contributions to the account, requiring the municipality to transfer donated time to the account from the accumulated vacation or compensatory time of each police officer who is a member of the organization in the amount approved by vote of the organization not to exceed the maximum authorized amount. The bill sets out requirements for the transfer of donated time.

House Bill 2509 repeals a statutory provision prohibiting an employee organization from using for business leave purposes more than 4,000 hours from its business leave time account in a calendar year.

House Bill 3412 House Author: Flynn Effective: 9-1-13 Senate Sponsor: Estes

House Bill 3412 amends the Government Code to make an officer eligible for appointment by the public safety director of the Department of Public Safety to the rank of major of the Texas Rangers only if the officer has at least one year of supervisory experience as a captain of the Texas Rangers. The bill authorizes the public safety director, if there are fewer than two qualified captains for appointment to the rank of major, to appoint a lieutenant to the position of major only if the lieutenant has at least two years of supervisory experience as a commissioned member of the Texas Rangers.

House Bill 3805 House Author: Gonzales Effective: 9-1-13 Senate Sponsor: Schwertner

Previous law authorized a discharged officer or employee of the Department of Public Safety (DPS) to appeal the discharge to DPS and entitled the officer or employee to a public hearing on the discharge before the Public Safety Commission. House Bill 3805 amends the Government Code to remove the authority to appeal the discharge and entitlement to such hearing for an employee who is not a commissioned officer.

Senate Bill 284 Senate Author: West Effective: 6-14-13 House Sponsor: Fletcher

Senate Bill 284 amends the Code of Criminal Procedure to add a police officer with the Office of Security and Law Enforcement of the United States Department of Veterans Affairs to the list of criminal investigators who are not deemed peace officers but who have the powers of arrest, search, and seizure under Texas law as to felony offenses only.

Senate Bill 396 Senate Author: Hegar House Sponsor: Martinez

Senate Bill 396 amends the Government Code to expand the applicability of state law regarding financial assistance to survivors of certain law enforcement officers, firefighters, and others to include eligible survivors of a Department of Public Safety (DPS) employee or Texas Parks and Wildlife Department (TPWD) employee who, as certified by the public safety director of DPS and the executive director of TPWD, respectively, is deployed into the field in direct support of a law enforcement operation and is given a special assignment in direct support of operations relating to organized crime, criminal interdiction, border security, counterterrorism, intelligence, traffic enforcement, emergency management, regulatory services, or special investigations.

Senate Bill 443 Senate Author: Birdwell Effective: 6-14-13 House Sponsor: Orr

Senate Bill 443 amends the Government Code to entitle a state employee who is a reserve law enforcement officer to a leave of absence without a deduction in salary, not to exceed five working days every fiscal biennium, to attend required continuing education training for peace officers.

Senate Bill 965Senate Author: WilliamsEffective: 9-1-13House Sponsor: Bohac

Previous law required an administrative law judge to order a law enforcement officer employment termination report based on alleged misconduct to be changed if the alleged misconduct is not supported by a preponderance of the evidence. Senate Bill 965 amends the Occupations Code to instead require the judge to order the Commission on Law Enforcement Officer Standards and Education (TCLEOSE) to change the report under those circumstances and to require TCLEOSE to send the changed report to the law enforcement agency that prepared the original termination report. The bill requires the agency to replace the original report with the changed report.

### The summaries for the following bills are in the listed chapters:

House Bill 1206 - Family Law

House Bill 1690 - Health and Human Services

House Bill 1738 - Health and Human Services

House Bill 1813 - Local Government

House Bill 1931 - Property Interests and Housing

House Bill 2304 - Transportation

Senate Bill 1010 - Emergency Response

Senate Bill 1814 - Public Officials and Employees

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# **Special Districts**

This chapter covers legislation relating to special districts, including economic development districts, emergency services and hospital districts, and transportation districts. The chapter also covers water districts, including groundwater conservation districts and municipal utility districts. Bills affecting more than one type of district and bills affecting a type of district not covered by a specific subchapter may be found in the "General" subchapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 339 Effective: 9-1-13

House Bill 339 amends the Local Government Code to authorize the governing body of a municipality to propose the creation of a fire control, prevention, and emergency medical services district if the municipality has a population of 5,000 or more and less than 25,000 and is located in a county with a population of 750,000 or more in which all or part of a municipality with a population of one million or more is located and that is adjacent to a county with a population of two million or more.

House Bill 1324 Effective: 9-1-13 House Author: Davis, John Senate Sponsor: Taylor

House Author: Laubenberg

Senate Sponsor: Paxton

Previous law provided for the exclusion of land from certain water districts that fail to provide sufficient utility service to the land if the land to be excluded had been included in and taxable by an applicable district for a certain number of years, if any district bonds payable from district taxes were outstanding, and if the petition for exclusion was filed before August 31, 2007. House Bill 1324 amends the Water Code to revise these provisions to provide only for the exclusion of land from certain districts that fail to provide service and that have a total respective area of more than 10,000 acres on petition by one or more owners of land more than half the acreage of which has been for more than 20 years included in and taxable by the district if any district bonds payable from district taxes are outstanding. The bill revises provisions regarding the tax liability of excluded land and provides for a review of a proposed exclusion by the executive director of the Texas Commission on Environmental Quality.

House Bill 2153 Effective: 6-14-13

House Author: Callegari Senate Sponsor: Garcia

House Bill 2153 amends the Agriculture Code to repeal provisions relating to the creation and governance of wind erosion conservation districts and provides for the dissolution of those districts by the applicable county judge or the judge's designee.

House Bill 2362 Effective: 9-1-13 House Author: Keffer Senate Sponsor: Birdwell

House Bill 2362 amends the Water Code to make river authorities subject to an efficiency review by the Legislative Budget Board (LBB).

House Bill 2362 amends the Government Code to authorize the LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and

#### **Special Districts**

operations of a river authority and to require the LBB to conduct an efficiency review of both the Lower Colorado River Authority and the Brazos River Authority before conducting a review of other river authorities.

House Bill 2704 House Author: Callegari Effective: 6-14-13 Senate Sponsor: Hegar

House Bill 2704 amends the Water Code to authorize certain water districts to receive bids for construction, equipment, materials, and machinery contracts through electronic transmission if the contracting district adopts certain rules relating to procedures for handling such bids. The bill increases from 10 percent to 25 percent the cap on the amount by which the aggregate of change orders may increase the original price of such a contract.

**House Bill 3511 Effective:** 6-14-13 **House Author:** Ritter **Senate Sponsor:** Eltife

House Bill 3511 amends the Civil Practice and Remedies Code to establish that a special-purpose district or authority that enters into a written contract stating the essential terms under which the district or authority is to provide water to a purchaser for use in connection with the generation of electricity waives sovereign immunity to suit for the purpose of adjudicating a claim that the district or authority breached the contract by not providing water, or access to water, according to the contract's terms. The bill sets out related provisions regarding remedies and limitations.

House Bill 3511 amends the Local Government Code to include as a contract subject to provisions governing adjudication of claims arising under written contracts with local governmental entities a written contract, including a right of first refusal, regarding the sale or delivery of not less than 1,000 acre-feet of reclaimed water by a local governmental entity intended for industrial use. The bill authorizes actual damages, specific performance, or injunctive relief to be granted in an adjudication brought against a local governmental entity for breach of such a contract.

**House Bill 3795 House Author:** Coleman et al. **Effective:** 6-14-13 **Senate Sponsor:** Hegar

House Bill 3795 amends the Local Government Code to eliminate the prohibition against creating more than one county assistance district in a commissioners precinct.

House Bill 3914 House Author: Sanford Effective: 9-1-13 Senate Sponsor: Estes

House Bill 3914 amends the Special District Local Laws Code to create the Comanche Municipal Management District No. 1 in Denton County, subject to voter approval at a confirmation election and municipal consent, to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, water district powers, road district powers, public improvement district powers, and the authorization to issue obligations and impose assessments. The bill provides for, among other provisions, emergency services, definable areas, and dissolution of the district by the City of Aubrey. The district is prohibited from constructing, acquiring, maintaining, or operating a toll road; from exercising the power of eminent domain; from imposing an impact fee; and from imposing a property tax.

House Bill 3914 creates the Old Celina Municipal Management District No. 1 in Collin County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, water district powers, road project

powers, public improvement district powers, and the authorization to issue obligations and impose assessments. The bill provides for, among other provisions, the form of approval of the City of Celina for certain district actions, limitations on emergency services powers, addition or removal of territory, additional city powers regarding improvement projects, and dissolution of the district by the city. The district is prohibited from constructing, acquiring, maintaining, or operating a toll road or mass transit system; from exercising the power of eminent domain; from imposing an impact fee; and from imposing a property tax.

House Bill 3914 creates the Venable Ranch Municipal Utility District No. 1 of Denton County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects; to issue obligations; to adopt and enforce charges, fees, or rentals; and to impose property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, firefighting services, annexation by the City of Aubrey, and division of the district into two or more new districts. The bill grants the district the power of eminent domain.

House Bill 3914 dissolves the Parker County Utility District No. 1 and repeals the statutory provisions relating to the district and the district's boundaries.

House Bill 3954 House Author: Stephenson Effective: 6-14-13 Senate Sponsor: Hegar

House Bill 3954 amends the Special District Local Laws Code to create the Kendleton Improvement District in Fort Bend County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, rail facilities, the annexation or exclusion of land by the district, establishment of defined areas, and district dissolution and municipal annexation. The district is prohibited from exercising the power of eminent domain.

House Bill 3954 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 184, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

House Bill 3954 amends the Special District Local Laws Code to authorize the Mustang Special Utility District in Denton County, subject to certain requirements, to issue obligations.

Senate Bill 293 Senate Author: Williams Effective: 5-10-13 House Sponsor: Ritter

Senate Bill 293 amends the Government Code to authorize a meeting of a water district whose territory includes land in three or more counties to be held by telephone conference call or video conference call only if the meeting is a special called meeting and immediate action is required and convening a quorum of the governing body of the applicable water district at one location is difficult or impossible. The bill sets out requirements regarding such a meeting.

Senate Bill 611 Senate Author: Lucio
Effective: 9-1-13 House Sponsor: Lucio III

Senate Bill 611 amends the Water Code to revise and clarify statutory provisions relating to irrigation water charges and assessments of water control and improvement districts, water improvement districts, and irrigation districts. Current law requires a person who desires to receive irrigation water at any time during the year to furnish the secretary of the board of

directors of the applicable district a written statement specifying the person's needs. The bill makes this requirement contingent on the statement being required by the board.

Previous law required a district board to estimate the expenses of maintaining and operating the district's irrigation system for a 12-month period and required not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses to be paid by assessment against all land in the district to which the district can furnish water through its irrigation system. Senate Bill 611 instead requires a board to estimate the expenses of maintaining and operating the district's water delivery system for such a period and requires the board to allocate a portion of the estimated maintenance and operating expenses to be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system. The bill specifies that the board-determined proportionate amount of the expenses borne by water users are to be borne by all water users receiving water delivery from the district. The bill requires the remainder of the estimated expenses to be paid by charges, fees, rentals, or deposits required of persons in the district who use or who make application to use water, in addition to assessments required of such persons, if applicable, and to be paid by other applicable board-approved charges. The bill revises the requirement that a board prorate the remainder among the applicants for water to specify such applicants as applicants for irrigation water, to remove the condition that the proration be as equitable as possible among the applicants, and to add the consideration of factors deemed appropriate by the board with respect to water used for nonirrigation uses. The bill authorizes specified persons to file a petition with the Texas Commission on Environmental Quality to dispute a board order that determines the amount of an assessment, charge, fee, rental, or deposit and establishes that the petition is the sole remedy available to address the dispute.

Senate Bill 611 revises assessment notice and collection requirements. The bill expands the conditions under which a person's water service is discontinued to include failure of a person to pay an applicable charge, fee, rental, or deposit when due and provides for certain appeal of a discontinuance. The bill expands a district's authority to bring suit for delinquent water assessments to include suits for other amounts owed to the district.

Senate Bill 611 sets out temporary provisions, set to expire September 1, 2039, establishing that a water supply project financed with water development bonds that is undertaken by a water control and improvement district having operations or facilities located in not less than four counties, and that is included in a regional water plan, is of fundamental and paramount importance and is to be given priority over the activities, rules, regulations, ordinances, or any requirement for a permit, bond, or fee of a preservation district.

Senate Bill 655

Senate Author: Birdwell

House Sponsor: King, Phil

Senate Bill 655 amends the Special District Local Laws Code to restrict the exercise of the power of eminent domain by an entity governed by statutory provisions relating to water and wastewater only to the exercise of the power for a public use in accordance with certain provisions of the Texas Constitution relating to the taking, damaging, or destroying of property for a public use. The bill amends the Water Code to apply the same restriction to an entity governed by that code.

Senate Bill 902Senate Author: FraserEffective: See belowHouse Sponsor: Callegari

Senate Bill 902 is an omnibus bill that revises statutory provisions relating to the powers and authority of certain water districts generally, as well as to water control and improvement districts and municipal utility districts specifically.

Current law requires institutions of higher education and certain governmental entities to implement certain energy efficiency measures. Senate Bill 902 amends the Health and Safety Code to exempt from those measures the electricity consumed by a groundwater conservation district or other applicable water district for specified purposes but requires those districts to take other energy efficiency measures.

Current law prohibits the board of directors of a municipal management district from imposing a requirement for payment, construction, alteration, or dedication on certain residential property. Senate Bill 902 amends the Local Government Code to exempt from that provision a tax authorized or approved by the voters of the district or a required payment for a service provided by the district. The bill expands the projects for which a municipality is authorized to enter into a contract with a water district or a nonprofit corporation to include recreational facilities, roads and road improvements, and firefighting facilities.

Senate Bill 902 amends the Water Code to authorize certain water districts to employ or contract with certain entities to serve as district tax assessor and collector and revises statutory provisions relating to district meetings, governing board, and elections to select board members and authorize district contracts. Among other things, the bill establishes that a contract between districts to provide facilities or services is not required to specify the maximum amount of bonds or expenditures authorized under the contract under specified conditions.

Senate Bill 902 authorizes the boards of certain water districts to allow disbursements of district money to be transferred by electronic means and revises and clarifies provisions governing the issuance of district bond anticipation notes and tax anticipation notes. The bill applies the prohibition against a district issuing bonds to finance a project unless it is approved by the Texas Commission on Environmental Quality (TCEQ) only to a project for which TCEQ has adopted rules requiring review and approval.

Senate Bill 902 revises and clarifies provisions regarding charges and fees of certain water districts that are not impact fees. The bill removes the cap on the credit card processing fee a district is authorized to collect set at five percent of the amount of the fee or charge being paid. The bill increases from \$50,000 to \$75,000 the threshold amount of a construction, equipment, materials, or machinery contract over which a district board is required to advertise the letting of the contract and changes a notice requirement deadline.

Senate Bill 902 amends provisions relating to the establishment of a fire department by certain water districts to provide for the financing of a department with property taxes and amends related provisions to reflect this authority. The bill revises and clarifies provisions governing district peace officers.

Senate Bill 902 authorizes certain water districts to develop and maintain recreational facilities on a site acquired for the purpose of developing water, sewer, or drainage facilities and revises provisions regarding bonds to finance district recreational facilities supported by property or contract taxes in certain counties.

Senate Bill 902 requires a person, in order to be qualified for election as a director of a water control and improvement district, to be a qualified voter in the district in lieu of owning land subject to taxation in the district, in addition to other qualifications. The bill authorizes a district to finance, develop, and maintain recreational facilities even if similar facilities may be provided by a political subdivision or other governmental entity included wholly or partly in the district. The bill authorizes a district board, after bonds issued for a defined area or designated property are fully paid or defeased, to declare the defined area dissolved or repeal the designation of the designated property, after which the board must cease imposing any authorized special taxes on the property located in the defined area or on the designated property.

Current law authorizes a city to provide in its written consent for the inclusion of land in a municipal utility district that an allocation agreement between the district and the city be

entered into prior to the first issue of district obligations. Senate Bill 902 specifies that the district be initially located wholly or partly outside the corporate limits of the city. The bill revises provisions relating to street and security lighting in a municipal utility district and exempts certain road and recreational facility projects from a prohibition against a district issuing bonds supported by property taxes to pay for the purchase, installation, and maintenance of street or security lighting.

Senate Bill 902 removes acquisition of facilities by a municipal utility district as a prerequisite to authorizing the substituting of land of equal value within the district and clarifies that the bond prerequisite pertains to bonds payable from property taxes. The bill, in regard to the addition and exclusion of district territory and the impairment of the security for payment of district obligations, provides for the meaning of the taxable value of included land. The bill makes these provisions relating to the substituting of land of equal value and the impairment of a security effective May 18, 2013.

Except as otherwise provided, Senate Bill 902 takes effect September 1, 2013.

Senate Bill 1026 Senate Author: Duncan Effective: 4-1-15 House Sponsor: Ritter

Senate Bill 1026, a continuation of the legislature's ongoing statutory revision program, transfers provisions relating to various special districts from the session laws to the Special District Local Laws Code and makes conforming and related repeals. The transfers affect 13 hospital districts, 2 levee improvement districts, 23 municipal utility districts, 2 river authorities, 13 districts governing groundwater, 7 water control and improvement districts, and 1 district with combined powers. The bill establishes that the legislature intends no substantive change and that the repeal of a law by the bill does not affect a validation made under that repealed law.

Senate Bill 1167 Senate Author: Hegar

Effective: 6-14-13 House Sponsor: Coleman et al.

Senate Bill 1167 amends the Local Government Code to eliminate the prohibition against creating more than one county assistance district in a commissioners precinct.

# **Economic Development—Defense Base Development Authorities**

House Bill 1348 House Author: Menendez et al. Effective: 1-1-14 Senate Sponsor: Uresti

House Bill 1348 amends the Local Government Code to exempt from taxation certain commercial aircraft property located in a defense base development authority.

House Bill 2388 House Author: Menendez

Effective: 6-14-13 Senate Sponsor: Van de Putte et al.

House Bill 2388 amends the Local Government Code to define, under provisions relating to defense base development authorities, "qualifying project" as any real estate project involving the construction of the following: tenant finish-out or construction of a build-to-suit facility for a tenant who, through the execution of a lease with such an authority, pays for or reimburses the authority for the cost of the improvements; infrastructure improvements, including roads, driveways, or utility extensions, made in connection with the sale or lease of property owned by the authority and for which the proceeds of the sale or the lease are used to reimburse the

authority for the infrastructure improvements; or an income-producing facility that generates revenue for the authority and that is constructed by a private developer with special expertise in development.

House Bill 3063 House Author: Menendez

Effective: Vetoed Senate Sponsor: Van de Putte et al.

House Bill 3063 amends the Local Government Code to exempt from taxation certain commercial aircraft property located in a defense base development authority. The bill amends the Government Code to make a prescribed area inside the boundaries of an authority automatically qualify for designation as an enterprise zone.

Reason Given for Veto: "The Texas aerospace industry contributes billions of dollars to our economy and generates thousands of jobs. House Bill 3063 would give a state-sponsored competitive advantage to some Texas communities over others.

"I am instead signing House Bill 3121, which provides a reasonable statewide solution for all Texas cities. House Bill 3121 will apply equally to aerospace manufacturers throughout the state, strengthening the commercial aerospace industry to meet the challenges posed by the current economic environment and competition from other states."

House Bill 3066 House Author: Menendez

Effective: 6-14-13 Senate Sponsor: Van de Putte et al.

House Bill 3066 amends Government Code provisions relating to qualification for enterprise zone designation to include an area inside the boundaries of a defense base development authority.

Senate Bill 696 Senate Author: Duncan Effective: 5-24-13 House Sponsor: Frullo

Senate Bill 696 amends the Special District Local Laws Code to specify that one member of the board of directors of the Lubbock Reese Redevelopment Authority is the executive director of the South Plains Association of Governments, rather than a director appointed by that association. The bill authorizes a director appointed to fill a vacancy for an unexpired term to be appointed as the director's own successor for not more than two terms after serving the remainder of the unexpired term.

Senate Bill 1879

Senate Author: Eltife

House Sponsor: Lavender

Senate Bill 1879 amends the Special District Local Laws Code to authorize the TexAmericas Center in Bowie County to fund and carry out projects that will promote or support an active local military base to prevent closure or realignment of the base as well as attract new military missions to the base.

# **Economic Development—Improvement and Management Districts**

House Bill 518 House Author: Pitts
Effective: 9-1-13 Senate Sponsor: Birdwell

House Bill 518 amends the Special District Local Laws Code to create the Windsor Hills Municipal Management District No. 1 in Ellis County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, including compliance with a development agreement and finance plan

between the City of Midlothian, Texas, and One Windsor Hills, L.P., the authorization to issue obligations and impose assessments. The bill provides for, among other provisions, water district powers, road district powers, public improvement district powers, municipal management district powers, and dissolution of the district. The district is prohibited from exercising the power of eminent domain; from constructing, acquiring, maintaining, or operating a toll road; and from imposing a property tax.

House Bill 2138 House Author: Dutton Effective: Vetoed Senate Sponsor: Ellis

House Bill 2138 amends Section 2, Chapter 358, Acts of the 82nd Legislature, Regular Session, 2011, to change the south boundary of the Near Northside Management District from Interstate 10 to Buffalo Bayou. The bill also amends the Special District Local Laws Code to set out provisions regarding territory in the district that overlaps another district's boundaries, to revise the composition of the district's governing body, and to extend the expiration date of provisions regarding the district's initial board of directors from September 1, 2015, to September 1, 2016.

Reason Given for Veto: "House Bill 2138 would expand the Near Northside Management District's territory in a manner that does not allow input from the citizens and property owners of the land to be annexed. I support the current method of a district annexing property subject to the approval of the local governing body and the safeguards that public input provides."

**House Bill 2139 Effective:** 6-14-13 **House Author:** Dutton **Senate Sponsor:** Ellis

House Bill 2139 amends the Special District Local Laws Code to authorize the Near Northside Management District to designate all or any part of the district as a tax increment reinvestment zone and to use tax increment financing under the Tax Increment Financing Act in the manner provided for a municipality by that act, with the exception that the district's board of directors functions also as the reinvestment zone's board of directors. The bill confers on the district all powers provided under the Tax Increment Financing Act and authorizes the district and an overlapping taxing unit to enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

House Bill 3860 House Author: Dutton
Effective: 6-14-13 Senate Sponsor: Whitmire

House Bill 3860 amends the Special District Local Laws Code to create the Generation Park Management District in Harris County, subject to voter approval at a confirmation election and municipal consent, to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments, certain fees, and sales and use, hotel occupancy, property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, rail facilities, public transit, conduits, the annexation or exclusion of district land, defined areas, dissolution of the district, and consolidation with another district. The district is prohibited from imposing an assessment on certain utility property and from exercising the power of eminent domain.

House Bill 3874 House Author: Raney et al. Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 3874 amends the Special District Local Laws Code to create the Rock Prairie Management District No. 2 in Brazos County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain

requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation of land by the district. The district is prohibited from exercising the power of eminent domain.

House Bill 3875 House Author: Raney et al. Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 3875 amends the Special District Local Laws Code to create the Rock Prairie Management District No. 1 in Brazos County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments. The bill provides for, among other provisions, the annexation of land by the district. The district is prohibited from exercising the power of eminent domain and from imposing a property tax.

House Bill 3935 House Author: Thompson, Senfronia

Effective: 6-14-13 Senate Sponsor: Garcia

House Bill 3935 adds certain land in Harris County to the territory of the East Aldine Management District.

Senate Bill 605 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 605 amends the Special District Local Laws Code to create the Fort Bend County Improvement District No. 24 to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations, to establish storm water and nonpotable water user charges, and to impose assessments, property, and sales and use taxes. The bill provides for, among other provisions, the dissolution of the district. The district is prohibited from exercising the power of eminent domain.

Senate Bill 690 Senate Author: Ellis Effective: 6-14-13 House Sponsor: Dutton

Senate Bill 690 amends the Special District Local Laws Code to create the Harris County Improvement District No. 23 to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and to impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, annexation of land by the district and navigation district powers. The district is prohibited from exercising the power of eminent domain.

Senate Bill 863 Senate Author: Taylor et al.

Effective: 6-14-13 House Sponsor: Thompson, Ed et al.

Senate Bill 863 amends the Special District Local Laws Code to create the Pearland Municipal Management District No. 2 in Brazoria County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and to impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation of land by the district. The bill prohibits the district from exercising the power of eminent domain.

Senate Bill 1009 Senate Author: Fraser Effective: 6-14-13 House Sponsor: Farney

Senate Bill 1009 amends the Special District Local Laws Code to create the Burnet County Improvement District No. 1 to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and operation and maintenance, contract, and property taxes. The bill provides for, among other provisions, the annexation of land and establishment of defined areas. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1098 Senate Author: Hinojosa Effective: 6-14-13 House Sponsor: Hunter

Senate Bill 1098 amends the Special District Local Laws Code to create the Padre Isles Management District in the City of Corpus Christi to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations. The bill establishes that an action of the district or the district's board of directors does not create a liability against the City of Corpus Christi or any other political subdivision. The bill provides for, among other provisions, license and certification requirements for certain district contractors and employees and dissolution of the district by the City of Corpus Christi. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1601 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Raymond

Senate Bill 1601 amends the Special District Local Laws Code to create the Central Laredo Municipal Management District in the City of Laredo to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements and limitations, the authorization to issue obligations and impose assessments and property taxes. The bill provides for, among other provisions, dissolution of the district by the City of Laredo. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1820 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Bell

Senate Bill 1820 amends the Special District Local Laws Code to create the Waller County Improvement District No. 1 to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, rail facilities and the annexation of land by the district. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1821 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Bell

Senate Bill 1821 amends the Special District Local Laws Code to create the Waller County Improvement District No. 2 to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments, property taxes, operation

and maintenance taxes, and contract taxes. The bill provides for, among other provisions, rail facilities and the annexation of land by the district. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1828 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Sheets

Senate Bill 1828 amends the Special District Local Laws Code to create the Mesquite Medical Center Management District in the City of Mesquite to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and to impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation of land by the district. The bill prohibits the district from exercising the power of eminent domain.

Senate Bill 1864 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1864 amends the Special District Local Laws Code to create the Fulshear Parkway Improvement District in Fort Bend County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation of land by the district. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1872 Senate Author: Zaffirini et al.

Effective: 6-14-13 House Sponsor: Rodriguez, Eddie

Senate Bill 1872 amends the Special District Local Laws Code to create the Onion Creek Metro Park District in Travis County, subject to voter approval at a confirmation election and municipal consent, to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1878 Senate Author: Estes Effective: 6-14-13 House Sponsor: Fallon

Senate Bill 1878 amends the Special District Local Laws Code to create the Highway 380 Municipal Management District No. 1 in Denton County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements including certain consent of the Town of Little Elm, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation of land by the district. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1884 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Bonnen, Greg

Senate Bill 1884 amends the Special District Local Laws Code to create the Westwood Management District in Galveston County, subject to municipal consent, to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, including a project development agreement with the

#### **Special Districts**

City of League City, the authorization to issue obligations and impose property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation or exclusion of land and dissolution of the district. The district is prohibited from imposing assessments or exercising the power of eminent domain.

Senate Bill 1906 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1906 amends the Special District Local Laws Code to create the Fort Bend County Municipal Management District No. 1 to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, municipal management district powers and duties. The bill grants the district the power of eminent domain.

Senate Bill 1921 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Stephenson

Senate Bill 1921 amends the Special District Local Laws Code to create the Kendleton Improvement District in Fort Bend County to provide certain improvements, projects, and services for public use and benefit. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The bill provides for, among other provisions, the annexation or exclusion of land by the district, rail facilities, establishment of defined areas, and district dissolution and municipal annexation. The district is prohibited from exercising the power of eminent domain.

# Economic Development—Miscellaneous Districts, Authorities, and Corporations

House Bill 1966 House Author: Deshotel Effective: 6-14-13 Senate Sponsor: Williams

House Bill 1966 amends the Local Government Code to add a temporary provision, set to expire September 1, 2017, to include as an authorized project, for certain corporations under the Development Corporation Act, expenditures found by the board of directors to be required or suitable for infrastructure improvements necessary to develop and revitalize areas in the corporation's authorizing municipality. This provision is applicable only to a corporation the creation of which was authorized by a municipality that has a population of 10,000 or more, is located in a county bordering the Gulf of Mexico or the Gulf Intracoastal Waterway, and has, or is included in a metropolitan statistical area of this state that has, an unemployment rate that averaged at least two percent above the state average for the most recent two consecutive years for which statistics are available.

**House Bill 1967 Effective:** 6-14-13 **House Author:** Deshotel **Senate Sponsor:** Williams

House Bill 1967 amends the Local Government Code to authorize a development corporation to spend tax revenue received under the Development Corporation Act for certain job-related skills training and to contract with any person to provide the job training. The bill limits this

authority to a development corporation the creation of which was authorized by a municipality that has a population of 10,000 or more, is located in a county bordering the Gulf of Mexico or the Gulf Intracoastal Waterway, and has, or is included in a metropolitan statistical area of Texas that has, an unemployment rate that averaged at least two percent above the state average for the most recent two consecutive years for which statistics are available.

House Bill 2473 House Author: Deshotel Effective: 6-14-13 Senate Sponsor: Williams

House Bill 2473 amends the Local Government Code to add a temporary provision, set to expire September 1, 2017, to authorize a development corporation to spend tax revenue received under the Development Corporation Act for expenditures that are for the development or construction of housing facilities on or adjacent to the campus of a public state college.

House Bill 3067 House Author: Menendez

Effective: 6-14-13 Senate Sponsor: Van de Putte et al.

House Bill 3067 amends the Government Code to remove a provision requiring an administrative authority for a defense economic readjustment zone, if the readjustment zone includes private residences, to include an elected official representing readjustment zone residents and businesses or to include at least two readjustment zone residents.

Senate Bill 1584 Senate Author: Rodriguez Effective: 6-14-13 House Sponsor: Nevarez

Senate Bill 1584 provides for the validation and confirmation of the dissolution of the Development Corporation of Presidio and the creation of the Presidio Municipal Development District in Presidio County.

## **Emergency Services Districts**

House Bill 3159 House Author: Isaac Effective: 9-1-13 Senate Sponsor: Zaffirini

House Bill 3159 amends the Health and Safety Code to authorize a municipality and an emergency services district, before or after the municipality annexes for full purposes part of a district that imposes a sales and use tax without removing the annexed area from the district, to agree on an allocation between the municipality and the district of revenue from the sales and use tax imposed in the annexed area. The bill requires the comptroller of public accounts, under policies and procedures that the comptroller considers reasonable, to pay the amounts agreed to between those entities.

The bill establishes that a municipality that enters into an allocation agreement is not required to provide emergency services in the annexed territory and clarifies that the bill's provisions regarding provision of those services control in the case of a conflict with Local Government Code provisions relating to the provision of services to an annexed area or with any other law. The bill also establishes that Tax Code provisions requiring the comptroller to withhold from a municipality's monthly sales and use tax allocation the difference between the amount the annexed entity would have collected had the municipality not annexed the entity and the amounts the entity collects as a result of the automatic reduction in the entity's sales and use tax rate following annexation to maintain the two percent cap on the combined local sales and use tax rates do not apply in the case of an agreement made under the bill's provisions.

House Bill 3764 House Author: Coleman Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 3764 amends the Health and Safety Code to establish audit requirements for an emergency services district with certain assets and liabilities. Among other provisions, the bill authorizes such a district to file compiled financial statements with the commissioners court of each county in which the district is located as an alternative to filing an annual audit report.

House Bill 3798 House Author: Coleman Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 3798 amends the Health and Safety Code to revise the procedures for expenditures by the board of an emergency services district. Among other provisions, the bill authorizes district funds to be disbursed by an instrument that is signed by at least a majority of the board's commissioners as an alternative to an instrument signed by the treasurer. The bill also establishes the length of time that property purchased or leased using district funds must remain the property of the district.

**Senate Bill 332 Senate Author:** Rodriguez **Effective:** See below **House Sponsor:** Marquez

Senate Bill 332 amends the Health and Safety Code to provide for commissioners court oversight of emergency services districts in certain counties that border Mexico. The bill grants specified powers relating to district property, facilities, and equipment to a commissioners court in such a county and authorizes the court to waive that authority or delegate it to the board of a district. The bill requires the board of a district to submit an annual budget and recommended tax rate for approval by the commissioners court, and it requires the board to develop a plan to promote business participation in district contracts. Provisions relating to approval of a district budget and tax rate take effect January 1, 2014; all other provisions take effect September 1, 2013.

Senate Bill 1265

Effective: 9-1-13

Senate Author: Nichols
House Sponsor: Ritter

Senate Bill 1265 amends the Health and Safety Code to exempt emergency services districts in certain counties from provisions relating to appointment of the district board and adds those districts to provisions relating to election of the board, disqualification of a district commissioner, and vacancy on the board. The bill provides for election of board members in those districts from single-member districts.

Senate Bill 1425Senate Author: HinojosaEffective: 9-1-13House Sponsor: Longoria

Senate Bill 1425 amends the Health and Safety Code to authorize an emergency services district that was formerly a rural fire prevention district and that is not otherwise prohibited by statute from providing fire prevention or firefighting services to provide those services.

Senate Bill 1596 Senate Author: Zaffirini

Effective: 9-1-13 House Sponsor: Rodriguez, Eddie

Senate Bill 1596 amends Health and Safety Code provisions relating to emergency services districts to specify that provisions governing the removal of territory by a municipality do not require a municipality to remove district territory that the municipality has annexed. The bill sets out laws relating to municipal plumbing ordinances and the application and content of a

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fire code that apply to a district and exempts from the applicability of those laws a district that has conflicting requirements and whose territory is located in a specified area.

Senate Bill 1596 amends Local Government Code provisions relating to municipal annexation to prohibit a service plan for an annexed area from reducing fire, police, and emergency medical services to certain levels. The bill adds provisions relating to the provision of fire and emergency medical services in an annexed area that apply only to certain municipalities that annex an area located in an emergency services district.

## **Hospital and Health Districts**

House Bill 1237 House Author: Keffer Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 1237 amends the Special District Local Laws Code to provide a means by which the Eastland Memorial Hospital District may expand its territory. The bill also revises procedures relating to notice of an election of district directors.

House Bill 1247 House Author: Clardy Effective: 6-14-13 Senate Sponsor: Nichols

House Bill 1247 amends the Special District Local Laws Code to set out the conditions under which the board of directors of the Nacogdoches County Hospital District may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital or other health care facility owned or operated by the district. Among other provisions, the bill requires the board to adopt, maintain, and enforce policies to ensure that a physician exercises the physician's independent medical judgment in providing care.

House Bill 1259 House Author: Keffer Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 1259 amends the law relating to the Cisco Hospital District to establish procedures for the dissolution of the district, including procedures for imposing a tax to pay district debt. Among other provisions, the bill authorizes the district to be dissolved only on approval of a majority of the voters of the district.

House Bill 1920 House Author: Sheffield, J. D. Senate Sponsor: Duncan

House Bill 1920 amends the Special District Local Laws Code to authorize the board of directors of the McCulloch County Hospital District by resolution to order the lease of a hospital or other facility owned by the district to any person and requires the resolution to include a finding that the lease is in the best interest of district residents. The bill also revises the procedures for notice of an election of directors.

House Bill 1969 House Author: Craddick Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 1969 amends Special District Local Laws Code provisions relating to the McCamey County Hospital District. The bill revises provisions relating to the terms, election, qualifications, and authority of the board of directors of the district. The bill authorizes the board of directors to issue revenue bonds and sets out the authorized uses of bond proceeds. The bill also authorizes dissolution of the district by majority vote and establishes other dissolution procedures, including procedures for imposing a tax to pay district debt.

House Bill 2117 Effective: 9-1-13

**House Author:** King, Susan **Senate Sponsor:** Duncan

House Bill 2117 amends the Special District Local Laws Code to require the board of directors of the Hamlin Hospital District to be elected at large using the cumulative voting procedure prescribed by the bill.

House Bill 2118 Effective: 9-1-13

House Author: King, Susan Senate Sponsor: Duncan

House Bill 2118 amends the Special District Local Laws Code to establish dissolution procedures for the Hamlin Hospital District, including procedures for imposing a tax to pay district debt. Among other provisions, the bill authorizes the district to be dissolved only on approval of a majority of the voters of the district.

House Bill 2688 Effective: See below **House Author:** Perry **Senate Sponsor:** Seliger

House Bill 2688 amends the Special District Local Laws Code to revise the procedures for placing a person's name on the ballot as a candidate for a director of the Ector County Hospital District or the Seminole Hospital District of Gaines County, Texas. The bill also revises provisions relating to the fiscal year for the Dallam-Hartley Counties Hospital District and for the Seminole Hospital District of Gaines County, Texas. Among other provisions relating to the Seminole Hospital District of Gaines County, Texas, the bill revises the election and terms of the board of directors, sets out the authorized uses of bond proceeds, and establishes procedures for dissolution of the district, including procedures for imposing a tax to pay district debt. Provisions relating to the election and terms of the board of directors of the Seminole Hospital District of Gaines County, Texas, take effect January 1, 2014; all other provisions of the bill take effect June 14, 2013.

House Bill 2907 Effective: 6-14-13 House Author: Frank
Senate Sponsor: Duncan

House Bill 2907 amends Special District Local Laws Code provisions relating to the Knox County Hospital District. The bill revises provisions relating to the election and qualifications of the board of directors of the district. The bill authorizes the board to issue revenue bonds and sets out the authorized uses of bond proceeds. The bill also authorizes dissolution of the district by majority vote and establishes other dissolution procedures, including procedures for imposing a tax to pay district debt.

House Bill 3097 Effective: 6-14-13 **House Author:** Lewis **Senate Sponsor:** Seliger

House Bill 3097 amends the Special District Local Laws Code to revise the procedures for placing a person's name on the ballot as a candidate for a director of the Ector County Hospital District.

House Bill 3896 Effective: See below House Author: Springer Senate Sponsor: Estes

House Bill 3896 amends Special District Local Laws Code provisions relating to the Jack County Hospital District. The bill revises the terms of the directors of the district, provides for additional means of securing repayment of district bonds, and sets out the authorized uses of bond proceeds. The bill also authorizes dissolution of the district by majority vote and

establishes other dissolution procedures, including procedures for imposing a tax to pay district debt. Provisions relating to the terms of the board of directors take effect September 1, 2014; all other provisions take effect June 14, 2013.

House Bill 3905 House Author: Bonnen, Dennis Effective: See below Senate Sponsor: Taylor

House Bill 3905 amends Special District Local Laws Code provisions relating to the Angleton-Danbury Hospital District of Brazoria County, Texas. The bill revises provisions relating to office facilities, the authority to borrow money, and the terms of directors and the bank depository. The bill authorizes the board to employ physicians and, among other provisions, requires the board to adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care. Provisions relating to the terms of directors take effect January 1, 2014; all other provisions take effect June 14, 2013.

House Joint Resolution 147 House Author: Guerra et al. For Election: 11-5-13 Senate Sponsor: Hinojosa

House Joint Resolution 147 proposes an amendment to the state constitution to repeal the constitutional provision authorizing the creation of a hospital district in Hidalgo County.

Senate Bill 233 Senate Author: Patrick Effective: 9-1-13 House Sponsor: Fletcher

Senate Bill 233 amends the Health and Safety Code to authorize a municipal hospital authority that does not own or operate a hospital after the sale or closing of a hospital to use its available assets to promote public health and general welfare initiatives under certain conditions. The bill also specifies the conditions under which such an authority may invest its funds.

Senate Bill 543 Senate Author: Seliger
Effective: 5-2-13 House Sponsor: Craddick

Senate Bill 543 amends the Special District Local Laws Code to authorize the board of directors of the Midland County Hospital District of Midland County, Texas, to employ and commission peace officers for the district and amends the Code of Criminal Procedure to add those officers to the list of persons who are considered peace officers.

Senate Bill 1473 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Flynn

Senate Bill 1473 amends the Special District Local Laws Code to provide for a chief executive officer of the Hopkins County Hospital District.

Senate Bill 1623 Senate Author: Hinojosa Effective: 6-14-13 House Sponsor: Guerra

Under previous law, health care funding districts were statutorily created in certain counties located on the Texas-Mexico border, governed by a commission appointed by county commissioners and county judges, and had the power to impose an annual tax on all outpatient visits to an institutional care provider, defined as a licensed nonpublic hospital. Senate Bill 1623 amends provisions of the Health and Safety Code relating to the creation and operation of those districts. The bill repeals provisions regarding district administration, the powers and duties of a district, and certain financial and tax provisions, and instead authorizes a district to be created by order of the commissioners court of an eligible county, revises the types of counties in which

a district may be created, provides for the governance of a district by the county's commissioners court, and authorizes the commission of a district to assess an annual mandatory payment on the net revenue of an institutional care provider. The bill revises the method districts are funded by requiring a mandatory payment to be paid by each institutional health care provider located in the district based on the institution's net patient revenue rather than by a tax assessed on all outpatient visits to the institution. The bill provides for the creation of a local provider participation fund by each district, consisting of revenue from those payments, certain money received from the Health and Human Services Commission relating to Medicaid supplemental payment program payments, and the earnings of the fund, and sets out the authorized uses of the money in the fund. The bill makes statutory provisions relating to the districts expire on December 31, 2016, and provides for the dissolution of a district and for the distribution of funds at the time a district is abolished.

Senate Bill 1861 Senate Author: Taylor

Effective: See below House Sponsor: Bonnen, Dennis

Senate Bill 1861 amends Special District Local Laws Code provisions relating to the Angleton-Danbury Hospital District of Brazoria County, Texas. The bill revises provisions relating to office facilities, the authority to borrow money, and the terms of directors and the bank depository. The bill authorizes the board to employ physicians and, among other provisions, requires the board to adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care. Provisions relating to the terms of directors take effect January 1, 2014; all other provisions take effect June 14, 2013.

Senate Bill 1863 Senate Author: Hinojosa Effective: 6-14-13 House Sponsor: Herrero

Senate Bill 1863 amends Health and Safety Code provisions relating to the Nueces County Hospital District to add certain intergovernmental transfers from the district to the state as an authorized use of district funds, subject to the limitation prescribed by the bill.

**Senate Bill 1916 Senate Author:** West **Effective:** 6-14-13 **House Sponsor:** Johnson

Senate Bill 1916 amends the Health and Safety Code to authorize the Dallas County Hospital District or a nonprofit corporation formed by the district to take any 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.

Senate Joint Resolution 54 Senate Author: Hinojosa For Election: 11-5-13 House Sponsor: Guerra

Senate Joint Resolution 54 proposes an amendment to the state constitution to repeal the constitutional provision authorizing the creation of a hospital district in Hidalgo County.

# Transportation—Navigation Districts

**House Bill 3471 Effective:** 9-1-13 **House Author:** Deshotel **Senate Sponsor:** Williams

House Bill 3471 amends the law to require each commissioner of the Board of Port Commissioners of the Port of Port Arthur Navigation District of Jefferson County to receive

compensation set by the board, rather than \$200 per month for a commissioner and \$250 per month for the president.

Senate Bill 454 Senate Author: Hegar

Effective: 6-14-13 House Sponsor: Stephenson

Senate Bill 454 authorizes the Jackson County Navigation District, in a fiscal year in which district net revenues exceed expenditures by \$10,000 or less, to submit to the executive director of the Texas Commission on Environmental Quality a compilation report or a review report instead of an audited financial statement.

Senate Bill 971 Senate Author: Williams et al. Effective: 9-1-13 House Sponsor: Deshotel

Senate Bill 971 amends the Transportation Code to authorize the port commission of a port authority, after determining that action on an unproductive or underdeveloped area in the port authority's jurisdiction would improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, to designate a contiguous geographic area as a transportation reinvestment zone to promote a port project. The bill requires all abatements or other relief granted by the port commission in the zone to be equal in rate and caps the annual tax abatement or relief amount granted to the amount of property taxes levied and collected by the authority or the commissioners court on behalf of the authority for that tax year, less any amounts allocated under previous agreements.

Senate Bill 971 provides that a zone or tax abatement agreement terminates on December 31 of the year in which the port authority completes the contractual requirements in connection with a project. A transportation reinvestment zone created by the port authority terminates on December 31 of the 10th year after the year the zone was designated if before that date it is not used for its designated purpose.

# Transportation—Transportation Authorities and Districts

House Bill 1357 House Author: Hunter Senate Sponsor: Hinojosa

House Bill 1357 amends the Special District Local Laws Code to establish provisions relating to the Nueces County Road District No. 4 and to authorize the district to lease or sell land that is no longer used for district purposes.

House Bill 2536 House Author: Geren et al. Effective: 6-14-13 Senate Sponsor: Nelson

House Bill 2536 amends Transportation Code provisions applicable to a subregional board of a regional transportation authority having no municipality with a population of more than 800,000. The bill requires the commissioners court of the county of the principal municipality with a population of at least 350,000, if the entire county of the principal municipality is not included in the authority, to appoint at least one member to the subregional board to represent the municipalities that have entered into a contract with the authority to receive services. An elected officer of the state or a political subdivision of the state is also eligible under certain circumstances to serve on the subregional board.

House Bill 2536 amends provisions generally applicable to all subregional boards to authorize an individual who does not reside in a regional transportation authority to be appointed to a subregional board in the same manner an individual is appointed to a subregional board in an

authority having no municipality with a population of more than 800,000, if the individual is a qualified voter of and resides in a municipality that has entered into a contract with the authority to receive services and has adopted a sales tax to participate in the funding of a transportation project being planned, developed, or operated by the authority.

House Bill 3031 House Author: Fletcher Effective: 9-1-13 Senate Sponsor: Ellis

Previous law authorized only a metropolitan rapid transit authority confirmed before July 1, 1985, in which the principal municipality has a population of less than 850,000 to employ persons to serve as fare enforcement officers. House Bill 3031 amends the Transportation Code to authorize any rapid metropolitan transit authority to employ persons to serve as fare enforcement officers.

**House Bill 3895 Effective:** 6-14-13 **House Author:** Toth **Senate Sponsor:** Williams

House Bill 3895 amends the law relating to The Woodlands Road Utility District No. 1 of Montgomery County, Texas, which is renamed The Woodlands Road Utility District No. 1 by the bill. Among other provisions, the bill defines a quorum of the board of directors and provides for expansion of the board to include certain appointed directors.

Senate Bill 276 Senate Author: Watson et al. Effective: 5-18-13 House Sponsor: Crownover

Senate Bill 276 amends the Transportation Code to include a rapid transit and a coordinated county transportation authority among the governmental entities authorized to create a local government corporation under the Texas Transportation Corporation Act.

**Senate Bill 948 Senate Author:** Nelson **Effective:** 9-1-13 **House Sponsor:** Parker

Senate Bill 948 amends the Transportation Code to redefine "local government," for purposes of the Texas Transportation Corporation Act, to include a coordinated county transportation authority. The bill expands the membership of the interim executive committee of a coordinated county transportation authority to include 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 meeting certain criteria. The bill limits the liability of certain private operators who contract with an authority and authorizes an authority to contract for fare enforcement officer services.

Senate Bill 948 also expands the eligibility requirements for appointment to the board of directors of a coordinated county transportation authority to require residence either in the territory of the authority or, if outside that territory, in a municipality that is located partly in the authority's territory. The bill revises the circumstances in which such a board of directors may authorize the negotiation of a contract without competitive sealed bids or proposals.

Senate Bill 1225 Senate Author: Taylor Effective: 5-25-13 House Sponsor: Smith

Senate Bill 1225 amends the Water Code to revise the types of facilities classified in one or more categories and codes of the 2007 North American Industry Classification System that are intended to benefit from security projects and security services to be provided by a ship channel security district.

Senate Bill 1461 Senate Author: Carona

Effective: 6-14-13 House Sponsor: Harper-Brown

Previous law authorized a municipality that is not part of a regional transportation authority to be added to the territory of such an authority if certain conditions are fulfilled. Senate Bill 1461 amends the Transportation Code to change those conditions and to instead authorize a municipality that does not have territory that is part of such an authority to be added to the territory of an authority if the amended conditions are fulfilled. The bill also redefines "special sales and use tax," for purposes of provisions relating to adding a municipality to a regional transportation authority, as a sales and use tax levied by a municipality that is in excess of one percent.

Senate Bill 1489 Senate Author: Watson Effective: 5-18-13 House Sponsor: Phillips

Senate Bill 1489 amends the Transportation Code to clarify that a regional mobility authority may enter into an agreement with another governmental entity to acquire, plan, design, construct, maintain, repair, or operate a transportation project on behalf of another governmental entity if the transportation project is located in the authority's area of jurisdiction or in an adjacent county, the project is being acquired, planned, constructed, designed, operated, repaired, or maintained on behalf of the Texas Department of Transportation or another toll project entity, or, for projects other than those described above, the department approves the project for action by the authority. The bill prohibits statutory provisions relating to regional mobility authorities from being construed to restrict the ability of an authority to enter into an agreement under the Interlocal Cooperation Act with another governmental entity located anywhere in Texas.

Senate Bill 1489 expands the definition of "transportation project" to include a bridge and a port security, transportation, or facility project eligible for port development funding and specifies that a border crossing inspection station includes a station located at or near an international border or a station located at or near a border crossing from another state and not more than 50 miles from the international border.

Senate Bill 1489 authorizes a regional mobility authority to construct a border inspection facility to be used solely for conducting commercial motor vehicle inspections by the Department of Public Safety provided the facility is located near the international border. The bill authorizes a border inspection facility to include implementation of Intelligent Transportation Systems for Commercial Vehicle Operations (ITS/CVO) technology, to the extent an authority constructing the facility considers appropriate to expedite commerce.

Senate Bill 1730 Senate Author: Nichols Effective: 9-1-13 House Sponsor: Phillips

Senate Bill 1730 amends the Transportation Code to authorize the Texas Department of Transportation (TxDOT) to enter into a comprehensive development agreement (CDA) with a private entity for a nontolled state highway improvement project authorized by the legislature. The bill also revises provisions authorizing TxDOT to enter into a CDA for all or part of specified projects and authorizing TxDOT or a regional mobility authority to enter into a CDA for improvements to, or construction of, specified projects by changing specifications relating to existing projects and by including additional highway projects subject to such authorizations. The bill extends the expiration date of the authority of TxDOT or a regional mobility authority to enter into a CDA for certain projects, the deadline by which TxDOT must obtain the appropriate

environmental clearance for certain projects, and the deadline by which TxDOT or a regional mobility authority, as applicable, must provide project status reports to the Texas Transportation Commission.

Senate Bill 1730 revises termination for convenience provisions to require a CDA under which a private participant receives the right to operate and collect revenue from a toll project to contain a provision authorizing the toll project entity to terminate the agreement for convenience and to purchase, under terms agreed to by the parties, the interest of the private participant in the agreement and related property. The bill requires such a CDA to include a specified price breakdown and sets out related provisions.

#### Water—Groundwater Conservation Districts

House Bill 839 House Author: Guillen Effective: 5-25-13 Senate Sponsor: Zaffirini

House Bill 839 amends the Special District Local Laws Code to authorize the board of directors of the Duval County Groundwater Conservation District by resolution to change the district's name and to appoint one or more advisory committees to assist the board with any matter affecting the district. The bill repeals provisions relating to the compensation and reimbursement of district directors.

**House Bill 1563 Effective:** 9-1-13 **House Author:** King, Tracy O. **Senate Sponsor:** Hegar

House Bill 1563 amends the Water Code to increase from \$150 to \$250 the cap on the fees of office a director of a groundwater conservation district is entitled to receive for each day the director actually spends performing the duties of a director.

House Bill 3903 House Author: Isaac Effective: 9-1-13 Senate Sponsor: Campbell

House Bill 3903 amends the Special District Local Laws Code to revise and establish provisions applicable to the Hays Trinity Groundwater Conservation District. The bill increases from two years to four years the term of a district director and moves the date of the directors' election. Previous law authorized the district to generally require a permit for the construction of a new well completed after September 1, 2001, and to charge and collect a construction permit fee of up to \$300 for a well for which the district required such a permit. The bill requires a landowner to notify the district before the construction of a new well and authorizes the district to charge and collect a new well construction fee of up to \$1,000 for a new well and to charge and collect a permit renewal application fee of up to \$400. The bill increases from \$300 to \$1,000 the maximum authorized water utility service connection fee.

House Bill 3903 revises provisions relating to wells exempt from district regulation and requires a well owner to obtain a permit and pay any required fees before using groundwater withdrawn from a nonexempt well. The bill repeals certain provisions relating to Hays County Commissioners Court oversight of the district.

Senate Bill 168 Senate Author: Fraser Effective: 9-1-13 House Sponsor: Farney

Previous law provided for the directors' election of the Central Texas Groundwater Conservation District to be held on the uniform election date in May of each even-numbered year and set the directors' terms to expire June 1 in applicable even-numbered years. Senate Bill

168 amends the Special District Local Laws Code to move the directors' election to the uniform election date in November of each even-numbered year and to set the directors' terms to expire, as applicable, at the first meeting of the district board after the board has canvassed the election votes and the newly elected directors have qualified for office and taken the constitutional oath.

Senate Bill 890 Senate Author: Uresti Effective: 6-14-13 House Sponsor: Nevarez

Senate Bill 890 amends the Special District Local Laws Code to create the Reeves County Groundwater Conservation District, subject to voter approval at a confirmation election. The bill establishes the district's powers and duties, and it authorizes the district to issue bonds and notes but caps the total indebtedness created by such issuance at \$250,000 at any time. The bill caps the district property tax rate at three cents on each \$100 valuation of taxable property in the district. The bill specifies that certain statutory tax provisions do not apply to a tax imposed by the district. The district is prohibited from exercising the power of eminent domain.

Senate Bill 1012 Senate Author: Zaffirini Effective: 9-1-13 House Sponsor: Guillen

Senate Bill 1012 amends the Special District Local Laws Code to codify and update provisions relating to the McMullen Groundwater Conservation District, including the establishment of a uniform election date in November of each odd-numbered year for the directors' election.

Senate Bill 1282 Senate Author: Duncan et al. Effective: 9-1-13 House Sponsor: Price

Current law requires groundwater conservation districts to propose for adoption desired future conditions for the relevant aquifers in the districts' groundwater management area every five years. Senate Bill 1282 amends the Water Code to establish that such a proposal is not required before May 1, 2016.

Senate Bill 1835 Senate Author: Hegar House Sponsor: Morrison

Previous law required the temporary directors of the Calhoun County Groundwater Conservation District to meet not later than October 1, 2011, and order a district confirmation election to be held not later than September 1, 2012, and also prohibited the district from imposing a tax. Senate Bill 1835 amends the Special District Local Laws Code to remove the deadline by which such directors are required to meet, to move the election deadline to December 31, 2016, and to authorize a voter-approved district property tax capped at two cents on each \$100 valuation of taxable property in the district.

Senate Bill 1840
Senate Author: Nichols
Effective: 6-14-13
House Sponsor: Paddie et al.

Senate Bill 1840 amends the Special District Local Laws Code to create the Deep East Texas Groundwater Conservation District in Sabine, San Augustine, and Shelby Counties, subject to voter approval at a confirmation election. The bill establishes the district's powers and duties and provides for the addition of an adjacent county to the district, a permit to transfer groundwater, and the refund of certain permit fees. The bill caps the rate of property taxes that the district may impose at five cents on each \$100 valuation of taxable property in the district. The bill prohibits the district from purchasing groundwater rights, from producing groundwater

## **Special Districts**

for the purpose of sale, from requiring that a meter be placed on a well that is incapable of producing more than 25,000 gallons of groundwater per day, and from exercising the power of eminent domain.

Senate Bill 1876 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Morrison

Senate Bill 1876 amends the law to change the date of the directors' election of the Pecan Valley Groundwater Conservation District from the first Saturday in May of each odd-numbered year to the uniform election date in November of each even-numbered year. The bill repeals a statutory provision relating to the requirement that at the first election of the district after the county commissioners precincts are redrawn under certain constitutional provisions four new directors be elected to represent the precincts.

### Water—Miscellaneous Districts and Authorities

**House Bill 64 Effective:** 6-14-13 **House Author:** Craddick **Senate Sponsor:** Seliger

House Bill 64 amends the Special District Local Laws Code to establish that the Midland County Fresh Water Supply District No. 1 is a governmental unit under the Texas Tort Claims Act and that the operations of the district are essential government functions and are not proprietary functions for any purpose and grants the district, a district supervisor, or a district employee immunity from liability for damages arising out of the performance of a governmental function of the district, except as provided by that act. The bill establishes that the common law doctrine of vicarious liability because of participation in a joint enterprise does not impose liability on the district or a municipality that contracts with the district for a claim brought under the act. The bill specifies that venue for an action brought against the district is in Midland County.

House Bill 701 House Author: Farney
Effective: 5-10-13 Senate Sponsor: Schwertner

House Bill 701 amends the Special District Local Laws Code to add as purposes of the Corn Hill Regional Water Authority the reclamation and drainage of the district's overflowed lands and other lands needing drainage; the control, abatement, and change of any shortage or harmful excess of water; and the protection, preservation, and restoration of the purity and sanitary condition of water within Texas. Among other provisions, the bill provides for ex officio directors of the authority, removes language prohibiting the authority from providing wastewater or drainage facilities or services, and provides for authority funding by member entities.

House Bill 1330 House Author: Goldman Effective: 6-14-13 Senate Sponsor: Birdwell

Previous law required a directors' election of the Benbrook Water Authority to be held on a uniform date. House Bill 1330 amends the law to specify such date as the uniform date in November of each odd-numbered year and to provide that such an election may alternatively be held on another date authorized by law.

House Bill 2213 House Author: Guillen Effective: 6-14-13 Senate Sponsor: Lucio

House Bill 2213 amends the Special District Local Laws Code to create the Willacy County Drainage District No. 3, subject to voter approval at a confirmation election. The bill establishes the district's powers and duties and prohibits the district from exercising the power of eminent domain.

House Bill 3137 House Author: Lucio III Effective: 6-14-13 Senate Sponsor: Lucio

House Bill 3137 amends the law to cap the Rio Grande Regional Water Authority's water user fee or assessment at five cents per acre-foot.

House Bill 3871 House Author: Smith Effective: 6-14-13 Senate Sponsor: Ellis

House Bill 3871 amends the law to empower the Gulf Coast Waste Disposal Authority to provide water systems but requires the authority to obtain the consent of the director of public works of the City of Houston for the acquisition, construction, or operation of certain systems.

House Bill 3889 House Author: Darby Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 3889 dissolves the Lipan Creek Flood Control District.

House Bill 3900 House Author: Geren Effective: 6-14-13 Senate Sponsor: Hancock

House Bill 3900 amends the law to require the Tarrant Regional Water District to be governed by a board of five elected directors who serve staggered four-year terms and until their successors have qualified. The bill sets the directors' election on the uniform election date in May of each odd-numbered year.

House Bill 3933 House Author: Gonzalez, Mary Effective: 6-14-13 Senate Sponsor: Rodriguez

House Bill 3933 amends Section 2, Chapter 780, Acts of the 69th Legislature, Regular Session, 1985, to transfer certain territory of the former Cuadrilla Improvement Corporation to the El Paso County Lower Valley Water District. The bill requires the Lower Valley Water District to assume from the El Paso Water Control and Improvement District No. 4 the responsibility of providing water and wastewater services to the customers in the service area of the former corporation and to assume the powers, duties, liabilities, and remaining assets of the former corporation.

House Bill 3934 House Author: Riddle Effective: 6-14-13 Senate Sponsor: Patrick

House Bill 3934 amends the law to authorize the North Harris County Regional Water Authority to impose a water pumpage charge on a well or class of wells located within the authority's boundaries that, on or after June 30, 2013, either ceases to be subject to a groundwater reduction requirement imposed by the Harris-Galveston Coastal Subsidence District or is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the subsidence district.

Senate Bill 281 Senate Author: Estes Effective: 9-1-13 House Sponsor: Frank

Senate Bill 281 amends the law to authorize the Red River Authority of Texas to purchase groundwater rights in a county in the authority's territory under certain conditions. The bill provides for meetings of the authority's board of directors to be held by telephone conference call, by video conference call, or through communications over the Internet.

Senate Bill 595 Senate Author: Hegar Effective: 5-18-13 House Sponsor: Zerwas

Senate Bill 595 amends the Special District Local Laws Code to authorize the North Fort Bend Water Authority to impose a water pumpage charge on a well or class of wells located in Harris or Fort Bend County that, on or after February 1, 2013, either ceases to be subject to a groundwater reduction requirement imposed by the Harris-Galveston Subsidence District or the Fort Bend Subsidence District or is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of such districts.

Senate Bill 856 Senate Author: Rodriguez Effective: 9-1-13 House Sponsor: Marquez

Senate Bill 856 amends the Special District Local Laws Code to require the El Paso County Water Improvement District No. 1 to contract with the El Paso County elections administrator to conduct a district election, the costs of which are to be paid by the district. The bill requires the district to maintain an Internet website and requires the district's board to make specified items available on the website.

Senate Bill 918 Senate Author: Estes Effective: 6-14-13 House Sponsor: Keffer

Previous law authorized the Brazos River Authority to sell certain land in the vicinity of Possum Kingdom Lake and outside the Federal Energy Regulatory Commission (FERC) project area relating to the Morris Sheppard Dam Project. Senate Bill 918 amends the Special District Local Laws Code to authorize the authority to sell certain land within the project area for a period of two years after the surrender of the FERC license for the dam project and makes related changes.

Senate Bill 1031 Senate Author: Taylor Effective: 6-14-13 House Sponsor: Callegari

Senate Bill 1031 amends the Special District Local Laws Code to revise, update, and clarify provisions relating to the Harris-Galveston Subsidence District. Among other provisions, the bill authorizes the district's board to contract for an investment officer, authorizes the board to issue permits to drill new wells, provides for exemptions from the permit requirements, and requires the district to grant a permit to drill and operate certain new wells. Previous law capped the district permit fee at 110 percent of the highest rate that the City of Houston charges for surface water supplied to its customers in the district. The bill removes the specification that the water the City of Houston charges for in regard to such cap be surface water.

Senate Bill 1241

Effective: 9-1-13

Senate Author: Hegar
House Sponsor: Miller, Doug

Senate Bill 1241 amends the law to exempt a well in the jurisdiction of the Edwards Aquifer Authority drilled on or before June 1, 2013, for an authorized purpose from the requirement to

obtain a withdrawal permit provided that the well is not capable of producing more than 1,250 gallons of water a day or the well is metered and does not produce more than 1.4 acre-feet of water in a calendar year. The bill removes language that disqualifies for an exempt use from metering requirements a well within a subdivision requiring platting.

Senate Bill 1299 Senate Author: Patrick Effective: 6-14-13 House Sponsor: Callegari

Senate Bill 1299 amends the law to authorize the West Harris County Regional Water Authority to impose a water pumpage charge on a well or class of wells located in Harris or Fort Bend County that, on or after February 1, 2013, either ceases to be subject to a groundwater reduction requirement imposed by the Harris-Galveston Subsidence District or the Fort Bend Subsidence District or is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of such districts.

Senate Bill 1423 Senate Author: Hinojosa Effective: 6-14-13 House Sponsor: Hunter

Senate Bill 1423 validates and confirms the governmental acts and proceedings of the Lower Nueces River Water Supply District taken to comply with legislation dissolving the district enacted in 1985 relating to the 1986 transfer to the City of Corpus Christi of district rights to real property included in certain 1986 quitclaim deed recordings as of the dates the transfers occurred.

Senate Bill 1771 Senate Author: Campbell House Sponsor: Kuempel

Senate Bill 1771 amends Section 4, Chapter 347, Acts of the 62nd Legislature, Regular Session, 1971, to change the boundaries of the Cibolo Creek Municipal Authority.

Senate Bill 1811 Senate Author: Hegar Effective: 5-25-13 House Sponsor: Zerwas

Senate Bill 1811 amends the Special District Local Laws Code to revise, update, and clarify provisions relating to the Fort Bend Subsidence District. Among other provisions, the bill establishes that the code chapter governing the district prevails over any other law in conflict or inconsistent with the chapter, defines "well owner" for purposes of the chapter, and authorizes the district's board to contract for an investment officer. The bill authorizes the board to issue permits to drill new wells, provides for exemptions from the permit requirements, and requires the district to grant a permit to drill and operate certain new wells.

Senate Bill 1825 Senate Author: Hegar Effective: 5-25-13 House Sponsor: Zerwas

Senate Bill 1825 amends the Special District Local Laws Code to increase from 13 to 15 the number of directors of the Fort Bend Subsidence District and to require the North Fort Bend Water Authority board of directors to appoint the two additional directors. The bill provides for the staggered terms of all 15 district directors.

Senate Bill 1854 Senate Author: Hegar House Sponsor: Miller, Rick

Senate Bill 1854 amends the Special District Local Laws Code to authorize the Fort Bend County Levee Improvement District No. 7 to acquire certain water and wastewater reuse projects and to construct, rehabilitate, repair, improve, enlarge, operate, and maintain such a project.

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Among other provisions, the bill authorizes the district to finance a project with property taxes, mandatory fees, or voluntary contributions and to issue bonds or other obligations for a project.

Senate Bill 1870 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1870 amends the Special District Local Laws Code to create the West Fort Bend Water Authority in Fort Bend County to provide certain water services for public use and benefit. The bill authorizes the authority, subject to certain requirements, to issue obligations and to establish user fees, rates, and charges. The bill provides for, among other provisions, the annexation or exclusion of land, water supply or drought contingency plans, and a groundwater reduction plan. The bill grants the authority the power of eminent domain and prohibits the authority from imposing a property tax.

# Water—Municipal Utility Districts

**House Bill 738 Effective:** 9-1-13 **House Author:** Crownover **Senate Sponsor:** Nelson

Under previous law, a commissioners court in a county in which a municipal utility district is proposed to be located was authorized to review a petition for the creation of such a district to be located wholly or partially outside the extraterritorial jurisdiction of a city. House Bill 738 amends the Water Code to expand that authority to a proposed district to be located outside the corporate limits of a municipality. The bill requires the Texas Commission on Environmental Quality (TCEQ), promptly after a petition to create such a district is filed with TCEQ, to notify the commissioners court of any county in which a proposed district is to be located.

House Bill 964 House Author: Murphy Effective: 6-14-13 Senate Sponsor: Huffman

House Bill 964 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 529, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to issue obligations and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

**House Bill 1260 Effective:** 6-14-13 **House Author:** Creighton **Senate Sponsor:** Williams

House Bill 1260 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 132, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property and operation and maintenance taxes. The bill grants the district the power of eminent domain.

House Bill 1354 House Author: Farney
Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 1354 amends the Special District Local Laws Code to create the Leander Hills Municipal Utility District of Williamson County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

House Bill 1355
House Author: Farney
Senate Sponsor: Schwertner

House Bill 1355 amends the Special District Local Laws Code to create the North San Gabriel Municipal Utility District of Williamson County, subject to voter approval at a confirmation election. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property and operation and maintenance taxes. The district is prohibited from exercising the power of eminent domain.

House Bill 1385 House Author: Bell Senate Sponsor: Williams

House Bill 1385 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 139, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

House Bill 1492 House Author: Bell Effective: 6-14-13 Senate Sponsor: Williams

House Bill 1492 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 140, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

House Bill 1506 House Author: Bell Senate Sponsor: Williams

House Bill 1506 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 106, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

**House Bill 1586 Effective:** 9-1-13 **House Author:** Creighton **Senate Sponsor:** Williams

House Bill 1586 amends the Special District Local Laws Code to exempt the Montgomery County Municipal Utility District No. 126 from statutory provisions authorizing a city to provide, in its written consent for the inclusion of land in a municipal utility district, that an allocation agreement between the district and the city be entered into prior to the first issue of district obligations.

House Bill 1587 House Author: Creighton Effective: 6-14-13 Senate Sponsor: Williams

House Bill 1587 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 134, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

**House Bill 1588 Effective:** 6-14-13 **House Author:** Creighton **Senate Sponsor:** Williams

House Bill 1588 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 133, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

**House Bill 1593 Effective:** 6-14-13 **House Author:** Huberty **Senate Sponsor:** Whitmire

House Bill 1593 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 505. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and impose property taxes.

House Bill 1594 House Author: Huberty Effective: 6-14-13 Senate Sponsor: Whitmire

House Bill 1594 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 504. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and impose property taxes.

House Bill 1800 House Author: Huberty Effective: 6-14-13 Senate Sponsor: Whitmire

House Bill 1800 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 422. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and impose property taxes.

House Bill 1801 House Author: Huberty Effective: 6-14-13 Senate Sponsor: Whitmire

House Bill 1801 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 423. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and impose property taxes.

House Bill 3877 House Author: Pitts
Effective: 6-14-13 Senate Sponsor: Birdwell

House Bill 3877 amends the Special District Local Laws Code to establish provisions relating to the Ellis County Municipal Utility District No. 1. The bill authorizes a municipality to annex the district and provides for the division of the district. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property taxes. The bill grants the district the power of eminent domain.

House Bill 3910 House Author: Creighton Effective: 9-1-13 Senate Sponsor: Williams

House Bill 3910 amends the law to revise the boundaries of the East Montgomery County Municipal Utility Districts Nos. 6 and 7.

House Bill 3925 House Author: Smith Senate Sponsor: Garcia

House Bill 3925 dissolves the Harris County Municipal Utility District No. 213 and amends the Special District Local Laws Code to create the Harris County Municipal Utility Districts Nos. 213-A and 213-B, subject to voter approval at respective confirmation elections and municipal consent. The bill authorizes the districts, subject to certain requirements, to undertake certain road projects, issue obligations, and impose property, operation and maintenance, and contract taxes.

House Bill 3932 House Author: Farney Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 3932 amends the Special District Local Laws Code to extend the deadline by which the creation of the Williamson County Municipal Utility District No. 21 is required to be confirmed at a confirmation election from September 1, 2013, to September 1, 2017. The bill extends the expiration date of temporary provisions relating to the district from September 1, 2016, to September 1, 2020, and makes it an exception to the expiration of those provisions that the creation of the district is confirmed at a confirmation election by the deadline.

House Bill 3941 House Author: Miller, Doug Effective: 6-14-13 Senate Sponsor: Campbell

House Bill 3941 amends the Special District Local Laws Code to create the Comal County Water Improvement District No. 3, subject to voter approval at a confirmation election, municipal consent, and a certain development agreement. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill, among other provisions, sets limitations on district infrastructure, annexation, and services. The bill grants the district the power of eminent domain.

House Bill 3943 House Author: Davis, Sarah Effective: 9-1-13 Senate Sponsor: Whitmire

House Bill 3943 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 537, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

House Bill 3947 House Author: Dutton Effective: 6-14-13 Senate Sponsor: Garcia

House Bill 3947 amends the Special District Local Laws Code to authorize the Harris County Municipal Utility District No. 402 to construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, outside the district.

Senate Bill 273 Senate Author: Hegar House Sponsor: Miller, Rick

Senate Bill 273 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 206, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake

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certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 322 Senate Author: Williams Effective: 6-14-13 House Sponsor: Toth

Previous law provided for the dissolution of the Montgomery County Municipal Utility District No. 102 on September 1, 2015, if the creation of the district was not confirmed at a confirmation election before such date. Senate Bill 322 amends the Special District Local Laws Code to repeal that law and provide for the continual appointment and reappointment of temporary district directors until initial directors have been elected at the district's confirmation and initial directors' election.

Senate Bill 323 Senate Author: Williams Effective: 6-14-13 House Sponsor: Toth

Previous law provided for the dissolution of the Montgomery County Municipal Utility District No. 104 on September 1, 2015, if the creation of the district was not confirmed at a confirmation election before such date. Senate Bill 323 amends the Special District Local Laws Code to repeal that law and provide for the continual appointment and reappointment of temporary district directors until initial directors have been elected at the district's confirmation and initial directors' election.

Senate Bill 324 Senate Author: Williams Effective: 6-14-13 House Sponsor: Toth

Previous law provided for the dissolution of the Montgomery County Municipal Utility District No. 117 on September 1, 2015, if the creation of the district was not confirmed at a confirmation election before such date. Senate Bill 324 amends the Special District Local Laws Code to repeal that law and provide for the continual appointment and reappointment of temporary district directors until initial directors have been elected at the district's confirmation and initial directors' election.

Senate Bill 351 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 351 amends the Special District Local Laws Code to establish provisions relating to the Willow Point Municipal Utility District of Fort Bend and Waller Counties. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose a property tax.

Senate Bill 482 Senate Author: Williams Effective: 6-14-13 House Sponsor: Bell

Senate Bill 482 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 136, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 564 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Murphy

Senate Bill 564 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 536, subject to voter approval at a confirmation election and

municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 604 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Fletcher

Senate Bill 604 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 458. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 606 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Fletcher

Senate Bill 606 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 457. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 607 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Bell

Senate Bill 607 amends the Special District Local Laws Code to create the Waller County Municipal Utility District No. 18, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 608 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Bell

Senate Bill 608 amends the Special District Local Laws Code to create the Harris-Waller Counties Municipal Utility District No. 3, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 609 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Bell

Senate Bill 609 amends the Special District Local Laws Code to create the Waller County Municipal Utility District No. 17, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 610 Effective: 5-24-13 Senate Author: Hegar House Sponsor: Fletcher

Senate Bill 610 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 477. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and impose property taxes.

Senate Bill 623 Senate Author: Williams Effective: 6-14-13 House Sponsor: Toth

Senate Bill 623 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 138, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 624 Senate Author: Williams Effective: 6-14-13 House Sponsor: Toth

Senate Bill 624 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 137, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 703 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 703 amends the Special District Local Laws Code to establish provisions relating to the Brazoria County Municipal Utility District No. 39. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 704 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 704 amends the Special District Local Laws Code to establish provisions relating to the Brazoria County Municipal Utility District No. 35. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 705 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 705 amends the Special District Local Laws Code to establish provisions relating to the Brazoria County Municipal Utility District No. 40. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 706 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 706 amends the Special District Local Laws Code to create the Brazoria County Municipal Utility District No. 47, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 724 Senate Author: Williams Effective: 6-14-13 House Sponsor: Creighton

Senate Bill 724 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 133, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 725 Senate Author: Williams Effective: 6-14-13 House Sponsor: Creighton

Senate Bill 725 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 134, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 751 Senate Author: Patrick
Effective: 6-14-13 House Sponsor: Fletcher

Senate Bill 751 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 531, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 752 Senate Author: Patrick Effective: 6-14-13 House Sponsor: Riddle

Senate Bill 752 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 530, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 757 Senate Author: Patrick Effective: 6-14-13 House Sponsor: Elkins

Senate Bill 757 amends the Special District Local Laws Code to grant the Harris County Municipal Utility District No. 257 the power to undertake certain road projects.

Senate Bill 836Senate Author: HegarEffective: 6-14-13House Sponsor: Bohac

Senate Bill 836 amends the Special District Local Laws Code to establish provisions relating to the Harris County Municipal Utility District No. 171. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 1064 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1064 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 208, subject to voter approval at a confirmation election and

municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1065 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1065 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 209, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1066 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1066 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 210, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1067 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1067 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 211, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1068 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1068 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 212, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1069 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Zerwas

Senate Bill 1069 amends the Special District Local Laws Code to create the Fort Bend County Municipal Utility District No. 213, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1071 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Murphy

Senate Bill 1071 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 532, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake

certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1072 Senate Author: Hegar House Sponsor: Murphy

Senate Bill 1072 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 533, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1073 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Murphy

Senate Bill 1073 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 534, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1075 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Isaac

Current law requires the consent of the City of San Marcos for the inclusion in the Ranch at Clear Fork Creek Municipal Utility District No. 1 of certain specified land. Senate Bill 1075 amends the Special District Local Laws Code to provide an exception to this requirement if the district excludes the land from the district's territory before holding its confirmation and initial directors' election.

Senate Bill 1266 Senate Author: Nichols Effective: 6-14-13 House Sponsor: Creighton

Senate Bill 1266 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 135, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1481 Senate Author: Watson et al. Effective: 9-1-13 House Sponsor: Dale

Senate Bill 1481 amends the Special District Local Laws Code to provide for the removal of territory in the Bella Vista Municipal Utility District from an emergency services district.

Senate Bill 1822 Senate Author: Hegar Effective: 6-14-13 House Sponsor: Morrison

Senate Bill 1822 amends the law to rename the Port O'Connor Municipal Utility District as the Port O'Connor Improvement District and to authorize the district to adopt a voter-approved sales and use tax.

Senate Bill 1823 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Zerwas

Senate Bill 1823 amends the law to revise and update provisions relating to the administration, powers, and duties of the Fort Bend County Municipal Utility District No. 134. Among other provisions, the bill removes language limiting authorized district road projects to district territory and specifies that such projects may include entrance and exit ramps to and from State Highway 99. The bill repeals a number of provisions, including provisions relating to the election of permanent directors, the authorization of the district board to adopt bylaws, and district taxation.

Senate Bill 1824 Effective: 9-1-13 Senate Author: Hegar House Sponsor: Zerwas

Senate Bill 1824 amends the Special District Local Laws Code to establish provisions relating to the Fort Bend County Municipal Utility District No. 188. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

Senate Bill 1829 Effective: 6-14-13 Senate Author: Williams
House Sponsor: Toth

Senate Bill 1829 amends the Special District Local Laws Code to establish provisions relating to the Montgomery County Municipal Utility District No. 105. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, issue obligations, and impose a property tax.

Senate Bill 1830 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Zerwas

Senate Bill 1830 amends the Special District Local Laws Code to expand the road projects the Fort Bend County Municipal Utility District No. 194 is authorized to undertake to include the operation and maintenance of certain roads and improvements, sets out provisions relating to road standards and requirements, and makes related changes.

Senate Bill 1831 Effective: 6-14-13 Senate Author: Hegar House Sponsor: Zerwas

Senate Bill 1831 amends the Special District Local Laws Code to remove language restricting the authorized road projects of the Fulshear Municipal Utility District No. 1 of Fort Bend County to those projects inside the district.

Senate Bill 1838 Effective: 6-14-13 Senate Author: Zaffirini

House Sponsor: Bonnen, Dennis

Senate Bill 1838 amends the Special District Local Laws Code to create the Cotton Center Municipal Utility District No. 2 of Caldwell County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill makes the district eligible for inclusion in a tax increment reinvestment zone and provides for the effect of annexation of the district by the City of Martindale and for the division of the district. The bill grants the district the power of eminent domain.

Senate Bill 1843

Effective: 9-1-13

Senate Author: Hegar
House Sponsor: Zerwas

Senate Bill 1843 amends the Special District Local Laws Code to create the Fulshear Municipal Utility District No. 2 in Fort Bend County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1845 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 1845 amends the Special District Local Laws Code to create the Brazoria County Municipal Utility District No. 48, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1846 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 1846 amends the Special District Local Laws Code to create the Brazoria County Municipal Utility District No. 49, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1847 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Thompson, Ed

Senate Bill 1847 amends the Special District Local Laws Code to create the Brazoria County Municipal Utility District No. 50, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1853Senate Author: FraserEffective: 9-1-13House Sponsor: Hilderbran

Previous law required the Llano County Municipal Utility District No. 1 to obtain approval of not less than two-thirds of the qualified voters of the district before issuing bonds in connection with the construction and maintenance of certain roads and turnpikes. Senate Bill 1853 amends the Property Code to lower the vote threshold to a majority of the district's qualified voters. The bill expands the applicability of statutory provisions governing the amendment and enforcement of restrictions in certain subdivisions to include a residential real estate subdivision or any unit or parcel of a subdivision all of which is located within the extraterritorial jurisdiction of a municipality located in a county that borders Lake Buchanan and has a population of at least 18,500 and less than 19,500.

Senate Bill 1862 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 1862 amends the Special District Local Laws Code to create the Crosswinds Municipal Utility District in Hays County, subject to voter approval at a confirmation election

and municipal consent. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1867 Senate Author: Campbell Effective: 6-14-13 House Sponsor: Workman

Senate Bill 1867 amends the Special District Local Laws Code to create the Cascades Municipal Utility District No. 1 in Travis County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill prohibits the district from exercising the power of eminent domain and provides for municipal annexation of the district.

Senate Bill 1868 Senate Author: Campbell Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 1868 amends the Special District Local Laws Code to create the Needmore Ranch Municipal Utility District No. 1 in Hays County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill provides for the development of a wastewater treatment facility by the district for residential use, restricts the district's annexation of land, and grants the district limited eminent domain power.

Senate Bill 1869

Effective: 6-14-13

Senate Author: Campbell
House Sponsor: Miller, Doug

Senate Bill 1869 amends the Special District Local Laws Code to create the Kendall County Municipal Utility District No. 1, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1877 Senate Author: Estes Effective: 9-1-13 House Sponsor: Fallon

Senate Bill 1877 amends the Special District Local Laws Code to create the Venable Ranch Municipal Utility District No. 1 of Denton County, subject to voter approval at a confirmation election and consent of the City of Aubrey. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, to establish fees and charges, and to impose property, operation and maintenance, and contract taxes. The bill provides for division of the district, district firefighting services, and annexation of the district by the city. The bill grants the district the power of eminent domain.

Senate Bill 1893 Senate Author: Birdwell Effective: 6-14-13 House Sponsor: Orr

Senate Bill 1893 amends the Special District Local Laws Code to create the Chisholm Trails Municipal Utility District No. 1 in Johnson County, subject to voter approval at a confirmation election, municipal consent, and a certain development agreement. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1899 Senate Author: Zaffirini et al.

Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 1899 amends the Special District Local Laws Code to create the LaSalle Municipal Utility District No. 1 in Hays County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1900 Senate Author: Zaffirini et al. Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 1900 amends the Special District Local Laws Code to create the LaSalle Municipal Utility District No. 2 in Hays County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1901 Senate Author: Zaffirini et al. Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 1901 amends the Special District Local Laws Code to create the LaSalle Municipal Utility District No. 3 in Hays County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1902 Senate Author: Zaffirini et al. House Sponsor: Isaac

Senate Bill 1902 amends the Special District Local Laws Code to create the LaSalle Municipal Utility District No. 4 in Hays County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1903 Senate Author: Zaffirini et al. Effective: 6-14-13 House Sponsor: Isaac

Senate Bill 1903 amends the Special District Local Laws Code to create the LaSalle Municipal Utility District No. 5 in Hays County, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1910 Senate Author: Hegar Effective: 9-1-13 House Sponsor: Zerwas

Senate Bill 1910 amends the Special District Local Laws Code to create the Fulshear Municipal Utility District No. 3 in Fort Bend and Waller Counties and the Fort Bend County Municipal Utility District No. 184, subject to voter approval at confirmation elections and municipal consent. The bill authorizes the districts, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the districts the power of eminent domain.

Senate Bill 1913 Senate Author: Nichols et al. House Sponsor: Creighton

Senate Bill 1913 amends the Special District Local Laws Code to provide for the continuation of Montgomery County Utility Districts Nos. 3 and 4, respectively, as limited districts after full-purpose annexation by a municipality if the respective district and annexing municipality state the terms of the limited district's existence in a strategic partnership agreement. The bill applies to an agreement entered into before, on, or after the bill's effective date.

# Water—Special Utility Districts

**House Bill 436 Effective:** 9-1-13 **House Author:** Pitts **Senate Sponsor:** Birdwell

House Bill 436 amends the Special District Local Laws Code to establish that the Rockett Special Utility District has the rights, powers, duties, and obligations of an issuer under Government Code provisions relating to obligations for certain public improvements. The bill exempts the district from certain Texas Commission on Environmental Quality oversight regarding the issuance of district bonds.

**House Bill 752 Effective:** 6-14-13 **House Author:** Longoria **Senate Sponsor:** Hinojosa

House Bill 752 amends the Water Code, in provisions relating to the effect of the subdivision of nonagricultural land on water rights applicable to certain water districts in South Texas, to include in the definition of "municipal water supplier" a special utility district converted from a water supply corporation.

**House Bill 2055 Effective:** 9-1-13 **House Author:** Phillips **Senate Sponsor:** Estes

House Bill 2055 amends the Special District Local Laws Code to establish that the Marilee Special Utility District has the rights, powers, duties, and obligations of an issuer under Government Code provisions relating to obligations for certain public improvements. The bill exempts the district from Water Code provisions relating to Texas Commission on Environmental Quality (TCEQ) authority over the issuance of certain water district bonds and TCEQ supervision of certain water district projects and improvements.

Senate Bill 1116 Senate Author: Zaffirini Effective: 6-14-13 House Sponsor: Kuempel

Senate Bill 1116 amends the Special District Local Laws Code to create the Crystal Clear Special Utility District in Comal, Guadalupe, and Hays Counties, subject to voter approval at a confirmation election, to provide certain improvements, projects, and services for public use and benefit. The bill establishes the district's powers and duties and authorizes the district, subject to certain requirements, to issue obligations and to impose a water service impact fee. The bill sets out provisions relating to the dissolution of the Crystal Clear Water Supply Corporation and the transfer of the corporation's assets, debts, and contractual rights and obligations to the district. The bill provides for, among other provisions, services to be provided by the district or the City of New Braunfels. The bill grants the district the power of eminent domain.

Senate Bill 1873 Senate Author: Estes Effective: 9-1-13 House Sponsor: Fallon

Senate Bill 1873 amends the Special District Local Laws Code to grant the Mustang Special Utility District the rights, powers, duties, and obligations of an issuer under Government Code provisions relating to obligations for certain public improvements. The bill exempts the district from Water Code provisions relating to the Texas Commission on Environmental Quality's authority over the issuance of water district bonds and its supervision of district projects and improvements.

# Water—Water Control and Improvement Districts

House Bill 995 House Author: Munoz, Jr. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 995 amends the Special District Local Laws Code to establish provisions relating to the Hidalgo County Water Control and Improvement District No. 19. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and impose property taxes.

House Bill 3913 House Author: Parker Effective: 6-14-13 Senate Sponsor: Nelson

House Bill 3913 amends the Special District Local Laws Code to establish provisions relating to the Canyon Falls Water Control and Improvement District No. 2 of Denton County. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property taxes.

Senate Bill 320 Senate Author: Williams Effective: 6-14-13 House Sponsor: Toth

Senate Bill 320 amends the Special District Local Laws Code to grant the Montgomery County Water Control and Improvement District No. 3 the powers and duties provided by state general law applicable to levee improvement districts. Among other provisions, the bill authorizes the district to reclaim land in the district, to construct related works, facilities, and improvements, and to finance and contract for the construction of a fill project or for the acquisition of land for a fill project in the district.

Senate Bill 321Senate Author: WilliamsEffective: 6-14-13House Sponsor: Toth

Senate Bill 321 amends the Special District Local Laws Code to grant the Montgomery County Water Control and Improvement District No. 2 the powers and duties provided by state general law applicable to levee improvement districts. Among other provisions, the bill authorizes the district to reclaim land in the district, to construct related works, facilities, and improvements, and to finance and contract for the construction of a fill project or for the acquisition of land for a fill project in the district.

## **Special Districts**

Senate Bill 1479

Senate Author: Watson et al.

**Effective: 9-1-13** 

House Sponsor: Dale

Senate Bill 1479 amends the Special District Local Laws Code to provide for the removal of territory in the Williamson-Travis Counties Water Control and Improvement District No. 1F from an emergency services district.

Senate Bill 1480

Senate Author: Watson et al.

Effective: 9-1-13 House Sponsor: Dale

Senate Bill 1480 amends the Special District Local Laws Code to provide for the removal of territory in the Williamson-Travis Counties Water Control and Improvement District No. 1G from an emergency services district.

Senate Bill 1635

Senate Author: Deuell

**Effective:** 10-1-13

House Sponsor: Burkett et al.

Senate Bill 1635 dissolves the Dallas County Water Control and Improvement District No. 6 on the date the city council of the City of Balch Springs passes a resolution accepting the assets, debts, and contractual rights and obligations of the district.

Senate Bill 1841

**Senate Author:** Taylor

**Effective:** 6-14-13

House Sponsor: Davis, John

Senate Bill 1841 amends the Special District Local Laws Code to create the Harris County Water Control and Improvement District No. 161, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue obligations, and to impose property, operation and maintenance, and contract taxes. The bill grants the district the power of eminent domain.

Senate Bill 1852

Senate Author: Paxton

**Effective:** 6-14-13

House Sponsor: Laubenberg

Senate Bill 1852 amends the Special District Local Laws Code to establish provisions relating to the Collin County Water Control and Improvement District No. 3. The bill authorizes the district, subject to certain requirements, to undertake certain road projects, to issue related obligations, and to impose a property tax.

## The summaries for the following bills are in the listed chapters:

House Bill 341 - Property Interests and Housing

House Bill 474 - Transportation

House Bill 3793 - Health and Human Services

Senate Bill 958 - Civil Remedies and Procedures

# State Government

This chapter covers legislation on state agencies, commemorations, and fiscal management, as well as legislation on public lands, and the development, use, and public availability of electronic information in state government. Legislation relating to state purchasing is in the Government Purchasing chapter, and legislation relating to open government is in the Open Government and Privacy chapter, as applicable. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 174 **Effective:** 5-10-13

House Author: Alonzo et al. Senate Sponsor: Zaffirini et al.

House Bill 174 amends the Government Code to designate the last Friday in September as American Indian Heritage Day.

House Bill 419 **Effective:** 5-18-13

House Author: Farias Senate Sponsor: Watson

House Bill 419 amends the Government Code to designate the first Friday in November of each year as Texas Arbor Day.

House Bill 432 **Effective:** 6-14-13 House Author: Riddle et al. Senate Sponsor: Van de Putte

House Bill 432 amends the Government Code to specify that the Health and Human Services Commission (HHSC) is considered an eligible charitable organization entitled to participate in the state employee charitable campaign for the sole purpose of administering the program that awards grants to public and nonprofit organizations that provide assistance to domestic victims of human trafficking. The bill entitles a state employee to authorize a deduction for a charitable contribution to HHSC for this purpose.

House Bill 2252 **Effective:** 9-1-13 House Author: Ashby Senate Sponsor: Nichols

House Bill 2252 amends the Government Code to increase to \$250,000 the annual budget threshold below which a charitable organization, to be eligible to participate in a state employee charitable campaign, must provide a completed IRS Form 990 and an accountant's review that offers full and open disclosure of the organization's internal operation. The bill increases to \$250,000 the annual budget threshold above which a charitable organization must be audited to be eligible to participate in a state employee charitable campaign.

House Bill 3209 Effective: 9-1-13 House Author: Alonzo et al. Senate Sponsor: Uresti

House Bill 3209 amends the Government Code to designate May 9 as Willie Velasquez Day in observance of the birthday of William "Willie" Cardenas Velasquez.

House Bill 3212 **Effective:** 6-14-13 **House Author: Phillips** Senate Sponsor: Estes

House Bill 3212 amends the Natural Resources Code to create the Red River Boundary Commission to confer and act jointly with representatives appointed on behalf of the State of

#### State Government

Oklahoma to redraw the boundary between Texas and the State of Oklahoma in the Texoma area. The bill sets out provisions regarding commission membership, powers and duties, and reporting requirements.

Senate Bill 1093 Senate Author: West

Effective: See below House Sponsor: Harper-Brown

Senate Bill 1093, a continuation of the legislature's ongoing statutory revision program, conforms additions to the Estates Code and the Special District Local Laws Code enacted by the 82nd Legislature to other acts of the 82nd Legislature, makes corrections to the codes, conforms other laws to the codes, and codifies other existing laws as new provisions in the codes. The bill makes various other nonsubstantive amendments to enacted codes, including amendments to conform the codes to acts of previous legislatures, correct references and terminology, properly organize and number the law, and codify other law that belongs in those codes. The bill takes effect September 1, 2013, except for Article 6, relating to the Estates Code, which takes effect January 1, 2014.

## **Agencies**

House Bill 736 House Author: Farias

Effective: 9-1-13 Senate Sponsor: Van de Putte

House Bill 736 amends the Government Code to add a representative from the Texas Veterans Commission, appointed by the head of the commission, to the membership of the Housing and Health Services Coordination Council.

**House Bill 3163 Effective:** 9-1-13 **House Author:** Smith **Senate Sponsor:** Taylor

House Bill 3163 amends the Parks and Wildlife Code to clarify that the composition of the San Jacinto Historical Advisory Board includes the chairman of the Battleship Texas Foundation, rather than the chairman of the Battleship Texas Commission.

House Bill 3211 House Author: Cortez

Effective: 9-1-13 Senate Sponsor: Zaffirini et al.

House Bill 3211 amends the Government Code to authorize the Texas Historical Commission to assist the Hispanic Heritage Center of Texas in establishing a facility to educate Texans regarding the contributions and historical significance of Hispanic persons to Texas. The bill authorizes the commission to provide such assistance using money appropriated to the commission for that purpose and to solicit and accept gifts, donations, and grants of money or property to be used for that purpose. The commission is required to implement the bill's provisions only if the legislature appropriates money specifically for that purpose.

Senate Bill 59 Senate Author: Nelson et al. House Sponsor: Callegari

Senate Bill 59 amends various laws to revise reporting requirements of certain entities by repealing or consolidating certain reports, reducing the frequency of certain reports, redirecting certain reports to different recipients, and changing the required contents of certain reports.

Senate Bill 149
Senate Author: Nelson et al.
House Sponsor: Keffer et al.

Senate Bill 149 amends provisions of the Health and Safety Code relating to the structure, operation, and funding of the Cancer Prevention and Research Institute of Texas (CPRIT). The bill replaces the institute's executive director with a chief executive officer (CEO) hired by the CPRIT oversight committee and requires the CEO to hire chief scientific, chief operating, chief product development, and chief prevention officers who each report directly to the CEO. The bill provides for the immediate expiration of serving CPRIT oversight committee member terms and provides for the appointment of new members to the CPRIT oversight committee. The bill revises provisions relating to the oversight committee, including provisions regarding the committee's composition, member qualifications and appointment requirements, the election and duties of committee officers, and disclosure requirements for political contributions by committee members. The bill requires the oversight committee to annually set priorities for each grant program receiving money and to consider those priorities in awarding grants.

Senate Bill 149 modifies CPRIT's powers and duties regarding certain compliance measures, requires CPRIT to employ a chief compliance officer who reports to the oversight committee, and establishes the chief compliance officer's duties. The bill requires the oversight committee to establish research and prevention programs committees and revises qualifications for certain committee members. The bill requires the oversight committee to adopt a written policy on in-state or out-of-state residency requirements for members of the committees, rules regarding required qualifications and training of certain committee members, and policies regarding changes in the amount of honorarium paid to a committee member. The bill revises the disclosure and recusal requirements for a member of a research and prevention programs committee and prohibits a member from serving on the board of directors or other governing board of an entity receiving a grant from CPRIT or of a foundation or similar organization affiliated with the entity. The bill establishes a program integration committee, sets out the committee's composition, and specifies that the CEO serves as the presiding officer of the committee.

Senate Bill 149 requires CPRIT to establish a compliance program operating under the direction of the chief compliance officer, authorizes CPRIT to establish procedures to allow private access to the compliance program office and to preserve the confidentiality of communications and the anonymity of a person making a compliance report or participating in a compliance investigation, specifies the types of information that are confidential and not subject to disclosure under state public information law unless the individual to whom the information relates consents, and provides for the disclosure of confidential information to specified parties under certain circumstances. The bill authorizes the oversight committee to conduct a closed meeting under the state's open meeting law to discuss an ongoing compliance investigation into issues related to fraud, waste, or abuse of state resources.

Senate Bill 149 revises annual reporting requirements regarding CPRIT's activities, grants awarded and in progress, research accomplishments, and future program directions and sets out recordkeeping and audit requirements relating to grant applications and grant awards. The bill includes provisions relating to limiting supplementation of CPRIT employee salaries, but expressly prohibits CPRIT from supplementing the salary of the CEO, which can be paid only from legislative appropriations. The bill prohibits a CPRIT employee from having an office in a facility owned by an entity receiving or applying to receive money from CPRIT.

Senate Bill 149 expands the applicability of conflict-of-interest rules adopted by the oversight committee to include the program integration committee, the research and prevention programs committees, and institute employees. The bill sets out provisions regarding prohibited professional and financial conflicts of interest for institute employees, oversight committee members, program integration members, or research and prevention programs committee

members, or a person who is related to the employee or member within the second degree of affinity or consanguinity, and regarding the circumstances under which the conflict-of-interest requirements may be waived and the investigation and final determination of an unreported conflict of interest.

Senate Bill 149 requires the oversight committee to adopt a code of conduct applicable to each oversight committee member, program integration committee member, and CPRIT employee and establishes the minimum prohibited conduct required to be included in the code of conduct. The bill requires each member of the oversight committee to file a verified personal financial statement with the chief compliance officer. The bill removes from the contents of the cancer prevention and research fund patent, royalty, and license fees and other income received under a CPRIT contract, prohibits appropriations of money to the fund from the legislature from including the proceeds from the issuance of certain bonds, and includes the payment of debt service on such bonds among the authorized uses of the fund. The bill establishes the cancer prevention and research interest and sinking fund as a dedicated account in the general revenue fund and sets out the contents and authorized uses of the fund.

Senate Bill 149 revises the procedures for awarding grants to an applicant, including the information and documentation required to be submitted with a research and prevention programs committee recommendation and the types of proposals required to be given priority by the program integration committee. The bill requires CPRIT's chief compliance officer to compare each grant application submitted to CPRIT to a certain list of donors before the application is submitted to a research and prevention programs committee for review and again before any grant is awarded to the applicant. The bill requires the CEO to submit a written affidavit for each grant application recommendation submitted to the oversight committee by the program integration committee that contains all relevant information on the peer review process for the grant application, the application's peer review score assigned by the research and prevention programs committee, and, if applicable, the intellectual property and other due diligence reviews of the application. The bill prohibits a member of the program integration committee from discussing a grant application recommendation with a member of the oversight committee unless the CEO and the program integration committee have fulfilled the applicable requirements and prohibits CPRIT from awarding a grant to an applicant who has made a gift or grant to CPRIT or a nonprofit organization established to provide support to CPRIT.

Previous law required the oversight committee to follow the funding recommendations of the executive director unless two-thirds of the members of the committee vote to disregard a recommendation. Senate Bill 149 requires two-thirds of the oversight committee present and voting to vote to approve each funding recommendation of the program integration committee and requires a statement explaining the reasons a funding recommendation was not followed to be included in the meeting minutes if the committee does not approve a recommendation. The bill revises the information required to be specified in the written contract between the oversight committee and a grant recipient regarding procedures for when a grant recipient does not use grant money for the intended purpose or fails to meet the terms and conditions of the contract and establishes contract requirements regarding dedicated matching funds from the grant recipient. The bill requires the oversight committee to adopt rules specifying how a grant recipient fulfills the recipient's obligations regarding the grant award and requires CPRIT to adopt a policy on advance payments to grant recipients. The bill requires CPRIT to establish and implement reporting requirements to ensure that grant recipients comply with the terms and conditions of the grant contract and to implement a system to track and monitor the status of those reports. The bill requires the chief compliance officer to monitor compliance with the reporting requirements and tracking system and sets out notification requirements regarding untimely reports and noncompliance by a grant recipient.

Senate Bill 149 specifies that the records of a nonprofit organization established to provide support to CPRIT are public information and requires CPRIT to post on its Internet website records that pertain specifically to any gift, grant, or other consideration provided to CPRIT, a CPRIT employee, or a member of a CPRIT committee and requires the posted information to include the donor's name and the amount and date of the donation.

Senate Bill 283

Senate Author: Estes

House Sponsor: King, Phil

Senate Bill 283 amends the Government Code to decrease the number of members of the Texas Historical Commission from 17 to 9.

Senate Bill 615

Effective: 9-1-13

Senate Author: Estes
House Sponsor: King, Phil

Senate Bill 615 amends the Government Code to authorize the Texas Historical Commission to contract with for-profit corporations. The bill prohibits a contract between the commission and a for-profit corporation from permitting any property preserved, maintained, or administered by the commission to display any corporate name, logo, or product other than a discreet plaque or similar acknowledgment that does not detract from the property's historic purpose.

Senate Bill 700 Senate Author: Hegar House Sponsor: Kacal et al.

Senate Bill 700 amends the Government Code to require the state energy conservation office to develop a template for state agencies and institutions of higher education to use in creating a comprehensive energy and water plan. The bill requires each state agency and institution of higher education to set percentage goals for reducing the agency's or institution's use of water, electricity, gasoline, and natural gas and include those goals in the agency's or institution's plan and requires the plan to be updated annually instead of biennially. The bill requires the state energy conservation office to prepare and submit a report on the status and effectiveness of the utility management and conservation efforts of state agencies and institutions of higher education.

Senate Bill 777 Senate Author: Ellis
Effective: 9-1-13 House Sponsor: Naishtat

Senate Bill 777 amends the Government Code to establish staggered four-year terms for the public members of the Texas Holocaust and Genocide Commission, with the terms of seven or eight members expiring February 1 of each odd-numbered year. The bill prescribes the manner in which the governor, lieutenant governor, and speaker of the house of representatives are required to stagger member terms when appointing public members to the commission to serve terms that begin February 1, 2015.

Senate Bill 1101 Senate Author: Van de Putte Effective: 5-10-13 House Sponsor: Larson et al.

Senate Bill 1101 amends the Government Code to continue the Cybersecurity, Education, and Economic Development Council until September 1, 2015.

### **Electronic Information**

House Bill 1128 House Author: Herrero et al. Effective: 9-1-13 Senate Sponsor: Garcia

House Bill 1128 amends the Government Code to require each state agency, not including an institution of higher education, that has 1,500 or more employees to post on its intranet website or generally accessible Internet website an electronic form or link allowing an employee of the agency to submit suggestions and ideas on how to make the agency more cost-efficient.

House Bill 1271 House Author: Martinez Fischer Effective: 11-1-14 Senate Sponsor: Schwertner et al.

House Bill 1271 amends the Government Code to require the Texas Legislative Council, if the text of a bill or amendment includes a cross-reference to a section of state statute, to the extent feasible to include in any electronic version of the bill or amendment an electronic link or other method by which a person reading the document may automatically access the text of the referenced section.

**House Bill 1487 Effective:** 9-1-13 **House Author:** Harper-Brown **Senate Sponsor:** Rodriguez

House Bill 1487 amends the Government Code to require a state agency that awards a state grant in an amount greater than \$25,000 to make available to the public on the agency's generally accessible Internet website the purposes for which the grant was awarded and to provide the comptroller with a link to the information.

House Bill 2377 House Author: Geren Effective: 9-1-13 Senate Sponsor: Eltife

Current law prohibits a person from using, for purposes of political advertising, certain materials produced by or under the direction of a house, committee, or agency of the legislature. House Bill 2377 amends the Government Code to exempt from the provision a photograph of a current or former member of the legislature obtained from such a legislative entity that is used in accordance with terms and conditions established by that entity. The bill authorizes a legislative entity to charge the fair market value for a photograph produced by or under the direction of the entity.

**House Bill 2738 Effective:** 5-25-13 **House Author:** Elkins **Senate Sponsor:** Ellis

House Bill 2738 amends the Government Code to require the Department of Information Resources to conduct a study and submit a report identifying legacy systems currently maintained by state agencies other than institutions of higher education. The bill requires the study to include certain elements, including an inventory of computer systems or application programs that are operated with obsolete or inefficient hardware or software technology. The bill requires the report to include recommendations for modernization of legacy systems.

**House Bill 3093 Effective:** 9-1-13 **House Author:** Elkins **Senate Sponsor:** Zaffirini

House Bill 3093 amends the Government Code to establish powers and duties of the Department of Information Resources and the Legislative Budget Board regarding state agency information resources technologies. Among other provisions, the bill requires the

department's biennial performance report to include certain information relating to proposed major information resources projects for the next state fiscal biennium, and it specifies certain technology-related criteria that the board must use to evaluate state agency biennial operating plans. The bill also requires the department to identify and report on opportunities to improve information resources technologies as prescribed by the bill.

Senate Bill 246 Senate Author: West

Effective: 9-1-13 House Sponsor: Harper-Brown

Senate Bill 246 amends the Government Code to authorize a request for a written opinion of the attorney general on a question affecting the public interest or concerning the official duties of the requesting person to be sent electronically to an electronic mail address designated by the attorney general for the purpose of receiving such a request.

Senate Bill 279

Senate Author: Watson

House Sponsor: Elkins et al.

Senate Bill 279 amends the Government Code to require a state agency that posts a high-value data set on its website to provide the Department of Information Resources with a description of and link to the data set. The bill requires the department to post the description and link on the state electronic Internet portal.

Senate Bill 845 Senate Author: Carona House Sponsor: Darby et al.

Senate Bill 845 amends the Occupations Code to require the Texas Department of Licensing and Regulation to provide on its website a link to a website that allows the public to track legislation affecting the programs administered by the department. The bill also authorizes the department to use e-mail technology to fulfill certain notice requirements.

Senate Bill 1102 Senate Author: Van de Putte House Sponsor: Larson et al.

Senate Bill 1102 amends the Government Code to require the executive director of the Department of Information Resources (DIR) to designate a DIR employee as the state cybersecurity coordinator. The bill authorizes the coordinator to establish a private industry-government council to collaborate on state cybersecurity matters, to establish a voluntary program that recognizes private and public entities functioning with exemplary cybersecurity practices, and to implement a portion or all of the recommendations made by the Cybersecurity, Education, and Economic Development Council established under state law.

Senate Bill 1134 Senate Author: Ellis
Effective: 9-1-13 House Sponsor: Elkins et al.

Senate Bill 1134 amends the Government Code to set out the duties of the Department of Information Resources regarding cybersecurity. Among other provisions, the bill requires the department to develop and provide training to state agencies on cybersecurity measures and awareness.

Senate Bill 1597 Senate Author: Zaffirini Effective: 9-1-13 House Sponsor: Smithee

Senate Bill 1597 amends the Government Code to require each state agency to develop, and periodically update, an information security plan for protecting the security of the agency's information and sets out the tasks a state agency is required to perform in developing the plan.

The bill makes each state agency's information security plan confidential and exempt from disclosure under state public information law.

## Fiscal Management and Auditing

House Bill 16 House Author: Flynn et al. Effective: 6-14-13 Senate Sponsor: Ellis

House Bill 16 amends the Government Code to require a state agency to post on the agency's Internet website the agency's internal audit plan and annual report and to update this information as specified by the state auditor to include concerns raised by the audit and actions taken by the agency to address those concerns.

House Bill 3116 House Author: Cook

Effective: 9-1-13 Senate Sponsor: Schwertner

House Bill 3116 amends provisions of the Government Code relating to state accounting procedures to include in the definition of "enterprise resource planning" the administration of a state agency's purchasing. The bill authorizes the comptroller of public accounts to recover the cost of implementation of any component of the uniform statewide accounting project from a vendor that uses the purchasing system operated by the Texas Facilities Commission.

Senate Bill 1390
Senate Author: Davis et al.
House Sponsor: Davis, John et al.

Senate Bill 1390 requires the state auditor to conduct an audit of the Texas Enterprise Fund. The bill authorizes the state auditor to establish the scope of the audit and objectives for the audit that are consistent with generally accepted government auditing standards and with other audits conducted by the state auditor. The bill authorizes the audit to determine whether money from the fund is disbursed in compliance with the requirements of the Government Code and other relevant laws or standards and is monitored to determine whether the persons or entities awarded from the fund comply with the terms of any applicable agreements and with the requirements of the Government Code and other relevant laws or standards. The bill authorizes the state auditor, consistent with those auditing standards and other audits, to assess the efficiency and effectiveness of the fund.

Senate Bill 1390 requires the state auditor to prepare a report of the audit of the Texas Enterprise Fund, sets out items that may be included in the report, and requires the auditor to file the report not later than January 1, 2015, 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.

Senate Bill 1546 Senate Author: Eltife Effective: 9-1-13 House Sponsor: Guillen

Previous law authorized money in the Texas preservation trust fund account to be used to pay the operating expenses of the Texas Historical Commission. Senate Bill 1546 amends the Government Code to prohibit the use of the trust fund for such purposes and to require the comptroller of public accounts to manage the assets of the account. The bill sets out provisions relating to the management and distribution of trust fund assets by the comptroller.

Senate Bill 1678 Senate Author: Deuell et al. Effective: 6-14-13 House Sponsor: Isaac et al.

Senate Bill 1678 amends the law relating to events and expenses that are eligible for disbursements from the major events trust fund or the events trust fund. Among other provisions, the bill redefines "event" for purposes of disbursements from the major events trust fund to include the X Games, a mixed martial arts championship, and the largest event held each year at a sports entertainment venue described by the bill. The bill adds to the requirements for funding from the major events trust fund that the event will generate an incremental increase in state and local tax receipts in an amount that equals or exceeds \$1 million, and it adds a qualifying provision to this requirement for an event scheduled to be held each year for a period of years. The bill limits the number of requests for funding from the events trust fund for events that the comptroller determines will result in an incremental increase in tax receipts of less than \$200,000. The bill limits a disbursement from either fund if an obligation is incurred under a games or event support contract to make a structural improvement or add a fixture to an event site and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events.

Current law requires the comptroller to post the results of a study conducted by the comptroller of the measurable economic impact directly attributable to an event eligible for disbursements from the major events trust fund. Senate Bill 1678 requires the comptroller to also post any source documentation or other information relied on by the comptroller for the study and lists additional documentation and information relating to such an event that must be posted on the comptroller's Internet website. Among other provisions, the bill requires the comptroller, after the conclusion of an event eligible for disbursements from either trust fund, to compare information on the actual attendance at the event with the estimated attendance numbers, and it authorizes the comptroller to reduce the amount of a disbursement from the fund if the actual attendance figures are significantly lower than the estimated attendance numbers. The bill also requires the comptroller to conduct a study to determine the economic impact of the events that qualify for funding through an events trust fund and whether the events would likely be held in Texas in the absence of the incentives provided through the fund.

### **Public Lands**

House Bill 1968 House Author: Deshotel Effective: 9-1-13 Senate Sponsor: Williams

House Bill 1968 requires the Texas Juvenile Justice Department (TJJD) to donate and transfer to Jefferson County certain real property, describes the property to be transferred, and sets out transfer requirements. The bill restricts the county's use of the property to a purpose that benefits the public interest of the state and establishes that ownership of the property automatically reverts to TJJD if the county uses the property for any other purpose.

House Bill 2256 House Author: Howard et al. Senate Sponsor: Watson et al.

House Bill 2256 amends the Government Code to define "Congress Avenue view corridor" and to prohibit a person from beginning construction of a structure in the corridor that meets certain criteria.

House Bill 2895 House Author: Bonnen, Dennis

Effective: 6-14-13 Senate Sponsor: Taylor

House Bill 2895 requires the Texas Board of Criminal Justice, not later than January 1, 2014, to sell to Brazoria County real property as described by the bill at fair market value without the requirement of a sealed bid if the board receives an offer from the county to purchase the property at fair market value and the county acquires the property for a public purpose. The bill requires the sale to include public or private easements or rights-of-way benefiting or burdening the property, as necessary, and to exclude all mineral interests in and under the property. The bill requires the deed to contain a provision prohibiting any exploration, drilling, or other similar intrusion on the property related to mineral interests.

**House Bill 3436 Effective:** 6-14-13 **House Author:** Cook **Senate Sponsor:** Whitmire

House Bill 3436 amends the Government Code to prohibit the Texas Facilities Commission (TFC) from leasing, selling, or otherwise disposing of real property or an interest in real property located in the Capitol Complex, but this provision does not affect the TFC's authority to lease space in state office buildings and parking garages. The bill authorizes the TFC to develop or operate a qualifying project located in the Capitol Complex under statutory provisions relating to public-private partnership agreements only if the legislature specifically grants that authority. The bill prohibits certain responsible governmental entities from entering into a comprehensive agreement under those provisions before September 1, 2014.

**House Bill 3559 House Author:** Pickett **Effective:** 9-1-13 **Senate Sponsor:** Eltife et al.

House Bill 3559 amends the Government Code to change the name of the Texas Peace Officers' Memorial to the Texas Peace Officers' Memorial Monument and to authorize the State Preservation Board to raise money from private or public entities for the continued maintenance and update of the monument, rather than requiring the Commission on Law Enforcement Officer Standards and Education (TCLEOSE) to do so and transfer that money to the board. The bill requires an entity that collects funds for the monument to send that money to the board, rather than to TCLEOSE, for deposit in the Capitol fund account and clarifies that the purpose of such collected funds is for the maintenance and improvement of the monument.

Senate Bill 111 Senate Author: Lucio
Effective: 9-1-13 House Sponsor: Lucio III

Senate Bill 111 amends the Government Code to require the Texas Historical Commission to specially designate as a Texas Historical Use Building that is considered worthy of preservation because of its history, culture, or architecture a building that is currently used regularly for a purpose that benefits the community in which the building is located, as determined by the commission, and that has been used regularly for such a purpose for at least 150 years.

Senate Bill 894 Senate Author: Whitmire et al. Effective: 6-14-13 House Sponsor: Bonnen, Dennis

Senate Bill 894 amends the Government Code to prohibit the Texas Facilities Commission (TFC) from leasing, selling, or otherwise disposing of real property or an interest in real property located in the Capitol Complex, but this provision does not affect the TFC's authority to lease space in state office buildings and parking garages. The bill authorizes the TFC to develop or operate a qualifying project located in the Capitol Complex under statutory provisions relating to public-private partnership agreements only if the legislature specifically grants that authority.

Senate Bill 1023 Senate Author: Watson Effective: 8-15-16 House Sponsor: Naishtat

Senate Bill 1023 amends general law to renew, extend, and modify a 99-year lease of certain state property to the City of Austin by granting to the City of Austin for a period of 99 years beginning on August 15, 2016, a lease of the Wooldridge Park and Brush Park tracts and to set out the boundaries of those tracts. The bill limits the city's use of the land to certain purposes.

Senate Bill 1157 Senate Author: Schwertner Effective: 5-18-13 House Sponsor: Otto

Senate Bill 1157 requires the Texas Board of Criminal Justice, not later than January 1, 2014, to donate and transfer certain specified real property to the board of regents of the Texas State University System for use by Sam Houston State University for a purpose that benefits the state's public interest.

Senate Bill 1457 Senate Author: Duncan Effective: 9-1-13 House Sponsor: Frullo

Senate Bill 1457 amends the Education Code and Government Code to require the Texas Facilities Commission (TFC) to provide facilities maintenance services for the physical facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf as provided by a memorandum of understanding between each school's governing board and the TFC and transfers the provision of facilities maintenance services from the schools to the TFC not later than January 1, 2014. The bill exempts TFC from the duty to provide facilities management services to facilities owned or operated in Travis County or an adjacent county by the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf.

Senate Bill 1708 Senate Author: Rodriguez Effective: 9-1-13 House Sponsor: Pickett

Senate Bill 1708 amends the Government Code to authorize the Department of Public Safety (DPS) to enter into a long-term lease of a portion of Fort Bliss and to establish that the lease is for the use and benefit of Texas and may be for a period or term until the property is donated to DPS.

Senate Bill 1871Senate Author: EstesEffective: 9-1-13House Sponsor: Kuempel

Senate Bill 1871 amends the Government Code to establish that certain property is no longer dedicated for cemetery purposes as part of the State Cemetery if the State Cemetery Committee expressly consents by a majority vote to remove the property's dedication and the committee makes affirmative findings that the property is no longer needed for cemetery purposes, that proceeds from a real property transaction involving the property will be used to further the committee's goals or for cemetery expansion, and that concerns expressed by residents of neighborhoods in the property's vicinity have been considered and efforts have been made to address those concerns. The bill requires the committee's chair to file in the deed records of Travis County and submit for publication in the Texas Register a document indicating that the dedication is removed.

Senate Bill 1871 decreases from 12 to 10 the minimum number of years that an appointed state official is required to have served in office in order to be eligible for burial in the State Cemetery.

## **State Government**

The summaries for the following bills are in the listed chapters:

Senate Bill 211 - Sunset Review and Process Senate Bill 1892 - Military Forces and Veterans

# **Sunset Review and Process**

This chapter covers legislation on the Sunset Advisory Commission's periodic review of specific state agencies and entities that are subject to the Texas Sunset Act and to an assessment, as applicable, of the need for the agency or entity to exist. The chapter also covers legislation on the process by which the commission performs a review. Related legislation that is summarized in other chapters is listed at the end of this chapter.

House Bill 86 House Author: Callegari et al. Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 86 amends the Government Code to require the Sunset Advisory Commission, in an assessment of an agency that licenses an occupation or profession, to consider whether the occupational licensing program serves the public interest and provides the least restrictive form of regulation that will adequately protect that interest; whether the regulatory objective of the program may be achieved through nongovernmental certification and accreditation programs; the extent to which licensing criteria ensure that applicants have occupational skill sets or competencies that correlate with a public interest and the impact those criteria have on license applicants; and the impact of the regulation on competition, consumer choice, and the cost of services. The bill authorizes a member of the legislature to submit proposed legislation creating or affecting an occupational licensing program to the commission for review and analysis and sets out requirements and other provisions relating to this review.

House Bill 1061 House Author: Branch Effective: 5-25-13 Senate Sponsor: Birdwell

House Bill 1061 repeals the statutory authority for the long-inactive State Medical Education Board.

House Bill 1394 House Author: King, Susan Effective: 6-14-13 Senate Sponsor: Duncan

House Bill 1394 amends the Health and Safety Code to require the Sunset Advisory Commission, in its review of the Department of State Health Services (DSHS), to review the powers and duties exercised by DSHS under statutory provisions relating to the Texas Health Care Information Council and to determine whether DSHS is achieving the legislature's intent of empowering consumers with information to make informed health care decisions, maintaining appropriate privacy and security standards for patient information, and limiting the patient information DSHS collects to what is necessary for performing the department's duties with respect to the council. The bill requires the commission to report its findings to the legislature and abolishes the Texas Health Care Information Council on September 1, 2015.

House Bill 1600 House Author: Cook et al. Effective: 9-1-13 Senate Sponsor: Nichols

House Bill 1600 establishes provisions relating to the continuation and functions of the Public Utility Commission of Texas (PUC), to the transfer of certain functions from the Texas Commission on Environmental Quality (TCEQ) to the PUC, to the rates for water service, and to the functions of the Office of Public Utility Counsel.

Article 1 of the bill amends the Public Utility Regulatory Act in the Utilities Code to continue the PUC to September 1, 2023, revise PUC commissioner qualifications, and authorize the PUC to issue cease and desist orders. Among other provisions, the bill provides for additional PUC

oversight of certified independent organizations and certain telecommunications utilities and requires the PUC to authorize an organization to charge to wholesale buyers and sellers a system administration fee.

Article 2 of the bill transfers on September 1, 2014, from TCEQ to the PUC the powers, duties, functions, programs, and activities of TCEQ relating to the economic regulation of water and sewer service, including the issuance and transfer of certificates of convenience and necessity, the determination of rates, and the administration of hearings and proceedings involving those matters. The bill sets out procedural provisions and reporting requirements relating to such transfers and makes a number of conforming and related changes to the Water Code, Local Government Code, and Special District Local Laws Code.

Article 2 of the bill grants the PUC authority to regulate and supervise the business of each water and sewer utility within its jurisdiction, including ratemaking and other economic regulation, and clarifies that TCEQ retains the authority to regulate water and sewer utilities within its jurisdiction to ensure safe drinking water and environmental protection. The bill authorizes the PUC to delegate to an administrative law judge of the State Office of Administrative Hearings the responsibility and authority to issue interlocutory orders related to interim water rates. The bill establishes that the independent Office of Public Utility Counsel represents the interests of residential and small commercial consumers regarding water rates and services and sets out the office's powers and duties in representing those consumers.

Article 2 of the bill classifies public utilities that provide retail water or sewer utility service as Class A, Class B, or Class C utilities according to the number of taps or connections through which a utility provides service and revises the rate change procedures for utilities based on those classifications.

House Bill 1642 House Author: Bonnen, Dennis Effective: 9-1-13 Senate Sponsor: Whitmire

House Bill 1642 amends the Special District Local Laws Code to set out provisions relating to the Port of Houston Authority following a special review of the authority by the Sunset Advisory Commission. The bill revises provisions relating to the commission's locally appointed seven-member governing board, including the board's composition, appointment, and terms of membership. The bill establishes commissioner term limits. The bill provides for the appointment of a chair of the port commission and for the composition of the authority's navigation board.

House Bill 1642 sets out provisions relating to the promotion of good governance and ethics, including policies governing conflicts of interest, filing of financial statements by port commissioners, port commissioner training, grounds for removal of a port commissioner, and the powers and duties of an executive director of the authority. The bill also requires the authority to develop public involvement and complaints procedures and to adopt policies relating to the authority's expenses and use of its promotion and development fund.

House Bill 1642 requires the authority to create a comprehensive strategic planning process, requires the port commission to annually adopt a budget for the authority in an open meeting, and requires the authority to provide public access to budget and planning information. The bill requires the authority to establish an internal audit function consistent with standards for state agency internal audit procedures and clarifies the Harris County Auditor's authority to conduct risk-based financial audits.

House Bill 1642 transfers the authority's uncodified session law into the Special District Local Laws Code and makes technical changes, including repealing or updating obsolete provisions. The bill requires another sunset review of the authority in 2017 and specifies that the authority is not subject to abolishment under the Texas Sunset Act.

House Bill 1675 House Author: Bonnen, Dennis Effective: See below Senate Sponsor: Nichols

Commonly referred to as the "Sunset Savings Bill," House Bill 1675 amends provisions of the Education Code, Government Code, Transportation Code, Natural Resources Code, Finance Code, Insurance Code, Occupations Code, Labor Code, Health and Safety Code, and general law relating to the sunset review process and certain governmental entities subject to that process. The bill requires certain self-directed semi-independent agencies to pay the costs incurred by the Texas Sunset Advisory Commission in performing a review under the Texas Sunset Act and provides for a study concerning such entities; authorizes the sunset commission to attend meetings and proceedings of any state agency under review; and grants the sunset commission access to a privileged or confidential agency document for purposes of a review.

House Bill 1675 provides for a review of numerous entities and, depending on the entity, assigns or changes the entity's abolition date. The bill subjects certain of those entities to review but not abolishment under the Texas Sunset Act, or imposes limitations or specified requirements relating to the review that expire on the entity's sunset date. The bill removes the sunset date for the Early Childhood Health and Nutrition Interagency Council and instead provides for the council's review as part of the sunset commission's review of the Department of Agriculture.

House Bill 1675 takes effect June 14, 2013, except for provisions relating to the Texas Department of Housing and Community Affairs and the State Employee Charitable Campaign Policy Committee, which have no effect.

House Bill 1685 House Author: Price Effective: 9-1-13 Senate Sponsor: Whitmire

Previous law created the Self-Directed Semi-Independent Agency Project Act in the Revised Statutes as a pilot project that was subject to sunset review and applicable to the Texas State Board of Public Accountancy, Texas Board of Professional Engineers, and Texas Board of Architectural Examiners.

House Bill 1685 amends those provisions and redesignates them as a chapter in the Government Code, removes the pilot project status and separate sunset review requirement for the provisions, and continues the application of those amended and redesignated provisions to the applicable agencies. The bill requires the examination of an applicable agency's performance as a self-directed and semi-independent agency and its compliance with the amended and redesignated provisions during the agency's own periodic sunset review and requires an applicable agency to pay the costs incurred by the Sunset Advisory Commission in performing a review of the agency under the agency's enabling legislation.

House Bill 1685 requires the applicable agencies to follow general laws, such as prompt payment, travel, and state purchasing requirements, that apply to state agencies unless otherwise provided under the amended and redesignated provisions. Furthermore, the bill requires those agencies to provide the preceding five years of trend performance data regarding their licensing and enforcement and basic administrative activities in their annual reports and requires the agencies to report operating plans and projected budget data for two fiscal years.

House Bill 1685 prohibits the applicable agencies from opening accounts not under the control of the comptroller of public accounts and requires the agencies to use the Uniform Statewide Accounting System for all future payments, except that direct payments to the Texas Treasury Safekeeping Trust Company may be made from each agency's trust company account. The bill also removes a requirement that scholarship fees provided in an agency's enabling statute be remitted to the state. The bill requires the agencies to remit all administrative

penalties to the comptroller for deposit in the general revenue fund and deletes existing language allowing the agencies to retain those fines.

House Bill 1685 repeals an Occupations Code provision that authorizes a part of an administrative penalty representing the cost of enforcement to be appropriated to the Texas Board of Professional Engineers as reimbursement for performing its regulatory functions.

**House Bill 1717 Effective:** 9-1-13 **House Author:** Price **Senate Sponsor:** Nichols

House Bill 1717 amends the Occupations Code to continue the Texas Board of Architectural Examiners until September 1, 2025. The bill sets out provisions relating to a criminal history record information requirement for a certificate of registration issued by the board and for renewal of such a certificate of registration.

House Bill 1717 repeals a statutory provision relating to registration without examination for certain interior designer registration applicants and prohibits a registered interior designer who was registered under such provisions from renewing the certificate on or after September 1, 2017, unless, before that date, the person has passed the registration examination adopted by the board.

Previous law authorized the board to assess an administrative penalty of up to \$5,000, and House Bill 1717 authorizes the board to assess this penalty per violation for each day the violation occurs. The bill makes the \$200 fee increase for the issuance of a certificate of registration, which was previously applied only to an applicant possessing a license or certificate to practice architecture in another state, now applicable to the issuance of certificates in general by the board.

House Bill 2197 House Author: Anchia Effective: 9-1-13 Senate Sponsor: Huffman

House Bill 2197 amends the Government Code and Occupations Code relating to the continuation and functions of the Texas Lottery Commission. The bill continues the commission until September 1, 2025, and establishes the Legislative Committee to Review the Texas Lottery and Texas Lottery Commission. The bill increases the size of the commission from three to five members appointed by the governor with the advice and consent of the senate.

House Bill 2197 requires the commission to develop a comprehensive business plan to guide the commission's major initiatives, sets out provisions relating to the plan, and sets out provisions relating to the procurement authority of the commission. The bill specifies as a first priority, rather than a subsequent priority, that unclaimed prize money, in addition to being deposited, may be appropriated from the Department of State Health Services state-owned multicategorical teaching hospital account to provide indigent health care services as specified in the Indigent Health Care and Treatment Act. The bill requires all unclaimed prize money not deposited or appropriated in accordance with provisions relating to the allocation of unclaimed lottery prizes to be deposited to the credit of the foundation school fund, rather than the general revenue fund, and removes a provision authorizing such prize money to be appropriated for any purpose as determined by the legislature.

House Bill 2197 revises certain measures of the commission's bingo regulatory scheme, including provisions relating to the use of criminal history record information, standard bingo license renewal, the enforcement of bingo regulation, bingo licensing fees, and bingo inspections and audits.

**House Bill 2472 Effective:** 9-1-13 **House Author:** Cook **Senate Sponsor:** Birdwell

House Bill 2472 amends provisions of the Government Code and Human Resources Code to continue the Department of Information Resources (DIR) until September 1, 2021, and to set out provisions relating to the DIR's functions. The bill extends the comptroller's authority to perform certain state procurement functions to September 1, 2021, and subjects the comptroller's state purchasing authority in regard to the Texas Council on Purchasing from People with Disabilities to the Texas Sunset Act.

House Bill 2472 requires the DIR and the comptroller to establish a procurement coordination committee composed of essential DIR personnel and the comptroller and sets out specific requirements relating to the coordination of procurement activities between the DIR and the comptroller.

House Bill 2472 requires the governing board of the DIR to appoint a customer advisory committee composed of representatives of customers who receive services from each of the department's key programs to advise the board of the status of the department's delivery of critical statewide services. The bill requires the DIR to adopt a process to determine the amount of the administrative fee the department charges to administer any of its programs and to report all the administrative fees it sets to the Legislative Budget Board. The bill requires the comptroller to establish in the state treasury the statewide technology account to serve as a revolving fund account for the administration of provisions relating to statewide technology centers and the clearing fund account to serve as a revolving fund account for the administration of provisions relating to the purchase of information technology commodity items.

House Bill 3361 House Author: Dutton Effective: 9-1-13 Senate Sponsor: Birdwell

House Bill 3361 amends the Government Code, Occupations Code, and Utilities Code relating to the continuation and functions of the Texas Department of Housing and Community Affairs (TDHCA). Among other provisions, the bill:

- continues the TDHCA until September 1, 2025;
- requires the TDHCA to refer penalty appeals hearings to the State Office of Administrative Hearings rather than the TDHCA's board;
- sets out additional application requirements for low income housing tax credits and revises certain criteria used to score and rank tax credit applications;
- sets out provisions relating to housing tax credits financed using federal emergency funds;
- removes certain manufactured housing license types and related fees from statute;
- requires the TDHCA to require each applicant for a license under the Texas Manufactured Housing Standards Act or renewal of such a license to submit a set of fingerprints to the TDHCA or the Department of Public Safety for a criminal history check;
- authorizes the director of the manufactured housing division to order direct refunds to consumers as part of the manufactured housing complaint settlement process; and
- expands the TDHCA's cease-and-desist authority to apply to the unlicensed construction, sale, and installation of manufactured homes.

**House Joint Resolution 79 House Author:** Branch et al. **For Election:** 11-5-13 **Senate Sponsor:** Birdwell

House Joint Resolution 79 proposes an amendment to the state constitution to repeal provisions relating to the creation of a State Medical Education Board and the establishment and funding of a State Medical Education Fund.

Senate Bill 200 Senate Author: Patrick et al. Effective: See below House Sponsor: Anchia

Senate Bill 200 amends the Government Code to continue the State Pension Review Board until September 1, 2025. The bill repeals a provision requiring the legislature's presiding officers each to appoint a legislative member to the board, reducing the number of board members from nine to seven; provides for the expiration of those two legislative members' terms on September 1, 2013; and makes the necessary provisions to maintain the staggered six-year terms for the governor's appointees to the board.

Senate Bill 200 authorizes the board to develop and conduct training sessions and other educational activities for trustees and administrators of public retirement systems.

Senate Bill 200 exempts a defined contribution plan, as defined by the bill, and certain local volunteer firefighter retirement systems from administrative requirements for studies and reports regarding the conduct of actuarial valuations and audits of those evaluations, the system's financial condition, membership, and investment policies. The bill also exempts those local volunteer firefighter retirement systems from a requirement for an annual audit of their accounts by a certified public accountant. The bill requires a public retirement system, other than the statewide retirement systems for state employees, teachers, county and district employees, municipal employees, and certain judicial officers, that conducts an actuarial experience study in which actuarial assumptions are examined with the purpose of determining whether those assumptions need adjusting to submit to the board a copy of the study within 31 days of the study's adoption and requires a public retirement system to submit to the pension review board a summary of any significant change affecting contributions, benefits, or eligibility within 31 days, rather than within 271 days, after the date the change is adopted.

Senate Bill 200, effective January 1, 2014, prohibits the statewide retirement systems for state employees, teachers, municipal employees, county and district employees, and emergency services personnel from investing in companies that engage in scrutinized business operations in Iran and requires those systems' divestment of any direct or indirect holdings in companies that fail either to cease their scrutinized business operations or to convert the operations to inactive business operations in order to avoid divestment by those public retirement systems. The prohibition on investment in Iran expires on the earlier of the date the United States revokes its sanctions against the government of Iran or the date the U.S. Congress or the president declares that mandatory divestment interferes with U.S. foreign policy. Until then, the bill requires each affected retirement system to file a publicly available report with the legislature's presiding officers and the attorney general identifying all securities sold, redeemed, divested, or withdrawn in compliance with the mandatory divestment and all prohibited investments and summarizing any changes involving prohibited investments. The bill authorizes the attorney general to bring any action to enforce these laws prohibiting investment in Iran and requires the board, not later than January 1, 2014, to prepare and provide a list of scrutinized companies to each affected retirement system.

Senate Bill 200 amends the Texas Local Fire Fighters Retirement Act to make a conforming change.

Except as otherwise provided, Senate Bill 200 takes effect September 1, 2013.

Senate Bill 201 Senate Author: Birdwell et al. Effective: 9-1-13 House Sponsor: Price et al.

Senate Bill 201 amends the Government Code to continue the State Preservation Board until September 1, 2025. The bill authorizes the governor, lieutenant governor, and speaker of the house of representatives, each as a member of the board, to designate a representative to act on behalf of the member during a board meeting. The bill requires the board to meet at least twice each year.

Senate Bill 201 creates the Governor's Mansion renewal trust fund as a trust fund outside the treasury with the comptroller of public accounts. The trust fund is administered by the board to maintain and preserve the Governor's Mansion and consists of money donated to the board for those purposes and money transferred to the fund at the direction of the legislature. The bill requires the executive director of the board to employ a museum director to manage and operate the Bob Bullock Texas State History Museum and requires the board to adopt reasonable policies for naming areas within the museum in honor of donors or other benefactors, if appropriate.

Senate Bill 202 Senate Author: Huffman et al. Effective: 8-26-13 House Sponsor: Price et al.

Senate Bill 202 amends the Government Code to continue the Texas Commission on the Arts until September 1, 2025. The bill decreases the number of commission members from 17 to nine and specifies the positions that are to be abolished in order to accomplish that reduction. The bill requires the commission members to represent a diverse cross-section of the fields of the arts, rather than all fields of the arts, establishes that members serve staggered terms of six years, and sets out certain criteria for the governor's future appointment of commission members. The bill authorizes the commission to award grants in accordance with the commission's mission to advance the state economically and culturally by investing in the arts in Texas.

Senate Bill 204 Senate Author: Nichols Effective: 9-1-13 House Sponsor: Price

Senate Bill 204 amends the Occupations Code to continue the Texas Board of Professional Engineers until September 1, 2025. The bill requires the \$200 fee increase for a license under the Texas Engineering Practice Act, for the annual renewal of that license, or for a reciprocal license to be collected at the time of the issuance or renewal of the license. The bill sets out provisions requiring the board to adopt policies and guidelines detailing the procedures for the board's examination process.

Senate Bill 204 sets out provisions relating to a criminal history record information requirement for license issuance and renewal; the emergency suspension of the license, certificate, or registration of an individual on a determination that the continued practice of the person presents a continuing or immediate threat to public welfare; and the issuance of a cease and desist order to a person not licensed, certified, or registered by the board. The bill increases the board's administrative penalty from \$3,000 to \$5,000 per violation per day.

Senate Bill 209
Senate Author: Huffman et al.
House Sponsor: Dutton

Senate Bill 209 amends Government Code provisions relating to the functions and operations of the State Commission on Judicial Conduct. The bill continues the commission until 2019, requires a sunset review every 12 years thereafter, and clarifies that the commission is an agency of the judicial branch that administers judicial discipline but does not have the power

and authority of a court. The bill requires the commission's annual report to be submitted to the legislature electronically.

Senate Bill 209 requires the commission to hold a public hearing in each even-numbered year to consider public comment regarding the commission's mission and operations. The commission must notify the secretary of state of such a hearing, and the secretary of state must post a public meeting notice online. The bill also requires the commission to provide Sunset Advisory Commission staff with access to confidential documents, records, meetings, and proceedings deemed necessary to conduct a complete and thorough evaluation; to periodically assess its operations and implement any improvements needed to increase efficiency; and to review its procedural rules adopted by the supreme court and report any necessary rule revisions to the court. An initial review of commission operations and procedural rules must be completed by December 31, 2013.

Senate Bill 209 requires the commission, after dismissing a complaint regarding judicial misconduct, to provide in its notice to the complainant an explanation of each reason why the conduct alleged in the complaint failed to constitute judicial misconduct. The bill also authorizes the commission, in conjunction with voter approval of a proposed constitutional amendment, to use its full range of disciplinary actions, including public sanctions, following formal proceedings. The bill authorizes a court of review to hear appeals of sanctions following formal proceedings in the same manner as it hears appeals of censures.

Senate Bill 209 takes effect September 1, 2013, except for provisions relating to sanctions, which take effect contingent on voter approval of the constitutional amendment proposed by Senate Joint Resolution 42.

Senate Bill 211 Senate Author: Nichols et al. House Sponsor: Dutton

Senate Bill 211 amends the Education Code, Government Code, and Natural Resources Code relating to the functions of the Texas Facilities Commission (TFC) and to certain property development plans. Among other provisions, the bill continues TFC until September 1, 2021; prohibits TFC from leasing, selling, or otherwise disposing of real property or an interest in real property located in the Capitol Complex; and authorizes TFC to develop or operate a qualifying project in the Capitol Complex if the legislature specifically authorizes the project by general law and the Partnership Advisory Commission approves the project before TFC enters into a comprehensive agreement for the project. The bill requires TFC to prepare a Capitol Complex master plan and submit it to the State Preservation Board and the General Land Office for review and comment. The bill sets out procedures relating to the board's disapproval, modification, and approval of the plan. The bill also requires TFC to adopt a comprehensive process for planning and developing state property in its inventory and for assisting state agencies in space development planning.

Senate Bill 211 revises requirements, procedures, and other provisions relating to public and private facilities and infrastructure projects. The bill requires TFC to develop a comprehensive capital improvement and deferred maintenance plan that clearly defines the capital improvement needs and critical and noncritical maintenance needs of state buildings. The bill sets out requirements relating to the disposal of property acquired by a political subdivision or an assistance organization from a state agency under statutory provisions governing surplus and salvage property. The bill requires, out of the money received from the lease of space in state-owned parking lots and garages, an amount equal to the costs associated with those leases to be appropriated only to TFC to pay those costs.

Senate Bill 211 exempts TFC from a duty to provide facilities management services to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf but transfers facilities maintenance duties from those schools to TFC.

Senate Bill 213 Senate Author: Whitmire et al.

Effective: 9-1-13 House Sponsor: Price

Senate Bill 213 amends the Government Code to continue the Texas Board of Criminal Justice and the Texas Department of Criminal Justice (TDCJ) until September 1, 2021. The bill requires TDCJ to adopt the comprehensive reentry and reintegration plan it developed, expands the requirements of the plan and establishes requirements for the plan's regular evaluation and update, and requires TDCJ, in consultation with the Board of Pardons and Paroles and the Windham School District, to establish the role of each entity in providing reentry and reintegration services. The bill requires each facility under the oversight of TDCJ's correctional institutions division to establish a case management committee to assess each inmate and ensure the inmate is receiving appropriate services or participating in appropriate programs. prescribes procedures for complying with that requirement, and establishes the required membership of the committees. The bill requires TDCJ to adopt a standardized instrument to assess the risk and needs of each adult offender and requires TDCJ's community justice assistance division to require each community supervision and corrections department to assess each defendant using the instrument at the time of initial placement on community supervision and at other required times. The bill expands the membership of TDCJ's reentry task force and imposes new duties on the task force.

Senate Bill 213 amends provisions relating to the functions of the Correctional Managed Health Care Committee to expand the committee's membership, require the committee to approve the managed health care plan that the committee developed for all persons confined by TDCJ, revise the requirements for the plan and the committee's general powers and duties, and transfer to TDCJ the committee's duty to establish a network of physicians and hospitals that serve as TDCJ's exclusive health care provider for confined persons. The bill details TDCJ's powers and duties in contracting with entities to implement the managed health care plan, requires TDCJ to report certain correctional health care cost and use information to the Legislative Budget Board and the governor, and expands the entities with which TDCJ may cooperate in developing training for corrections medication aides to include any medical school. The bill requires TDCJ to establish an individual treatment plan, rather than a proposed program of institutional progress, for an inmate admitted to TDCJ's institutional division, establishes the information required to be included in the plan, and requires TDCJ to annually review each inmate's plan and revise or update the plan as necessary. The bill repeals provisions requiring TDCJ to conduct a recidivism study and to make quarterly reports regarding the substance abuse felony program. The bill establishes requirements for TDCJ's community justice assistance division in awarding grants to community supervision and corrections departments and requires the division to study performance-based funding, including reviewing state community supervision funding formulas and making recommendations for modifying current funding formulas, and to seek input from the departments and other relevant interest groups in performing the study.

Senate Bill 213 amends provisions relating to the function of the Board of Pardons and Paroles. The bill requires the board to establish and maintain a range of recommended parole approval rates for each category or score within the parole guidelines, updates provisions regarding the review and reporting of guidelines and rates, and removes provisions relating to a deviation from parole guidelines. The bill establishes notification requirements for each decision of a parole panel granting or denying the release of an inmate on parole or denying release on mandatory supervision. The bill authorizes any required parole or mandatory

supervision-related hearing to be conducted by a designated agency of the board that may make recommendations to the parole panel that has responsibility for making a final determination.

Senate Bill 213 amends the Code of Criminal Procedure to establish that the judgment in a criminal case should reflect whether a victim impact statement was returned to the attorney representing the state and to revise court procedures relating to such a returned statement. The bill requires TDCJ's victim services division, in consultation with the Board of Pardons and Paroles and other participants in the criminal justice system, to develop recommendations to ensure completed victim impact statements are submitted to TDCJ and revises procedures relating to the use of an impact statement in a defendant's sentencing.

Senate Bill 213 amends the Education Code to subject the Windham School District to sunset review during the period in which TDCJ is reviewed and to provide for the evaluation of the effectiveness of the district's programs through the collection and analysis of various program data. The bill requires the district to use this data to evaluate the progress of its programs and make necessary changes and provides for the district's collaboration with certain state agencies to obtain and share data.

Senate Bill 215 Senate Author: Birdwell et al. House Sponsor: Anchia

Senate Bill 215 amends the Education Code to continue the Texas Higher Education Coordinating Board until September 1, 2025. The bill repeals provisions relating to the administration and functioning of the Texas Guaranteed Student Loan Corporation and related fiscal provisions and instead converts the corporation from a public nonprofit corporation to a nonprofit corporation governed by the Business Organizations Code, requiring the corporation to file a certificate of formation or a certificate of conversion, as the secretary of state determines is appropriate. The bill transfers certain of the corporation's financial aid services information functions to the coordinating board but provides for the corporation to continue serving as the state's designated guaranty agency for student loans under federal law.

Senate Bill 215 requires the coordinating board, in consultation with certain stakeholders, to conduct a study regarding the creation of a state-funded financial aid program for students of nonprofit, tax-exempt, regionally accredited colleges or universities domiciled in Texas that offer exclusively online or distance education and to submit a report, including proposed draft legislation, to the appropriate legislative committees not later than October 1, 2014.

The bill limits institutional eligibility for the TEXAS grant program to general academic teaching institutions and medical and dental units offering undergraduate degree or certification programs, expressly excluding public state colleges; limits institutional eligibility for the Texas B-On-time loan program to general academic teaching institutions and to medical and dental units and private or independent institutions of higher education offering bachelor's degree programs; and limits student eligibility for both programs to students enrolled in bachelor's degree programs, removing students in certificate programs from eligibility. The bill requires the coordinating board, in collaboration with eligible institutions and other appropriate entities, to adopt and implement measures to improve student participation in the B-On-time loan program and the rate of student satisfaction of the requirements for obtaining loan forgiveness under that program.

The bill requires the coordinating board to reevaluate its rules and policies periodically to ensure the continuing need for data requests it imposes on university systems or public, private, or independent institutions of higher education and to identify and eliminate any unnecessary data requests. The bill also requires the coordinating board to engage institutions of higher education in a negotiated rulemaking process when adopting a policy, procedure, or rule relating to admission policies and the transfer of credit, the allocation or distribution of funds,

the reevaluation of data requests, or compliance monitoring and to establish an agency-wide, risk-based compliance monitoring function to help ensure the proper use of funds allocated by the coordinating board and the accuracy of data reported to and used by the coordinating board for funding or policymaking decisions, including data used for formula funding allocations.

Senate Bill 215 revises the coordinating board's coordination and long-range planning functions with respect to higher education in Texas and the board's powers and duties regarding the review and approval of new degree or certificate programs and its review of capital construction and improvement projects at public institutions of higher education.

Senate Bill 215 requires the comprehensive list of courses submitted to the coordinating board by each institution of higher education specifically to identify any course included in the common course numbering system that has been added to or removed from the list for the current year and requires each institution's governing board to certify at the time of the list's submission that the institution does not prohibit the acceptance of transfer credit based solely on the sending institution's accreditation. The bill also requires each institution of higher education other than a public junior college to report each year to the institution's governing board on the condition of the institution's buildings and facilities, including any issues regarding deferred maintenance.

The bill prohibits a student seeking an associate's degree from being required by an institution of higher education to complete more than the minimum number of semester credit hours required for the degree by the Southern Association of Colleges and Schools without a compelling academic reason for requiring the additional credit hours.

The bill requires the coordinating board to report to the governor, the legislature's presiding officers, and the appropriate house and senate committee not later than December 1 of each even-numbered year on its assessment of the adequacy of graduate medical education opportunities in Texas and sets out the limited circumstances under which the coordinating board may administer or oversee a program to identify best practices, initiate a new pilot project, or assist in the implementation of proven programs and best practices. The bill requires the coordinating board to establish and administer a student loan default prevention and financial aid literacy pilot program to ensure students are informed consumers with regard to all aspects of student financial aid. The bill requires the coordinating board to establish and publish by rule, after consulting with affected stakeholders, allocation methodologies for any funds trusteed to the coordinating board for allocation to public or private institutions of higher education.

The bill prohibits the coordinating board from issuing a certificate of authority for a private postsecondary institution to grant a professional degree or to represent that credits earned in Texas are applicable to such a degree if the institution is chartered in a foreign country or has its principal office or primary educational program in a foreign country. The bill requires the coordinating board to encourage the transferability of lower division course credit among institutions of higher education; replaces the research university development fund with the Texas competitive knowledge fund; and consolidates administrative provisions for the advanced technology program and the Norman Hackerman advanced research program.

The bill limits the term of the articulation agreement to be entered into by a public junior college offering a bachelor's degree program and one or more general academic teaching institutions to the first five years of the program. The bill repeals certain unfunded or obsolete programs and reporting requirements under the purview of or applicable to the coordinating board.

Senate Bill 215 amends the Occupations Code to make a conforming change.

Senate Bill 217 Effective: See below Senate Author: Patrick et al. House Sponsor: Anchia

Senate Bill 217 amends the Government Code and other law relating to the continuation and functions of the state employee charitable campaign. The bill continues the charitable campaign until September 1, 2017; changes the number of state employee charitable campaign policy committee members from 13 to 9; requires the governor, lieutenant governor, and comptroller of public accounts to attempt to appoint committee members from institutions of higher education and a range of small, medium, and large state agencies; and expands and revises the duties of the committee. The term of each current member of the state policy committee expires September 1, 2013, and the bill requires the new appointments with staggered terms to be made no later than September 2, 2013.

Senate Bill 217 sets out grounds for removing a member from the state policy committee; requires a qualified member who is appointed to the committee to complete a training program; establishes the information required to be included in a training program; revises the duties of the state campaign manager; revises the composition, terms, and duties of the state advisory committee; and revises provisions relating to applications by federations or charitable organizations to participate in the campaign and requirements relating to certain fees, among other provisions. The bill repeals the statutes that provide for the establishment of the local state employee charitable campaign committee and the local campaign manager and instead includes among the revised duties of the state policy committee the requirement that the state policy committee appoint any necessary local campaign committees and managers.

Current law prohibits a charitable organization from spending more than 25 percent of its annual revenue for administrative and fund-raising expenses. Senate Bill 217 clarifies that each eligible federation and charitable organization is subject to that prohibition; provides that a federation or organization that participated in the state employee charitable campaign before June 20, 2003, is not barred from participation in the program solely as a result of certain changes made by previous legislation; establishes that these provisions apply only to the eligibility of a charitable organization to participate in, and the use of contributions from, a state employee charitable campaign conducted on or after January 1, 2014; and provides that these provisions are effective January 1, 2014. All other provisions of the bill take effect September 1, 2013.

Senate Bill 219
Effective: Vetoed

Senate Author: Huffman et al. House Sponsor: Bonnen, Dennis et al.

Senate Bill 219 amends the Government Code, Local Government Code, and Election Code in provisions relating to the ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and expenditures and personal financial information.

Reason Given for Veto: "Senate Bill 219 contains several important changes to the state's ethics laws, especially those relating to the sworn complaint process. However, these positive changes are outweighed by several provisions added late in the legislative process without an open and honest discussion.

"The last-minute addition of a resign-to-run requirement for members of the Railroad Commission would change the structure of a constitutional agency without the consent of Texas voters. Any effort to amend a constitutional office should go to a vote of the people.

"This bill would also strip a journalist's testimonial privilege if the journalist has made direct political expenditures, or is affiliated with entities that make such expenditures.

"Senate Bill 219 also allows the Ethics Commission to set an annual document filing fee for candidates and groups who file campaign finance reports. Candidates should not be charged for participating in a process intended to be transparent, to pay for a state agency. The legislature should continue to set the fee to run for office in a transparent and open way, rather than leave that to a state agency.

"The Legislature had an opportunity, through the Sunset review process, to make needed changes to our campaign finance, lobby and financial disclosure laws - changes that are needed to modernize laws while still protecting our rights and providing for transparency. I urge the Legislature to look closely at our ethics laws during the interim in an open, deliberative and transparent way, so that all voices are heard and all proposals are thoroughly discussed."

Senate Bill 220 Senate Author: Birdwell et al. Effective: See below House Sponsor: Anchia

Senate Bill 220 abolishes the office of the firefighters' pension commissioner and terminates all of the commissioner's powers, duties, obligations, and rights of action under the Texas Local Fire Fighters Retirement Act (TLFFRA), effective September 1, 2013. The bill requires the Texas Emergency Services Retirement System (TESRS) board of trustees, not later than that date, to appoint an executive director for the system and transfers all of the former commissioner's powers, duties, obligations, and rights of action either to that executive director or to the board of trustees. The bill transfers any office furniture, equipment, files, and related materials used by the commissioner to the executive director and transfers to the comptroller of public accounts all other property not otherwise transferred to the executive director.

Senate Bill 220 continues a commissioner rule adopted under Government Code provisions relating to TESRS in effect until its amendment or repeal by the TESRS board of trustees and provides for the expiration of a commissioner rule adopted in connection with or related to the TLFFRA on September 1, 2013. The bill transfers and reappropriates the unobligated and unexpended balance of any appropriation made to the commissioner in connection with TESRS to the TESRS board of trustees to implement the transfer of powers, duties, obligations, and rights of action and transfers the unobligated and unexpended balance of any appropriations made to the commissioner in connection with or relating to the TLFFRA to the general revenue fund. The bill transfers an administrative hearing on appeal to the commissioner to the State Office of Administrative Hearings without change in status and requires the attorney general to continue any proceeding involving the office of the commissioner that is pending on the bill's effective date in accordance with the law in effect on the date the proceeding began. The bill requires the governor, if the required transfers are not completed by September 1, 2013, to appoint a person to complete the transfers.

Senate Bill 220 amends the Government Code to replace references to the commissioner with references to the executive director. The bill subjects the TESRS board of trustees to review under the Texas Sunset Act but does not provide for its abolishment under that act and schedules the board to be reviewed in 2025 and every 12 years after that. The bill requires the board to develop and implement contract management policies for applicable TESRS staff.

Senate Bill 220 requires the TESRS board of trustees to electronically submit a report to the governor, the legislature's presiding officers, the Legislative Budget Board, and the State Pension Review Board if there are any significant changes to the actuarial valuation of the pension system's assets or liabilities or to the contributions made to or benefits paid from TESRS or if there is a need to correct or repeat an actuarial valuation because of the use of erroneous information or assumptions. The bill sets out content requirements for an actuarial valuation of the TESRS pension fund and requires both a periodic audit of the actuarial valuation and the periodic conduct of an actuarial experience study.

Senate Bill 220 amends the TLFFRA to require the State Pension Review Board to provide technical assistance, training, and information to members of local boards of trustees under that

#### **Sunset Review and Process**

act and to clarify the State Pension Review Board's role with respect to the referral of certain appeals to the State Office of Administrative Hearings and makes other conforming changes to that act, the Education Code, and the Government Code.

Except as otherwise provided, the bill takes effect June 14, 2013.

The summaries for the following bills are in the listed chapters: Senate Bill 567 - Utilities Senate Joint Resolution 42 - Courts

# Taxes and Tax Administration

This chapter covers legislation on issues relating to taxation, including the franchise tax and hotel occupancy, property, and sales and use taxes. It also contains legislation relating to the appraisal of real property and appraisal appeal. Legislation relating to tax incentives for economic development is in the **Economic Development** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 2148 House Author: Hilderbran Effective: 9-1-13 Senate Sponsor: Williams

House Bill 2148 amends the Tax Code to impose a tax on the sale of compressed natural gas (CNG) or liquefied natural gas (LNG) that is delivered into the fuel supply tank of a motor vehicle in connection with a sale of the gas, for which the dealer is liable, and on the delivery of CNG or LNG into the fuel supply tank of a motor vehicle by a fleet user or other dealer not in connection with a sale of the gas, for which the fleet user or other dealer is liable. The bill sets the tax rate at 15 cents for each gasoline or diesel gallon equivalent or fractional part of CNG or LNG, with that equivalence determined by whether the natural gas is supplied to the dispenser from a pipeline or other nonliquefied source or from a liquefied source. The bill also sets out provisions for a backup tax and tax exemptions similar to the backup taxes and tax exemptions applicable to the gasoline and diesel fuel taxes.

House Bill 2148 sets out licensing requirements for a CNG and LNG dealer's license issued by the comptroller of public accounts, which authorizes a dealer to sell or deliver CNG or LNG subject to the tax or to act as an aviation fuel dealer delivering CNG or LNG, and provides for an interstate trucker's license authorizing a trucker to report and pay the tax and take a credit or claim a refund if the trucker operates a CNG- or LNG-fueled motor vehicle. The bill also sets out tax credit and tax refund provisions applicable to CNG and LNG taxpayers.

House Bill 2148 provides for the allocation and deposit of one-fourth of the remainder of the CNG and LNG taxes collected to the credit of the available school fund and three-fourths of the remainder of such taxes to the credit of the state highway fund. The bill expands the conduct that constitutes the Class B misdemeanor offense involving motor fuel taxes to include delivering CNG or LNG into the fuel supply tank of a motor vehicle without a valid CNG and LNG dealer's license and making a tax-free delivery of CNG or LNG into the fuel supply tank of a motor vehicle if the delivery is not specifically exempted. The bill establishes that such conduct also makes a person liable for a civil penalty to the state of not less than \$25 and not more than \$200.

The bill authorizes a person who holds a liquefied gas tax decal license that is effective on or after the bill's effective date for a vehicle fueled by CNG or LNG to apply and obtain a prorated refund of the taxes paid in advance for the period after the bill's effective date. The bill authorizes a person who operates motor vehicles used to provide the services of a transit company and who held a liquefied gas tax decal license on or before August 31, 2013, to pay the liquefied gas tax on CNG or LNG delivered into the fuel supply tank of such a motor vehicle from a refueling facility and to operate those vehicles on Texas public highways using the gas.

House Bill 3086 House Author: Darby
Effective: 9-1-13 Senate Sponsor: Huffman

Current law provides a diesel fuel tax exemption for the volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures of water, ethanol, diesel, and biodiesel that are blended

with taxable diesel fuel when the finished product is clearly identified on the retail pump, storage tank, and sales invoice as a blended product. House Bill 3086 amends the Tax Code to authorize a supplier or permissive supplier of diesel fuel, in lieu of claiming that exemption and complying with those labeling requirements, to elect to collect and remit the diesel fuel tax on those materials as if the materials were taxable diesel fuel. The bill exempts a dealer who sells taxable diesel fuel blended with such materials on which tax has been paid under the bill's provisions from the labeling otherwise required for a tax exemption. The materials on which tax has been paid under the bill's provisions are not exempt from the tax on a subsequent sale, and a license holder or other purchaser is not entitled to a refund of or credit for a tax paid on purchase of taxable diesel fuel blended with those materials.

Senate Bill 559

Senate Author: Duncan
House Sponsor: Pitts et al.

Senate Bill 559 repeals temporary provisions of the Alcoholic Beverage Code and the Tax Code that would have required a one-time prepayment in August 2013 of a portion of certain taxes and fees otherwise due to be remitted in September 2013 in return for a credit in the same amount of the remitted prepayment against the next tax or fee payments due and that temporarily postponed the allocation of certain state money. The repealed provisions otherwise were set to expire September 1, 2015. The bill also repeals a Government Code provision that required the comptroller of public accounts, each August, to estimate the amount from the state lottery account to be transferred to the foundation school fund and set a deadline for that transfer.

Senate Bill 603 Senate Author: Williams Effective: 9-1-13 House Sponsor: Ritter

Senate Bill 603 amends the Tax Code to require the comptroller of public accounts to revoke the end user number issued to a purchaser of dyed diesel fuel for the tax-free purchase of such fuel on receipt of notice of a final judgment entered by a court against the purchaser for failure to pay an amount owed to a licensed supplier or distributor in connection with such purchase. The bill requires the comptroller to provide the licensed supplier or distributor written notice that the purchaser may no longer make tax-free purchases of dyed diesel fuel on the revocation of the purchaser's end user number and authorizes the comptroller to reinstate a revoked end user number on receipt of proof satisfactory to the comptroller that the affected purchaser has satisfied the final judgment entered by the court.

#### Franchise Taxes

House Bill 500 House Author: Hilderbran et al. Effective: See below Senate Sponsor: Hegar et al.

House Bill 500 amends the Tax Code to expand the definition of "retail trade," for purposes of the franchise tax, to include automotive repair shop services; rental-purchase agreements; and the renting or leasing of tools, party and event supplies, furniture, and heavy construction equipment. The bill provides a temporary franchise tax rate reduction for non-EZ rate filers, reducing the existing rate of one percent of taxable margin to a rate of 0.975 percent for the 2014 tax year and 0.95 percent for the 2015 tax year and reducing the current rate of 0.5 percent for a taxable entity primarily engaged in retail or wholesale trade to a rate of 0.4875 percent for the 2014 tax year and 0.475 percent for the 2015 tax year. The rate reductions for 2015 are

contingent on certification by the comptroller of public accounts that sufficient surplus revenue will be available to offset the loss of tax revenue that would result from the rate reduction.

House Bill 500 provides a taxable entity the option of determining its taxable margin on the basis of the taxable entity's total revenue from its entire business minus \$1 million if that amount is less than the alternative computations of taxable margin.

House Bill 500 exempts from the franchise tax a corporation formed by one or more political subdivisions to negotiate the purchase of electricity on those local governments' behalf and a nonadmitted insurance organization that is subject to an occupation tax or any other tax that is imposed for the privilege of doing business in another state or a foreign jurisdiction.

House Bill 500 sets out the following exclusions that certain taxable entities must make from their total revenue for purposes of determining their respective taxable margins:

- pharmacy network reimbursements for payments to network pharmacies:
- subcontracting payments made by an aggregate transporter, a barite transporter, or a landman services business for specific services performed on the entity's behalf;
- actual cost paid by any taxable entity for a vaccine;
- direct costs of a waterways transport business transporting goods via an intrastate or interstate waterway, if the business does not subtract the cost of goods sold; and
- motor carrier flow-through revenues derived from taxes and fees.

The bill also authorizes a pipeline entity, other than a refinery, that is engaged primarily in gathering, storing, transporting, or processing for other entities crude oil and finished petroleum products, natural gas, condensate, and natural gas liquids that it does not own to subtract as a cost of goods sold its depreciation, operations, and maintenance costs related to the services provided.

Effective September 1, 2013, House Bill 500 clarifies that, for a movie theater that elects to subtract costs of goods sold, those costs are the theater's costs to acquire, produce, exhibit, or use a film or motion picture.

Previous law capped a combined group's taxable margin at 70 percent of the group's total revenue from its entire business. The bill instead caps the group's taxable margin at the lesser of that amount or the group's total revenue minus \$1 million. The bill prohibits a retail or wholesale electric utilities provider from being included as a member of a combined group that includes one or more taxable entities that do not provide such utilities under certain conditions. The bill establishes that, for purposes of apportioning taxable margin, revenue from Internet hosting is apportioned to Texas only if the customer to whom the service is provided is located in Texas.

Effective September 1, 2013, the bill authorizes a taxable entity to deduct from its apportioned margin certain relocation costs incurred in relocating the entity's main office or other place of business to Texas from another state if the entity did not do business in Texas before the relocation and is not affiliated in a unitary business with another entity already doing business in Texas. The bill requires a taxable entity that takes such a deduction to file with the comptroller proof of the deducted relocation costs on the comptroller's request.

Effective January 1, 2015, the bill makes an entity eligible for a credit against the franchise tax for eligible costs and expenses incurred in the certified rehabilitation of a certified historic structure if the entity has an ownership interest in the structure and invests \$5,000 or more in the rehabilitation. The bill caps the credit at 25 percent of the total eligible costs and expenses incurred in the rehabilitation, allows a carryforward of unused credits for up to five consecutive reports, and caps the total credit that may be applied for in a report, including the amount of any carryforward credit, at the amount of the franchise tax due for the report after any other applicable credits.

House Bill 500 repeals provisions relating to the effective dates for successive changes to the maximum amount of a taxable entity's total revenue that would exempt such an entity from franchise tax liability; discounts from tax liability for small businesses with total business revenue at various ranges below \$900,000; and the contents of a franchise tax report filed by a combined group.

House Bill 500 takes effect January 1, 2015, except as otherwise provided.

House Bill 800 Effective: 1-1-14 House Author: Murphy et al. Senate Sponsor: Deuell et al.

House Bill 800 amends the Tax Code to provide for a sales tax exemption and franchise tax credit for certain research and development activities until December 31, 2026. The qualifying activities for the sales tax exemption are the sale, storage, or use of depreciable tangible personal property directly related to qualified research as defined by the bill. The activities that qualify for the franchise tax credit are qualified research activities in Texas as defined by federal law and by the comptroller of public accounts, who is authorized to adopt rules governing qualified research expenses. A person is ineligible to receive the sales tax exemption during a tax reporting period that the person claims the franchise tax credit.

House Bill 800 makes a taxable entity responsible for establishing entitlement to and the value of the franchise tax credit. The bill specifies the amount of the franchise tax credit generally and under certain circumstances, including circumstances relating to a taxable entity's contract with an institution of higher education for the performance of qualified research. The bill also specifies how qualified research expenses are to be attributed following the transfer of the controlling interest of a taxable entity to another taxable entity. The bill sets a limit on the total credit that can be claimed during a reporting period, establishes ineligibility for credit during certain reporting periods, and provides for combined reporting if the taxable entity is a combined group. The bill requires the comptroller to deposit enough franchise tax revenue to the credit of the property tax relief fund to offset any decrease in that fund resulting from the bill. The bill also requires the comptroller to submit certain estimates and evaluations relating to the franchise tax credit and sales tax exemption established by the bill.

House Bill 2451 Effective: 1-1-14 House Author: King, Tracy O. Senate Sponsor: Hegar

House Bill 2451 amends the Tax Code to require a taxable entity primarily engaged in the business of providing services as an agricultural aircraft operation, as defined by federal regulation, to exclude the cost of labor, equipment, fuel, and materials used in providing those services from its total revenue when computing the entity's taxable margin for purposes of determining its franchise tax liability.

House Bill 2766 Effective: 1-1-14 House Author: Hunter

Senate Sponsor: Whitmire et al.

Previous law required a taxable entity, when computing its taxable margin for purposes of the franchise tax, to exclude certain subcontracting payments from its total revenue as flow-through funds whose distribution to other entities is mandated by contract, but only when those subcontracting payments were handled by the taxable entity for the provision of services, labor, or material in connection with certain projects relating to improvements on real property or the location of the boundaries of real property. House Bill 2766 amends the Tax Code to clarify the requirement by requiring instead the exclusion, as flow-through funds, of subcontracting payments made under either a contract or a subcontract entered into by the taxable entity for

such purposes and to include among those purposes the actual or proposed remediation of improvements on real property.

# **Hotel Occupancy Taxes**

House Bill 1662 Effective: 6-14-13 House Author: Price Senate Sponsor: Seliger

House Bill 1662 amends the Tax Code to authorize a municipality that has a population of at least 190,000, no part of which is located in a county with a population of at least 150,000, to use revenue from the municipal hotel occupancy tax to conduct an audit of a person in the municipality required to collect the tax, provided that the municipality use the revenue to audit not more than one-third of the total number of those persons in any fiscal year.

House Bill 1724 Effective: 9-1-13 House Author: Bohac Senate Sponsor: Seliger

Previous law provided no express limitation on the right of a municipality or a county to bring suit against a person who fails to file a municipal or county hotel occupancy tax report or to pay municipal or county hotel occupancy taxes when due. House Bill 1724 amends the Tax Code to remove provisions that specifically exempted a municipality from certain limitations on such suits and to require instead that a municipality or county bring such a suit not later than the fourth anniversary of the date the tax becomes due, unless a person files a false or fraudulent report with the municipality or county with the intent to evade the applicable tax or fails to file the applicable tax report, in which case the four-year limitation period does not apply, and the municipality or county is authorized to bring suit at any time.

House Bill 1724 makes a person who fails to pay a municipal hotel occupancy tax when due liable to the municipality that imposes the tax for interest on the unpaid amount at a specified rate. The bill also authorizes a municipality that has a population of at least 190,000, no part of which is located in a county with a population of at least 150,000, to use revenue from the municipal hotel occupancy tax to conduct an audit of a person in the municipality required to collect the tax, provided that the municipality use the revenue to audit not more than one-third of the total number of those persons in any fiscal year.

House Bill 1908 Effective: 9-1-13 House Author: Eiland et al. Senate Sponsor: Hancock

House Bill 1908 amends the Local Government Code to prohibit a municipality or county from proposing a hotel occupancy tax rate, on a tax imposed for purposes of financing a sports or community venue project, that would cause the combined hotel occupancy tax rate imposed from all sources at any location in the municipality or county, as applicable, to exceed 17 percent of the price paid for a room in a hotel, with the exclusion of certain authorized assessments or associated cost recovery fees from the calculation of the combined rate. The bill requires the ballot proposition at an election held on the proposed adoption of a county or municipal hotel occupancy tax for such purposes or on a proposed increase in the rate of such a tax to specify the maximum combined rate if the proposed tax or rate increase is adopted.

House Bill 3042 Effective: 9-1-13 House Author: Oliveira et al. Senate Sponsor: Lucio

House Bill 3042 amends the Tax Code to require the comptroller of public accounts, not later than the last day of the month following a calendar quarter, to compute the amount of

revenue derived from the collection of state hotel occupancy taxes imposed at a rate of two percent and received from hotels located on barrier islands in a municipality that borders on the Gulf of Mexico, that is located wholly or partly on a barrier island, and the boundaries of which are within 30 miles of the United Mexican States. The bill requires the comptroller to issue to such municipality a warrant drawn on the general revenue fund for that amount, which the municipality may use solely for the limited purposes of public beach cleaning and maintenance and erosion response projects, and prohibits the comptroller from issuing a warrant for an amount that exceeds that amount.

House Bill 3296 House Author: Raney
Effective: 6-14-13 Senate Sponsor: Schwertner

House Bill 3296 amends the Tax Code to temporarily raise the cap on the county hotel occupancy tax rate in a county that has a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers from 2.0 percent to 2.75 percent of the price paid for a hotel room under the following conditions:

- the convention and visitors bureau within the county executes a preferred access facilities contract with a major state university based in the county for the purpose of promoting tourism in the county;
- the county allocates the revenue derived from the increase in the tax rate for payments to the university under the preferred access facilities contract to be used for the renovation of a university-owned stadium located in the county; and
- not more than 30 years have passed from the date bonds were originally issued by the university to finance a stadium renovation project for the stadium.

The increase in the cap expires on the date the county commissioners court certifies that all debt issued or incurred by the university to finance or refinance the stadium renovation project, including interest and any costs relating to the debt, has been paid in full.

House Bill 3296 lowers from 45 to 20 the minimum percentage of the revenue from the county hotel occupancy tax that the county must spend on marketing projects that directly promote tourism, hotel, and convention activity. The bill repeals provisions relating to the imposition of a municipal hotel occupancy tax and its use in a home-rule municipality in such county that was originally chartered in or after 1938 and that is home to a major state university.

**House Bill 3337 Effective:** 6-14-13 **House Author:** King, Tracy O. **Senate Sponsor:** Uresti

House Bill 3337 amends the Tax Code to authorize the commissioners court of a county through which the Frio River flows, that has a population of 17,000 or more, that does not share a border with a county that borders the United Mexican States, and the county seat of which holds an annual potato fest to impose a county hotel occupancy tax. The bill makes the tax inapplicable to a hotel located in a municipality that imposes an applicable municipal hotel occupancy tax.

House Bill 3643 House Author: Harper-Brown Effective: 9-1-13 Senate Sponsor: Carona

Provisions governing the allocation of municipal hotel occupancy tax revenue for the arts by a municipality that has a population of more than 190,000, that is located in a county in which another municipality that has a population of more than one million is predominantly located, and that issued bonds before January 1, 2007, for the construction of a municipal arts center payable from and secured by such revenue initially were set to expire September

1, 2022. House Bill 3643 amends the Tax Code to postpone the expiration of those provisions until September 1, 2026, and to prohibit such a municipality that spends more than 15 percent of that revenue in a fiscal year to promote tourism and the convention and hotel industry through the encouragement, promotion, improvement, and application of the arts from reducing in that fiscal year the percentage of hotel occupancy tax revenue spent on advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity to a percentage below the percentage of hotel occupancy tax revenue spent for that purpose during the municipality's 2011-2012 fiscal year.

Senate Bill 412 Senate Author: Seliger Effective: 5-18-13 House Sponsor: Lewis

Senate Bill 412 amends the Tax Code to authorize the commissioners court of a county with a population of less than 200,000 in which a minor league hockey team is or has been located and in which a component institution of The University of Texas System is located to impose a hotel occupancy tax, with the rate capped at two percent of the price paid for a hotel room. The bill restricts the use of revenue from the tax to operating, maintaining, and improving a coliseum in the county and to advertising and conducting solicitations and promotional programs to attract visitors to the coliseum.

Senate Bill 551 Senate Author: Uresti House Sponsor: Nevarez

Senate Bill 551 amends the Tax Code to authorize a municipality that has a population of at least 7,500 and not more than 15,000 and is located in a county that borders the Pecos River to use revenue from the municipal hotel occupancy tax for the limited purpose of promoting tourism by enhancing and upgrading certain existing sports facilities or fields owned by the municipality, if the facilities or fields have been used a combined total of more than 10 times in the preceding calendar year for district, state, regional, or national sports tournaments.

Senate Bill 585

Effective: 6-14-13

Senate Author: Hegar
House Sponsor: Morrison

Senate Bill 585 amends the Tax Code to authorize a municipality that is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located to use revenue from the municipal hotel occupancy tax for the limited purpose of promoting tourism by enhancing and upgrading certain existing sports facilities or fields owned by the municipality, if the facilities or fields have been used a combined total of more than 10 times in the preceding calendar year for district, state, regional, or national sports tournaments.

Senate Bill 1041 Senate Author: Zaffirini Effective: 5-18-13 House Sponsor: Lozano

Senate Bill 1041 amends the Tax Code to authorize the commissioners court of a county with a population of less than 50,000 through which the Aransas River flows and that has a municipality with a population of more than 10,000 to impose a county hotel occupancy tax, with the rate capped at two percent of the price paid for a hotel room if the hotel is located in a municipality that imposes an applicable municipal hotel occupancy tax. The bill restricts the use of revenue from the county tax to operating, maintaining, and improving a convention center in the county and to advertising and conducting solicitations and promotional programs to attract tourists and convention delegates and registrants to the county.

Senate Bill 1585

Senate Author: Rodriguez

Effective: 6-14-13

House Sponsor: Nevarez

Senate Bill 1585 amends the Tax Code to authorize the commissioners court of a county that borders the Rio Grande River and has a population of less than 6,000 and an area of more than 2,500 square miles to impose a county hotel occupancy tax. The bill exempts a hotel located in a municipality that imposes a municipal hotel occupancy tax from such a county hotel occupancy tax.

Senate Bill 1833 Senate Author: Uresti Effective: 6-14-13 House Sponsor: Nevarez

Previous law capped the county hotel occupancy tax in a county that borders the United Mexican States and in which there is located a national recreation area at a rate that, when added to any applicable municipal hotel occupancy tax rate, equals seven percent of the price paid for a hotel room. Senate Bill 1833 amends the Tax Code to remove this provision and to instead cap the county hotel occupancy tax rate in such a county at two percent of the price paid for a room in a hotel if the hotel is located in a municipality or in the municipality's extraterritorial jurisdiction and the municipality imposes a municipal hotel occupancy tax applicable to the hotel.

### **Property Tax Appraisals and Protests**

**House Bill 241 Effective:** 9-1-13 **House Author:** Otto et al. **Senate Sponsor:** Hegar

House Bill 241 amends the Tax Code to limit applicability of the requirement for the chief appraiser of an appraisal district to provide notice regarding the availability of agreement forms authorizing electronic communications between the chief appraiser, the appraisal district, or an appraisal review board and a property owner or the property owner's designee to an appraisal district located in a county that has a population of more than 200,000 or to an appraisal district in which the chief appraiser authorized electronic communication and the appraisal district has implemented a system that allows such communication.

**House Bill 242 Effective:** 1-1-14 **House Author:** Otto **Senate Sponsor:** Hegar

House Bill 242 amends the Tax Code to require the chief appraiser of an appraisal district to send the following property tax notices to a property owner by certified mail:

- notice of the chief appraiser's determination that land previously designated for agricultural use has been diverted to a nonagricultural use;
- notice that a new application for an appraisal of property as agricultural land is required to confirm the land's current eligibility if the appraiser has reason to believe the land's eligibility has ended;
- notice of and an explanation of the reason for the imposition of a penalty for a late application for an appraisal of property as agricultural land; and
- notice of the chief appraiser's determination that a change occurred in the use of land that has been appraised either as agricultural land or as timber land and of the owner's right to protest the determination.

House Bill 316 House Author: Otto et al. Senate Sponsor: Williams

House Bill 316 amends the Government Code to establish on a permanent basis the provisions of an existing pilot program authorizing a property owner to appeal to the State Office of Administrative Hearings (SOAH) an appraisal review board order determining certain protests concerning property with an appraised or market value of more than \$1 million, as an alternative to filing an appeal of such an appraisal review board order in district court, by repealing the expiration date for those provisions and by removing provisions relating to the program's development and implementation, provisions authorizing the SOAH to limit the number of appeals that could be filed in each county participating in the pilot program, and provisions restricting the program's implementation to certain counties for a limited period in each county. The bill limits the SOAH to hearing appeals in certain cities and requires an administrative law judge to set the hearing's location based on the location of the relevant property. The bill also repeals a reporting requirement previously applicable to the pilot program.

House Bill 326 House Author: Dutton
Effective: 6-14-13 Senate Sponsor: Huffman

Under current law, an individual becomes permanently ineligible to serve on the appraisal review board of an appraisal district established for a county having a population of 100,000 or more once the person has served for all or part of three previous terms as either a member or auxiliary member of that board. House Bill 326 amends the Tax Code to remove that condition of ineligibility for service on such an appraisal review board and instead make a person who has served all or part of three consecutive terms as a board member on such an appraisal review board ineligible only for service on that board during a term that begins on the next January 1 following the third of those consecutive terms.

House Bill 585 House Author: Villarreal et al. Effective: See below Senate Sponsor: Eltife

House Bill 585 amends the Occupations Code to specify an allocation of the hours to be completed as part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, which must include at least two hours of professional ethics training specific to a chief appraiser. The bill also amends the Tax Code to require each member of an appraisal review board, at the conclusion of the initial training course for appraisal review board members and again at the conclusion of each subsequent continuing education course required of the member, to complete a statement that the member will comply with the applicable requirements of law in conducting hearings.

House Bill 585 further amends the Tax Code to provide for appraisal review board oversight by requiring the comptroller of public accounts to prepare appropriate model hearing procedures for appraisal review boards; requiring each board to follow the applicable model procedures when establishing its own hearing procedures; establishing a survey form for public comments and suggestions concerning an appraisal review board, matters addressed by the board's hearing procedures, and any other matters relating to the board's fairness and efficiency; and requiring the comptroller to issue an annual report summarizing the survey forms submitted by property owners concerning each appraisal review board.

House Bill 585 makes a person ineligible to serve on an appraisal district board of directors if the person has either appraised property subject to a proceeding or represented a property owner in a proceeding for compensation during the preceding five years; specifies the professional credentials required for appointment or service as chief appraiser; and provides

for the comptroller's temporary appointment of an eligible individual as chief appraiser for an appraisal district with an ineligible chief appraiser.

House Bill 585 reduces from 125,000 to 120,000 the minimum county population threshold for the mandatory appointment of a taxpayer liaison officer and adds to the officer's duties the receipt, compilation, and transmittal to the comptroller of survey comments and suggestions filed by a chief appraiser, property owner, or property owner's agent and the provision of clerical assistance to the local administrative district judge in the selection of appraisal review board members. The bill also substantially lowers the minimum population threshold for certain populous counties in which the appraisal review board members are appointed by the local administrative district judge rather than by the appraisal district's board of directors, making those provisions applicable in a county with a population of 120,000 or more and, with certain exceptions, makes it a Class A misdemeanor offense for a chief appraiser or another employee or agent of the appraisal district for such a county, a member of either the district's appraisal review board or its board of directors, a property tax consultant, or a property owner's agent to communicate with the local administrative district judge regarding the appointment of appraisal review board members. The bill also makes it a Class A misdemeanor offense for a chief appraiser or another district employee or agent to communicate with a member of the district's appraisal review board or board of directors or, in a county with a population of 120,000 or more, with the local administrative district judge regarding a basis on which the appraisal review board or a panel of the board reduces the appraised value of property.

House Bill 585 sets out specific application requirements and procedures for claiming and receiving certain allocations of taxable property value; authorizes a secured party, with a property owner's consent, to render for taxation any property that has a historical cost greater than \$50,000 in which the secured party has a security interest on January 1; and establishes that a replacement structure whose square footage exceeds that of the replaced structure or whose exterior is of a higher quality construction or composition than that of the replaced structure is not considered a new improvement if the square footage or exterior construction or composition was necessary to satisfy disaster recovery program requirements. The bill establishes that an application for a refund of a property tax overpayment or erroneous payment is presumed to have been denied if the collector for a taxing unit does not respond to the application on or before the 90th day after the date the application is filed and, on the denial of an application, authorizes the taxpayer to file suit against the taxing unit in district court to compel payment of the refund.

House Bill 585 sets out conditions under which an appraisal district must establish the value of property subject to a taxpayer protest by clear and convincing evidence presented at the hearing and requires the protest to be determined in the property owner's favor if the appraisal district fails to meet that standard for its burden of proof.

House Bill 585 clarifies that a property owner does not waive the right to appear in person at a taxpayer protest hearing by submitting an evidence or argument affidavit to the appraisal review board and sets limitations and conditions on the board's consideration and use of the affidavit in the property owner's absence. The bill also sets out provisions regarding scheduling of hearings, including scheduling of hearings on protests concerning multiple properties, and the use of panels to conduct such hearings. The bill repeals provisions relating to expedited arbitrations in appeals of an appraisal review board's determination of a property owner's protest regarding a property's appraised or market value.

House Bill 585 gives a property owner whose appeal through judicial review is pending the option of paying the amount of taxes imposed on the property in the preceding tax year before the applicable delinquency date in order to avoid forfeiting the right to proceed to a final determination of the appeal; authorizes the property owner to pay an additional amount at

any time without forfeiting that right; and allows a property owner to pay half of the required amount by December 1 and the other half before the following July if the taxes are subject to the split-payment option. The bill authorizes a petition for judicial review to include multiple properties owned or leased by the same person that are similar and would typically sell as a single property; authorizes the amendment of a petition to include additional properties meeting the same criteria; and clarifies the court's jurisdiction over an appeal through judicial review in certain cases.

House Bill 585 specifies the conditions under which evidence, argument, or other testimony offered at an appraisal review board hearing by a property owner or agent is admissible in an appeal through judicial review and authorizes the award of reasonable attorney fees to a property owner who prevails in an appeal to the court of an appraisal review board determination of a protest regarding the denial of certain property tax exemptions.

House Bill 585 takes effect June 14, 2013, except for provisions relating to continuing education requirements for a chief appraiser, board members' completion of a compliance statement at the conclusion of each training and continuing education course, appraisal review board oversight, eligibility criteria for chief appraisers, and the comptroller's appointment of a chief appraiser; appraisal districts in counties with a revised population bracket; a secured third party's rendition; replacement structures under a disaster recovery program; use of affidavits in a protest hearing; and hearing scheduling, all of which take effect January 1, 2014, and provisions relating to the standard for burden of proof in establishing the value of property, which take effect September 1, 2013.

House Bill 826 House Author: Harless Effective: 1-1-14 Senate Sponsor: Eltife

House Bill 826 amends the Tax Code to exclude a bank, savings bank, savings and loan association, credit union, or other finance company from the term "dealer" for purposes of the property tax appraisal of a heavy equipment dealer's inventory. The bill also excludes the person who renders another person's inventory of heavy equipment for taxation by filing a rendition statement or property report from that term for purposes of taxing that inventory. The bill specifies that an item of heavy equipment must be held by a dealer in Texas during a 12-month period, whether for sale, lease, or rent, for the item to be included in the dealer's heavy equipment inventory.

House Bill 2500 House Author: Bohac et al. Senate Sponsor: Watson et al.

House Bill 2500 amends the Tax Code to require a chief appraiser to use the cost method of appraisal to determine for property tax purposes the market value of solar energy property that is used for commercial purposes and is constructed or installed on or after January 1, 2014. The bill requires the chief appraiser, in making that determination, to use cost data obtained from generally accepted sources, make any appropriate adjustment for obsolescence and any other justifiable factor, and calculate the depreciated value of the property by using a useful life that does not exceed 10 years, except that the depreciated value in any tax year cannot be less than 20 percent of the value computed after making the appropriate adjustments to the value derived from the cost data.

**House Bill 2792 Effective:** 6-14-13 **House Author:** Elkins **Senate Sponsor:** Hegar

House Bill 2792 amends the Tax Code to require an appraisal review board to conduct a hearing on a property owner protest that is closed to the public if the property owner or the

chief appraiser intends to disclose proprietary or confidential information at the hearing that will assist the review board in determining the protest. The bill authorizes the review board to hold such a closed hearing only on a joint motion by the property owner and the chief appraiser. The bill establishes that proprietary or confidential information disclosed at a closed hearing is considered confidential in the same manner and under the same provisions as rendition statements, property reports, and other information provided by a property owner to an appraisal office in connection with the appraisal of property.

**House Bill 3438 Effective:** 9-1-13 **House Author:** Otto et al. **Senate Sponsor:** Lucio

Under previous law, a person was ineligible to serve on an appraisal review board of an appraisal district established for a county with a population of more than 100,000 if the person had ever appeared before the appraisal review board for compensation. House Bill 3438 amends the Tax Code to limit that disqualification for service to any such appearance during the two-year period preceding the appointment date of the person.

House Bill 3439 House Author: Otto et al. Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 3439 amends the Tax Code to extend to a property owner's designated agent the authorization previously granted solely to the property owner to file with the appraisal district both a written revocation of the property owner's request that all communications relating to the owner's property or taxes be delivered to the owner's fiduciary and a written revocation of the property owner's designation of an agent to act on the owner's behalf in connection with all property tax-related matters. The bill requires a designated agent revoking the designation to send notice of the revocation by certified mail to the property owner at the owner's last known address.

Senate Bill 359

Effective: 6-14-13

Senate Author: Hinojosa
House Sponsor: Eiland

Senate Bill 359 amends the Tax Code to include the governing bodies of junior college districts among the taxing units participating in an appraisal district that are entitled to vote for the appointment of members to the appraisal district's board of directors. The bill requires a chief appraiser, after calculating the number of votes to which each eligible taxing unit is entitled, to deliver to the presiding officer of the governing body of each participating junior college district and to each such junior college district's president, chancellor, or chief executive officer written notice of the number of votes to which the junior college district is entitled.

Senate Bill 359 requires the board of directors of an appraisal district by resolution, if the appraisal district increases the number of members on the district's board of directors or changes the method or procedure for appointing the members, to provide for the junior college districts that participate in the appraisal district to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the appraisal district among all of the school districts with representation in the appraisal district. The bill exempts such a resolution from being subject to rejection by a resolution opposing the change filed with the board of directors by a taxing unit participating in the district.

Senate Bill 1255

Effective: 6-14-13

Senate Author: Patrick
House Sponsor: Murphy

Senate Bill 1255 amends the Tax Code to include an appraisal review board order determining a protest of an unequal appraisal of a property owner's property among the orders a property owner is entitled to appeal through binding arbitration if the property qualifies as the owner's residence homestead or the appraised or market value, as applicable, of the property as determined by the order is \$1 million or less. The bill requires an arbitrator, before conducting a hearing on an arbitration relating to the appeal of such an order, to complete a training program on property tax law and requires the training program to emphasize the requirements regarding the equal and uniform appraisal of property, to be at least four hours in length, and to be approved by the comptroller of public accounts.

Senate Bill 1256 Senate Author: Patrick et al. House Sponsor: Bohac

Senate Bill 1256 amends the Tax Code to establish that, for purposes of using the market data comparison method of appraisal for a residential property in a county with a population of more than 150,000, a sale is not considered to be a comparable sale unless the sale occurred within 36 months of the date as of which the property's market value is to be determined, regardless of the number of comparable properties sold during that period.

Senate Bill 1662 Senate Author: Eltife Effective: 1-1-14 House Sponsor: Otto

Senate Bill 1662 repeals a provision of the Tax Code that provided for an expedited arbitration of a property owner's appeal of an appraisal review board order determining a protest concerning the appraised or market value of the owner's property.

# **Property Taxes**

House Bill 97 House Author: Perry et al.

**Effective:** See below **Senate Sponsor:** Van de Putte et al.

House Bill 97 amends the Tax Code to entitle a partially disabled veteran and, under certain conditions, the surviving spouse of such a veteran, to a property tax exemption of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization at no cost to the disabled veteran. The bill entitles the surviving spouse, if the spouse subsequently qualifies a different property as the spouse's residence homestead, to a property tax exemption for the subsequently qualified homestead in an amount equal to the dollar amount of the exemption of the former homestead in the last year in which the surviving spouse received an exemption for that residence homestead if the surviving spouse has not remarried since the death of the disabled veteran. The bill entitles the surviving spouse to receive from the chief appraiser of the appraisal district in which the former residence homestead was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled. The bill makes such an exemption effective as of January 1 of the tax year in which the person qualified for the exemption and applicable to the entire tax year, but requires a person to apply for the

exemption not later than one year from the date the person qualified for the exemption, with a grace period allowed for a late application filed within one year of the delinquency date for the taxes due on the homestead.

House Bill 97 takes effect January 1, 2014, contingent on voter approval of the constitutional amendment proposed by House Joint Resolution 24.

House Author: Rodriguez, Eddie

Senate Sponsor: Watson et al.

House Bill 294 Effective: 1-1-14

Previous law authorized a property tax exemption for improvements that are owned by a charitable organization in existence for at least 10 years and used by the organization to provide housing and related services to certain homeless individuals in partnership with a municipality with a population of more than 750,000 and less than 850,000 at a municipally owned campus. House Bill 294 amends the Tax Code to apply the tax exemption instead to property that is owned by such a charitable organization, regardless of whether the real property constitutes a building, and that is located on or consists of a single campus in such a municipality or within the municipality's extraterritorial jurisdiction. The bill also revises the eligibility criteria for an organization to claim such an exemption by requiring the organization to have been in existence for a minimum of 12 years.

**House Bill 315 Effective:** 1-1-14 **House Author:** Otto **Senate Sponsor:** Estes

House Bill 315 amends the Tax Code to exclude a dealer who meets the following criteria from the application of provisions relating to the appraisal of a dealer's motor vehicle inventory for property tax purposes:

- the dealer does not sell self-propelled vehicles designed to transport persons or property on a public highway;
- either the dealer's total annual sales from the dealer's motor vehicle inventory, less sales
  to dealers, fleet transactions, and subsequent sales, for the preceding tax year are 25
  percent or less of the dealer's total revenue from all sources during that period or the
  dealer did not sell a motor vehicle to a person other than another dealer during that
  preceding tax year and the dealer estimates that the dealer's total annual sales from the
  dealer's motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent
  sales, for the current tax year will be 25 percent or less of the dealer's total revenue from
  all sources during that period;
- not later than August 31 of the preceding tax year, the dealer filed with the chief appraiser
  a declaration on a form prescribed by the comptroller of public accounts stating that the
  dealer elected not to be treated as a dealer for purposes of appraising the dealer's motor
  vehicle inventory for the property tax in the current tax year; and
- the dealer renders the dealer's motor vehicle inventory in the current tax year by filing a rendition with the chief appraiser in the manner prescribed by law.

House Bill 315 requires a dealer who has elected to file such a declaration and to render the dealer's motor vehicle inventory in such a manner to continue to file the declaration and render the inventory so long as the dealer's total annual sales do not exceed the threshold specified by the bill's provisions.

House Bill 561 House Author: Workman et al. Effective: 6-14-13 Senate Sponsor: Seliger

Under current law, a landowner who converts land previously appraised as agricultural land to another use is subject to an additional tax equal to the difference between the taxes imposed on the land on the basis of its agricultural use for each of the five years preceding the year in which the change of use occurs and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due. House Bill 561 amends the Tax Code to provide an exemption from those sanctions for land owned by an organization that qualifies as a school if the organization converts the land within five years to a use for which the land is eligible for a property tax exemption as property used for school purposes.

House Bill 709 House Author: Isaac Effective: 1-1-14 Senate Sponsor: Deuell

Current law allows a taxing unit to apply the amount of any refund owed to a property owner as a result of the owner's overpayment or erroneous payment of the property taxes due on one property to the payment of delinquent taxes that may be due on another property belonging to the same owner. House Bill 709 amends the Tax Code to authorize a taxing unit alternatively to apply the amount of an overpayment or erroneous payment to the payment of any delinquent property taxes that may be due on any property belonging to the same owner for a tax year other than the tax year for which a refund is due.

House Bill 1287 House Author: Hilderbran Effective: 9-1-13 Senate Sponsor: Estes

House Bill 1287 amends the Tax Code to remove a requirement that an application for a residence homestead property tax exemption include a copy of the applicant's vehicle registration receipt or, if the applicant does not own a vehicle, an affidavit to that effect signed by the applicant and a copy of a utility bill for the subject property in the applicant's name. The bill also exempts an applicant for such an exemption from having to include a copy of the applicant's driver's license or state-issued personal identification certificate with the application for the exemption if the applicant is a resident of a facility that provides services related to health, infirmity, or aging or is certified for participation in the address confidentiality program administered by the attorney general for victims of family violence, sexual assault, or stalking.

House Bill 1287 authorizes a chief appraiser to waive the requirement that the address of the property for which the exemption is claimed correspond to the address listed on the applicant's driver's license or state-issued personal identification certificate if the applicant is an active duty member of the U.S. military or the spouse of an active duty member and the applicant includes with the application a copy of the applicant's or spouse's military identification card and a copy of a utility bill for the subject property in the applicant's or spouse's name or the applicant is a federal judge, a state judge, or the spouse of a federal or state judge, or a peace officer whose actual residence address has been omitted from the applicant's driver's license and the applicant includes with the application for the exemption a copy of the application for that license provided to the Texas Department of Transportation.

House Bill 1597 House Author: Gonzalez, Naomi et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 1597 amends the Tax Code to set a March 1 deadline for a homeowner who is eligible to pay the property taxes on the homeowner's residence homestead in four equal

installments on the basis of age, disability, or status as a disabled veteran or as the surviving spouse of a disabled veteran and who elects to do so to make the first installment payment and to notify the taxing unit that the remaining taxes will be paid in three equal installments.

Current law authorizes a property tax collector to enter into an agreement with a delinquent taxpayer for payment of the tax, penalties, and interest in installments. The bill requires the collector to do so on request by a person delinquent in the payment of the tax on a residence homestead if the person has not entered into such an installment agreement with the collector in the preceding 24 months. The bill requires the agreement, in addition to other terms, to provide for payments to be made in equal monthly installments and to extend for a period of at least 12 months and establishes that a penalty does not accrue on the unpaid balance during the period of the installment agreement unless the owner fails to make a payment as required by the agreement, in which case a penalty accrues as if there were no agreement. The bill requires a notice of delinquency to advise the recipient of a delinquent taxpayer's right to enter into an installment agreement for payment of the delinquent taxes and requires the collector for a taxing unit to deliver such a notice to a person who is in breach of an installment agreement and to any other owner of an interest in the property subject to the agreement whose name appears on the delinquent tax roll before the collector may seize and sell the property or file a suit to collect a delinquent tax subject to the agreement.

House Bill 1597 amends the Property Code to establish that a debtor is not in default under a deed of trust or other contract lien on the debtor's residence for delinquent property taxes if the debtor notified the applicable loan mortgage servicer of the intent to enter into an installment agreement for the payment of those taxes with the taxing unit at least 10 days before entering into the agreement and if the property is protected from seizure and sale and a suit to collect a delinquent tax on the property is prohibited. The bill authorizes a notified mortgage servicer to pay the taxes subject to the installment agreement at any time and requires a notified mortgage servicer who gives the debtor notice of the mortgage servicer's intent to accelerate the note securing the deed of trust or other contract lien as a result of the tax delinquency subject to the installment agreement to rescind the notice of intent if the debtor enters into the agreement not later than the 30th day after the date the debtor delivers the notice.

House Bill 1712 House Author: Lozano et al. Effective: 6-14-13 Senate Sponsor: Zaffirini

House Bill 1712 amends the Tax Code to entitle an entity engaged primarily in designing, developing, modifying, enhancing, assembling, operating, deploying, and maintaining an offshore spill response containment system to a property tax exemption for personal property owned or leased by the entity that is used, constructed, acquired, stored, or installed in Texas after January 1, 2013, either as part of such a system or for the development, improvement, storage, deployment, repair, maintenance, or testing of such a system, but only if the entity owns or leases the system and the system is being stored while not in use in a county bordering on the Gulf of Mexico or on an immediately adjacent bay or other body of water.

House Bill 1712 exempts both the sale, lease, rental, storage, use, or other consumption of offshore spill response containment property used by the property's owner or lessee exclusively for its intended purposes and also a service performed exclusively on offshore spill response containment property from the sales and use tax.

**House Bill 1897 Effective:** 9-1-13 **House Author:** Eiland **Senate Sponsor:** Carona

House Bill 1897 amends the Tax Code to entitle a property owner to a temporary property tax exemption, set to expire December 1, 2015, for property that is located on or near a landfill

and used on January 1, 2014, to collect, compress, transport, process, and deliver the gas generated by the landfill, which is to be considered pollution control property. The bill requires the Texas Commission on Environmental Quality (TCEQ) to take final action on an initial appeal of the executive director's determination on whether a person's property qualifies for a pollution control property tax exemption not later than the first anniversary of the executive director's declaration that the application for an exemption is administratively complete.

The bill establishes that a property owner is not entitled to a tax refund resulting from the final determination of an appeal of the denial of a pollution control property exemption unless the property owner is entitled to the refund because of a decrease in the property owner's tax liability after the property owner has paid taxes or unless the property owner has entered into a written agreement with the chief appraiser that authorizes the refund as part of an agreement related to the taxation of the property pending a final determination by TCEQ. The bill requires the chief appraiser, not later than the 10th day after the date a property owner and the chief appraiser enter into the written agreement, to provide to each taxing unit that taxes the property a copy of the agreement. However, the bill voids the agreement if a taxing unit that taxes the property objects in writing to the agreement on or before the 60th day after the date the taxing unit receives a copy of the agreement.

House Bill 1913 House Author: Bohac et al. Senate Sponsor: Williams

House Bill 1913 amends the Tax Code to authorize the governing body of a taxing unit to waive penalties and interest on a delinquent property tax that relates to a date preceding the owner's acquisition of the property if the property owner or another person liable for the tax pays the tax not later than the 181st day after the date the property owner receives notice of the delinquent tax; the delinquency is the result of taxes imposed on omitted property entered in the appraisal records, on erroneously exempted property or appraised value added to the appraisal roll, or on property added to the appraisal roll under a different account number or parcel when the property was owned by a prior owner; and the request for a waiver is made within the time allotted to pay the delinquent tax after receipt of notice. The bill requires the notice regarding such delinquent taxes to advise the recipient that the property is subject to a tax lien and foreclosure on the lien if the delinquent taxes are not paid.

House Bill 1913 also authorizes the governing body of a taxing unit to waive penalties and interest on any delinquent tax if the taxpayer submits sufficient evidence that the taxpayer delivered the tax payment to the United States Postal Service or to a private delivery service before the delinquency date but an act or omission by the applicable service resulted in the payment being either postmarked or received by the taxing unit after the delinquency date. The bill requires the waiver request to be made before the 181st day after the delinquency date.

House Bill 2712 House Author: Perez et al. Effective: 1-1-14 Senate Sponsor: Taylor

House Bill 2712 amends the Tax Code to entitle the owner of an energy storage system to a property tax exemption for that system if the exemption is officially adopted by the taxing unit's governing body and if the system meets or exceeds applicable air quality regulations; is located in an area designated as a nonattainment area under the federal Clean Air Act and in a municipality with a population of at least 100,000 adjacent to a municipality with a population of more than two million; has a capacity of at least 10 megawatts; and is installed on or after January 1, 2014. The bill excludes the taxable value of an energy storage system exempted for the current tax year for the first time from the determination of the current total value of property listed on a taxing unit's appraisal roll.

House Bill 3121 House Author: Harper-Brown et al. Effective: See below Senate Sponsor: Deuell et al.

House Bill 3121 amends the Tax Code to authorize the governing body of a taxing unit to extend the freeport exemption period for aircraft parts held temporarily in Texas for the sole purpose of assembly, storage, manufacturing, or other processing before being shipped out of state to a date not later than the 730th day after the date the parts were acquired or imported into Texas for that purpose. The bill limits the application of such an extension to the tax exemption by the taxing unit adopting the extension and applies the extension to the tax year in which the extension is adopted or the following tax year, depending on whether the extension was adopted before or after June 1, and to each tax year following the year of the extension's adoption. The bill takes effect January 1, 2014, contingent on voter approval of the constitutional amendment proposed by House Joint Resolution 133.

House Joint Resolution 24 House Author: Perry et al.

For Election: 11-5-13 Senate Sponsor: Van de Putte et al.

House Joint Resolution 24 proposes an amendment to the state constitution to authorize the legislature by general law to provide a partially disabled veteran, and under certain conditions the surviving spouse of a partially disabled veteran, an entitlement to a property tax exemption for a percentage of the market value of the disabled veteran's residence homestead that is equal to the veteran's disability rating if the homestead was donated to the veteran by a charitable organization at no cost to the veteran. The resolution authorizes the legislature to provide by general law additional eligibility requirements for the exemption. The resolution provides that a limitation or restriction on a disabled veteran's entitlement to an occupation tax exemption for part of the value of the disabled veteran's property, including a limitation or restriction on the amount of such an occupation tax exemption, does not apply to the property tax exemption.

House Joint Resolution 62 House Author: Turner, Chris et al. For Election: 11-5-13 Senate Sponsor: Van de Putte et al.

House Joint Resolution 62 proposes an amendment to the state constitution to authorize the legislature by general law to entitle the surviving spouse of a member of the U.S. military who is killed in action to a property tax exemption for all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the member of the U.S. military. The resolution authorizes the legislature by general law to entitle a surviving spouse who qualifies for and receives the residence homestead exemption and who subsequently qualifies a different property as the surviving spouse's homestead to a property tax exemption for the subsequently qualified homestead in an amount equal to the dollar amount of the exemption for the former homestead in the last year in which the surviving spouse received an exemption for that homestead if the surviving spouse has not remarried since the death of the member of the U.S. military.

House Joint Resolution 133 House Author: Harper-Brown et al. For Election: 11-5-13 Senate Sponsor: Deuell et al.

House Joint Resolution 133 proposes an amendment to the state constitution to authorize the governing body of a political subdivision to extend the freeport exemption period during which aircraft parts that are held temporarily in Texas for the sole purpose of assembly, storage, manufacturing, or other processing before being transported out of state may be exempted from property taxes to a date not later than the 730th day after the date the person acquired or

imported the aircraft parts in Texas. The resolution limits the application of such an extension to the property tax exemption by the political subdivision adopting the extension and authorizes the legislature by general law to prescribe the manner for extending such a period.

Senate Bill 163

Senate Author: Van de Putte

House Sponsor: Turner, Chris et al.

Senate Bill 163 amends the Tax Code to entitle the surviving spouse of a member of the U.S. military who is killed in action to a property tax exemption for the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since that member's death and for the surviving spouse to receive a tax exemption for a property subsequently qualified as the surviving spouse's residence homestead in an amount equal to the dollar amount of the tax exemption for the first property in the last year in which the surviving spouse received that exemption if the surviving spouse still has not remarried. The bill entitles the surviving spouse to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

Senate Bill 163 amends the Government Code to exclude a residence homestead that receives an exemption under the bill's provisions in the year that is the subject of the comptroller of public accounts' study of school district property values from consideration as taxable property for the purpose of determining the taxable value of property in a district.

Senate Bill 163 takes effect January 1, 2014, contingent on voter approval of the constitutional amendment proposed by House Joint Resolution 62.

Senate Bill 193 Senate Author: West House Sponsor: Otto

Senate Bill 193 amends the Tax Code to clarify that a charitable organization that is exempt from federal income taxes and has as one of its purposes the provision of low-income housing must deliver a copy of the audit necessary for the organization to claim a property tax exemption for certain real property owned by the organization that is used for the provision of low-income housing to the Texas Department of Housing and Community Affairs and the chief appraiser of the appraisal district in which the property is located in order for the organization to receive the exemption. The bill authorizes the chief appraiser to extend the deadline by which the organization must deliver a copy of the audit for good cause shown.

Senate Bill 382 Senate Author: Carona Effective: 6-14-13 House Sponsor: Carter

Senate Bill 382 amends the Local Government Code to specify that the prohibition against disbursing county funds to a person owing delinquent property taxes applies whether the delinquent property taxes are reduced to judgment or not.

Senate Bill 464 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Flynn

Current law authorizes the Texas Department of Licensing and Regulation (TDLR) to dismiss certain complaints against property tax professionals under the Property Taxation Professional Certification Act without conducting a hearing and under certain conditions. Senate Bill 464 amends the Occupations Code to specify that TDLR is authorized to dismiss a complaint in part or entirely and to remove from the conditions under which TDLR is so authorized the condition that the complaint challenges only the appraised value of a property or another matter for which

the Property Tax Code specifies a remedy and the condition that the disagreement not have been resolved in the complainant's favor by an appraisal review board or court. Furthermore, the bill requires TDLR, after investigation, to dismiss a complaint, in part or entirely, without conducting a hearing if the complaint challenges the imposition of or failure to waive penalties or interest, the appraised value of a property, the appraisal methodology, the grant or denial of a tax exemption, or any matter for which the Property Tax Code specifies a remedy and if the subject matter of the complaint has not been finally resolved in the complainant's favor by an appraisal review board, a taxing unit's governing body, an arbitrator, a court, or the State Office of Administrative Hearings. The bill also establishes certain exemptions from provisions relating to TDLR's authority to dismiss complaints against property tax professionals.

Senate Bill 1224 Senate Author: Taylor

Effective: 6-14-13 House Sponsor: Bonnen, Greg

Senate Bill 1224 amends the Tax Code to establish that a property owner's payment or filing or delivery of a report, application, statement, or other document or paper by a specified due date is considered timely if the payment, document, or paper is properly addressed with postage or handling charges prepaid and, as an alternative to being sent by first-class mail with a post office cancellation mark or other satisfactory proof of timely deposit, is sent by common or contract carrier and either it bears a receipt mark indicating a date earlier than or on the specified due date and within the specified period or the property owner furnishes satisfactory proof that it was deposited with the common or contract carrier on or before the specified due date and within the specified period.

Senate Bill 1508 Senate Author: Hegar Effective: 1-1-14 House Sponsor: Workman

Current law requires a person to render for taxation all tangible personal property used for the production of income that the person owns or that the person manages and controls as a fiduciary on January 1. Senate Bill 1508 amends the Tax Code to authorize a secured party, with the consent of a property owner, to render for taxation any property of the property owner in which the secured party has a security interest on January 1 and that has a historical cost when new of more than \$50,000.

Senate Bill 1508 requires a secured party who so renders such property to indicate the party's status as a secured party and to state the property owner's name and address. The bill authorizes a secured party to rely on information provided by the property owner for purposes of such rendition and establishes that the secured party is not liable for inaccurate owner-provided information included on the rendition statement or for failure to timely file the rendition statement because of the property owner's failure to promptly cooperate with the secured party.

Senate Bill 1510 Senate Author: Hinojosa Effective: 1-1-14 House Sponsor: Hilderbran

Senate Bill 1510 amends the Local Government Code to establish notice requirements regarding a municipality's or county's proposed property tax rate that specify the content of such notice, depending on whether the proposed tax rate exceeds the lower of the effective tax rate or the rollback rate, and that establish a September 1 deadline for providing notice by publishing the notice in a newspaper having general circulation in the applicable taxing unit, mailing the notice to each property owner in the taxing unit, or posting the notice on the taxing unit's Internet website. The bill requires each county and municipality to provide notice of its proposed property tax rate in the manner provided unless the county or municipality is

authorized to provide a simplified tax rate notice because of its low tax levies, in which case the county or municipality may provide notice of its proposed property tax rate either in the manner provided under the bill's provisions or in the manner provided for the simplified tax rate notice.

Senate Bill 1510 exempts a county or municipality that provides notice under the bill's provisions from notice and publication requirements under Tax Code provisions relating to effective and rollback tax rates, tax rates of taxing units with low tax levies, and tax increases and from injunction for failure to comply with those requirements. The bill requires a county or municipality that provides notice under the bill's provisions to provide, on request, any information regarding the county or municipality that a taxing unit is required to provide in a notice relating to the unit's effective or rollback tax rate.

### Sales and Use Taxes

House Bill 78 House Author: Simpson et al. Effective: 10-1-13 Senate Sponsor: Eltife et al.

House Bill 78 amends the Tax Code to remove the minimum \$1,000 threshold on the total sales price of all the items sold in a single transaction in order for the sales tax exemption on the sale of gold, silver, or numismatic coins or of platinum, gold, or silver bullion to apply and to remove existing restrictions on the use tax exemption for such items.

House Bill 697 House Author: Springer et al. Effective: 9-1-13 Senate Sponsor: Duncan

House Bill 697 amends the Tax Code to exempt from sales taxes food products, meals, soft drinks, and candy served by a booster club or other school support organization in an elementary or secondary school during the regular school day or sold during an event sponsored or sanctioned by an elementary or secondary school or school district at a concession stand operated by a booster club or other school support organization formed to support the school or school district, but only if the proceeds from the sales of such products benefit the school or school district.

House Bill 1133 House Author: Otto et al. Effective: 9-1-13 Senate Sponsor: Estes

House Bill 1133 amends the Tax Code to entitle a provider of cable television, Internet access, or telecommunications services to a refund of the state sales and use tax imposed on the sale, lease, or rental or storage, use, or other consumption of tangible personal property if the property is sold, leased, or rented to or stored, used, or consumed by the provider, or a subsidiary of the provider, and the property is directly used or consumed by the provider or subsidiary in or during the distribution of cable television service, the provision of Internet access service, or the transmission, conveyance, routing, or reception of telecommunications services. The bill makes property directly used or consumed in or during the provision, creation, or production of a data processing service or information service ineligible for a refund.

House Bill 1133 sets the amount of the refund for a calendar year either at the amount of the tax paid by the provider or subsidiary during the calendar year on property eligible for a refund, if the total amount of tax paid by all providers and subsidiaries that are eligible for a refund is not more than \$50 million for the calendar year, or at a prorated share of \$50 million, if the total amount of tax paid by all eligible providers and subsidiaries is more than \$50 million for the calendar year. The bill expands the definition of "qualified property" for purposes of the

limitation on the appraised value of such property for school district maintenance and operations property tax purposes under the Texas Economic Development Act to include tangible property for which the sales and use tax refund set out by the bill is not claimed.

House Bill 1223 House Author: Hilderbran et al. Effective: 9-1-13 Senate Sponsor: Hegar et al.

House Bill 1223 amends the Tax Code to exempt from sales and use taxes tangible personal property that is essential to a qualified data center's operation if the property is purchased for installation or use in the center by a qualifying owner, operator, or occupant and to list the categories of property subject to or excluded from the exemption. The bill authorizes a data center to be certified by the comptroller of public accounts as a qualifying data center if, on or after September 1, 2013, a single qualifying occupant either contracts with a qualifying owner or qualifying operator to lease space for the location of a data center or, in the case of an occupant who also is the qualifying operator and qualifying owner, occupies a space not previously used as a data center and locates a data center in that space and if the qualifying owner, operator, or occupant meets specific job-creation and capital investment criteria with respect to that particular data center over a five-year period.

House Bill 1223 sets out the application requirements for a data center to be certified as a qualified data center and issued a registration number by the comptroller and sets out the terms for the sales tax exemption depending on the amount of the capital investment made by the qualifying occupant, owner, or operator. The bill requires a person to hold a registration number and to present an exemption certificate with that number to the seller of tangible personal property in order to claim an exemption and provides for the number's revocation by the comptroller for the registrant's noncompliance with the conditions of certification and for the resulting imposition of taxes, penalties, and interest on previously claimed exemptions. The bill makes a data center subject to an agreement limiting the appraised value of the data center's property ineligible to receive the exemption and also makes a registrant ineligible to receive a limitation on appraised value under the Texas Economic Development Act. The bill exempts gas and electricity sold for a certified and qualifying data center's direct use from sales and use taxes.

**House Bill 1511 Effective:** Vetoed

House Author: Larson
Senate Sponsor: Eltife

Previous law limited the rate at which municipalities could impose sales and use taxes for various specific purposes to certain fractional increments up to one-half of one percent in addition to the one percent rate for the base municipal sales and use tax. House Bill 1511 amends the Local Government Code to authorize the imposition of municipal sales and use taxes for the purposes of financing sports and community venue projects and the operation of municipal crime control and prevention districts and Type A or Type B municipal corporations at any rate that is an increment of one-eighth of one percent; that the municipality determines is appropriate; and that, when combined with the rates of all other sales and use taxes imposed by the municipality and other political subdivisions of the state having territory in the municipality, does not result in a combined rate of more than two percent.

House Bill 1511 amends the Tax Code to authorize a municipality to reduce or increase the rate of a municipal sales and use tax, as well as to adopt or repeal the tax, with voter approval and authorizes the imposition of that base tax and of any additional sales and use tax adopted by the municipality, including a sales and use tax for the operation of a crime control and prevention district within the municipality and a sales and use tax for street maintenance, at any rate that is an increment of one-eighth of one percent; that the municipality or the district's

board of directors, as applicable, determines is appropriate; that would not result in a combined rate that exceeds the maximum combined rate of two percent for all local sales and use taxes imposed by the municipality and by political subdivisions within the municipality; and that is approved by the voters of the municipality or of the district, as applicable. The bill authorizes a municipality that has adopted an additional sales and use tax to reduce or increase the rate of the additional tax to any amount without restriction as to a specific minimum or maximum rate for that tax. The bill also extends the period in which the tax for street maintenance is in effect so that, if the tax is not reauthorized, the tax expires eight years after the date the tax originally took effect or the first day of the first calendar quarter occurring eight years after the date the tax was last reauthorized.

Reason Given for Veto: "House Bill 1511 would restrict Texans' power to vote to maintain or increase a street maintenance tax. This bill would allow municipalities to delay voter input by limiting the tax elections to once every eight years rather than the current four-year period. Texans should have the right to vote on tax measures sooner rather than later. Last session I vetoed House Bill 2972 for these same reasons. Therefore, I veto HB 1511."

House Bill 3169 House Author: Bohac Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 3169 amends the Tax Code to redefine "qualified destination management company," as the consumer of taxable items sold or provided under a qualified destination management services contract that are subject to the sales and use tax, by adding the condition that the business entity maintain a general liability insurance policy with a limit of at least \$1 million in lieu of the condition that the entity spend at least one percent of its annual gross receipts to market the destinations with respect to which destination management services are provided, by clarifying certain other conditions with respect to the primary sources of the entity's total annual revenue and of its client contracts, and by clarifying the entity's role with respect to the procurement rather than the provision of catering services. The bill redefines "destination management services," for purposes of provisions excluding such services from consideration as taxable services subject to the sales and use tax, by specifying that transportation management is transportation vehicle management and by including shuttle system services and airport meet-and-greet services among such services.

House Bill 3169 clarifies that the sales and use tax exemption for intravenous systems, supplies, and replacement parts applies to such items designed or intended to be used in either the diagnosis or treatment of humans and defines "intravenous system" and "hospital bed" for purposes of the sales and use tax exemption for such items. The bill increases from \$1.50 to \$3 the average per copy sales price over a 30-day period for a publication to qualify as newspaper exempt from the sales tax.

House Bill 3536 House Author: Otto et al. Senate Sponsor: Hinojosa

House Bill 3536 amends the Health and Safety Code to impose a fee on the sale, use, consumption, or distribution in Texas of the cigarettes and cigarette tobacco products of a manufacturer that did not sign a tobacco settlement agreement. The bill sets the rate of the fee at 2.75 cents for each non-settling manufacturer cigarette and each 0.09 ounces of non-settling manufacturer cigarette tobacco product sold, used, consumed, or distributed in Texas during the 2013 calendar year and, beginning in January 2014, requires the comptroller of public accounts each January to compute that calendar year's rate by increasing the preceding calendar year's rate by the greater of three percent or the rate of inflation for that preceding calendar year as indicated by the annual percentage change in the Consumer Price Index for All Urban Consumers.

The bill also sets a reduced rate of 0.75 cents per cigarette or ounce, rather than 2.75 cents, on the cigarettes and cigarette tobacco products of a subsequent participating manufacturer for calendar months beginning before the effective date of a credit amendment to the master tobacco settlement agreement but makes such a manufacturer's cigarettes and cigarette tobacco products subject to the same rates as apply to a non-settling manufacturer's cigarettes and cigarette tobacco products on and after the amendment's effective date.

House Bill 3536 sets out additional reporting requirements for a distributor required to file a monthly report to the comptroller for purposes of the cigarette tax and cigars and tobacco products tax, which also must include the fee imposed under the bill's provisions. The bill entitles a distributor that remits the monthly fee to a stamping allowance of three percent of the face value of all stamps purchased for providing the service of affixing stamps to cigarette packages. The bill requires the comptroller, for purposes of assisting distributors in calculating the monthly fee, to publish and maintain on the comptroller's Internet website a list of the names and brand families of settling manufacturers; a list of each non-settling manufacturer that is a subsequent participating manufacturer or is not a subsequent participating manufacturer; and the effective date of any credit amendment.

House Bill 3536 requires a non-settling manufacturer whose cigarettes or cigarette tobacco products were not offered for sale or distribution in Texas before September 1, 2013, to provide a report containing specific information to the attorney general before offering that non-settling manufacturer's cigarettes or products for sale or distribution in Texas and requires the attorney general to make the information provided available to the comptroller.

House Bill 3536 sets out penalties for noncompliance with respect to a non-settling manufacturer's cigarettes and cigarette tobacco products that are sold, used, consumed, or distributed in Texas in violation of the bill's provisions, requires a non-settling manufacturer to appoint and engage a resident agent for service of process, and entitles the comptroller or attorney general to conduct reasonable periodic audits or inspections of the financial records of a non-settling manufacturer and its distributors to ensure compliance with the bill's provisions.

House Bill 3536 requires the comptroller, on request, to report annually to the independent auditor or other applicable entities the itemized volume of cigarettes on which the fee is paid; requires revenue from the fee imposed under the bill's provisions to be deposited to the credit of the general revenue fund; and requires all such fees paid to apply on a dollar-for-dollar basis to reduce any judgment or settlement on a released claim brought against the manufacturer that made the payment.

Senate Bill 475 Senate Author: Van de Putte
Effective: 6-14-13 House Sponsor: Rodriguez, Justin

Under previous law, a municipal sales and use tax imposed for street maintenance in certain municipalities expired either on the fourth anniversary of the date the tax originally took effect or on the first day of the first calendar quarter occurring after the fourth anniversary of the date the tax was last reauthorized. Senate Bill 475 amends the Tax Code to make that expiration date for a tax that has been reauthorized applicable only if, at the reauthorization election, the voters approve the imposition of the tax for a period that expires on that fourth anniversary. If such a tax is imposed in a general-law municipality with a population of 10,000 or more surrounded entirely by a municipality with a population of 1.3 million or more, and the voters approve the imposition of the tax for a 10-year period rather than a 4-year period, the tax expires on the last day of the first calendar quarter occurring after the 10th anniversary of its reauthorization.

Senate Bill 485 Senate Author: Ellis House Sponsor: Parker

Senate Bill 485 amends the Tax Code to change the date on which the sales tax holiday for certain articles of clothing or footwear begins from 12:01 a.m. on the Friday before the eighth day preceding the earliest date on which any school district, other than a district operating a year-round system, may begin instruction for the school year to 12:01 a.m. on the Friday before the 15th day preceding the fourth Monday in August, without regard to any exception to that uniform date before which a school district may not begin instruction for the school year.

Senate Bill 529 Senate Author: Ellis Effective: 9-1-13 House Sponsor: Oliveira

Senate Bill 529 amends the Business & Commerce Code to make it a state jail felony offense to knowingly sell, purchase, install, transfer, use, or possess an automated sales suppression device or phantom-ware.

Senate Bill 529 amends the Code of Criminal Procedure to classify as contraband any property that is used or intended to be used in the commission of such an offense or that is the proceeds gained from or acquired with proceeds gained from the commission of such an offense.

Senate Bill 997 Senate Author: Deuell Effective: 6-14-13 House Sponsor: Hughes

Senate Bill 997 amends the Tax Code to add temporary provisions, set to expire September 1, 2024, to provide an exception for a retailer who has more than one place of business in Texas from provisions establishing the place of business in Texas where the retailer first receives an order as the point where the sale of a taxable item is consummated for purposes of a municipal or county sales tax. The exception applies under the following conditions:

- the item is delivered from a warehouse in a municipality with a population of 5,000 or less
  that is a place of business of the retailer and that is subject to an economic development
  agreement between the retailer and the municipality entered into before January 1, 2009,
  and that has been included in information provided to the comptroller of public accounts
  identifying each warehouse subject to the agreement and each retail outlet served by
  that warehouse; and
- the retailer's place of business at which the retailer first receives the order is a retail outlet identified in that information.

Senate Bill 1151 Senate Author: Hinojosa Effective: 9-1-13 House Sponsor: Bohac

Senate Bill 1151 amends the Tax Code to extend the sales tax for certain food products to snack items such as breakfast bars, granola bars, nutrition bars, sports bars, protein bars, or yogurt bars, unless labeled and marketed as candy; snack mix or trail mix; nuts, unless candy-coated; popcorn; and chips, crackers, or hard pretzels. The exemption does not apply to such a snack item sold through a vending machine or sold in individual-sized portions that either are labeled as having not more than one serving or contain less than 2.5 ounces, if the package does not specify the number of servings.

Senate Bill 1533 Senate Author: Carona Effective: 9-1-13 House Sponsor: Ratliff

Current law establishes that any outlet, office, facility, or location that contracts with a retail or commercial business to process for that business invoices, purchase orders, bills of

lading, or other equivalent records onto which sales tax is added is not a "place of business of the retailer" for purposes of the Municipal Sales and Use Tax Act if the comptroller determines that the outlet, office, facility, or location functions or exists to avoid such taxes or to rebate a portion of those taxes to the contracting business. Senate Bill 1533 amends the Tax Code to clarify that such an outlet, office, facility, or location does not exist to avoid the taxes legally due or solely to rebate a portion of such taxes if the outlet, office, facility, or location provides significant business services, beyond invoice processing, to the contracting business, including logistic management, purchasing, inventory control, or other vital business services.

#### The summaries for the following bills are in the listed chapters:

House Bill 1348 - Special Districts

House Bill 2267 - Open Government and Privacy

House Bill 2636 - Economic Development

House Bill 2972 - Insurance

House Bill 3572 - Alcoholic Beverages

House Bill 3613 - Property Interests and Housing

Senate Bill 169 - Elections

Senate Bill 637 - Elections

Senate Bill 660 - Local Government

Senate Bill 1364 - Utilities

Senate Bill 1606 - Property Interests and Housing

# **Transportation**

This chapter covers legislation on transportation, including matters relating to transportation finance and administration, enforcement of tolls, driver's licenses, motor vehicles, rules of the road, and the state highway system. Legislation relating to vehicle emissions and alternatively fueled vehicles is in the **Environment** chapter. Legislation about transportation districts and authorities or the transportation-related powers of other special districts is in the **Special Districts** chapter, and legislation affecting vehicle storage and towing is in the **Occupational Regulation** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 1 (3rd C.S.)

Effective: See below

House Author: Pickett et al.

Senate Sponsor: Nichols

House Bill 1 amends the Transportation Code to authorize the Texas Transportation Commission to use the Texas Mobility Fund to provide funding, including through a loan, for a port security, transportation, or facility project eligible for funding from the port access account fund.

House Bill 1 requires the Texas Department of Transportation (TxDOT), on or before August 31, 2015, to identify and implement measures resulting in at least \$100 million in savings in TxDOT's appropriations for the 2014-2015 state fiscal biennium and requires that the savings then be used to reduce the principal of and interest on bonds and other public securities issued, and bond enhancement agreements entered into, by the commission with no consequent reduction in the amount of funding available for transportation projects.

House Bill 1 amends the Government Code to require the speaker of the house of representatives and the lieutenant governor, not later than September 1 of each even-numbered year through 2024, to appoint a select committee consisting of five state representatives and five state senators to determine and adopt for the next state fiscal biennium a sufficient balance in the economic stabilization fund. The bill requires the committee to adopt the sufficient fund balance not later than the December 1 after its appointment; sets out factors to be considered by the committee, including a projection by the comptroller of public accounts of the amounts to be transferred to the fund during the next state fiscal biennium; and provides for the legislature's approval or amendment of the adopted fund balance during the next succeeding regular legislative session, with final approval required not later than the session's 45th day.

House Bill 1 requires the comptroller to adjust the constitutional allocations to the economic stabilization fund and the state highway fund if either the comptroller determines that the projected economic stabilization fund balance after any applicable transfers to the fund will be less than the adopted sufficient balance or a sufficient balance has not been adopted for the comptroller to consider and specifies the adjustments required in each case. The bill establishes a process for the adoption of sufficient balances applicable to transfers to be made for the 2015 state fiscal year and the next fiscal biennium, respectively. The bill requires amounts transferred to the state highway fund from oil and gas production tax revenue in excess of a certain threshold, when appropriated, to be used and allocated throughout the state by TxDOT consistent with existing formulas adopted by the commission.

House Bill 1 also establishes select committees on transportation funding, expenditures, and finance in both the house and the senate, with their memberships appointed by the presiding officers of their respective chambers; identifies the subjects to be reviewed, studied, and

evaluated by the committees; and requires the two committees jointly to adopt and report their recommendations to the legislature not later than November 1, 2014.

House Bill 1 takes effect immediately on the final canvass of the election on the constitutional amendment proposed by S.J.R. 1, 83rd Legislature, 3rd Called Session, 2013, if that amendment is approved by the voters.

House Bill 138 Effective: 6-14-13

House Author: Raymond Senate Sponsor: Zaffirini

House Bill 138 amends the Transportation Code to make a project involving a commercial service airport eligible for financial assistance if the airport is located in a county along the Texas-Mexico border that has a population of less than 300,000.

House Bill 2202 Effective: See below House Author: Pickett et al. Senate Sponsor: Williams

House Bill 2202 amends the Transportation Code to establish the Texas Department of Motor Vehicles (TxDMV) fund as a special fund in the treasury outside the general revenue fund and the state highway fund consisting of legislative appropriations; money allocated to pay fund accounting costs and fund liabilities; gifts, grants, and donations; deposits required by law; earned interest; and other TxDMV revenue. The bill also transfers and deposits into the fund \$59 million of existing TxDMV fee revenue collected under the automated registration and titling system since November 1, 1999. The bill limits TxDMV's use of money in the fund to support of its operational, administrative, and enforcement functions and payment of the fund's accounting costs and liabilities, including fringe benefits and unemployment and workers' compensation.

House Bill 2202 requires the TxDMV board by rule to prescribe the classification types of businesses that are authorized to perform certain TxDMV functions, their duties and obligations, bonding requirements for a business to perform those functions, and the fees an authorized business may charge or retain and authorizes TxDMV's executive director to authorize a business entity to perform a TxDMV function in accordance with those rules. The bill repeals provisions relating to the appointment of full- and limited-service deputy county assessor-collectors and instead requires the TxDMV board by rule to prescribe the classification types of deputies performing titling and registration duties, the deputies' duties and obligations, bonding requirements that may be imposed by a county assessor-collector for a deputy to perform titling and registration duties, and the fees a deputy may charge or retain and authorizes a county assessor-collector, with county commissioners court approval, to deputize an individual or business entity to perform titling and registration services in accordance with those rules.

House Bill 2202 authorizes TxDMV to establish one or more escrow accounts in the TxDMV fund, rather than the state highway fund, for the prepayment of fees for 72-hour or 144-hour permits, oversize or overweight vehicle permits, or motor carrier registration.

House Bill 2202 authorizes TxDMV to collect a transaction and processing fee, in addition to other registration fees for the issuance of license plates or other registration devices, in an amount set by the TxDMV board that is sufficient to cover the expenses incurred by TxDMV, a county tax assessor-collector or deputy assessor-collector, or a private contractor in collecting those registration fees and authorizes the county tax assessor-collector, private contractor, or deputy assessor-collector to retain a portion of the added fee, with the remainder being deposited to the credit of the TxDMV fund. The bill prohibits TxDMV, if such a fee is collected, from collecting certain other processing and transaction fees. Effective on the effective date of the board's rules regarding the new registration processing and handling fee, the bill removes provisions authorizing or requiring a county assessor-collector or a private contractor, as

applicable, to collect certain set charges or fees for services relating to registering a vehicle by mail, using an electronic off-premises location, or issuing a registration receipt and instead authorizes the county assessor-collector or private contractor to retain an amount set by the TxDMV board.

House Bill 2202 specifies that the portion of all other vehicle registration fees collected by a county assessor-collector that are not credited to the county road and bridge fund but sent to TxDMV are sent to TxDMV for deposit to the credit of the state highway fund. The bill repeals a provision setting out the disposition of an optional county road and bridge fee.

House Bill 2202 specifies that the fee collected for the automated registration and titling system is to be adopted by TxDMV board rule, establishes a range of not less than 50 cents and not more than \$1 for the fee amount, requires the fee's deposit into a TxDMV fund subaccount, and expands the authorized uses of the fee revenue to include providing for or enhancing necessary infrastructure for permitting and for licensing and enforcement purposes as well as for registration and titling services.

House Bill 2202 requires the portions of the revenue from certain fees collected from applicants for permits for oversize or overweight vehicles that previously were deposited to the credit of the state highway fund to be reallocated so that 90 percent of those amounts is deposited to the credit of the state highway fund and 10 percent to the credit of the TxDMV fund. The bill specifies that the fee associated with the issuance of prorated credit for a destroyed or permanently inoperable vehicle for which a permit for excess axle or gross weight was issued is a fee adopted by the board instead of TxDMV. The bill requires the application fee for a heavy equipment permit to be established by TxDMV in consultation with the Texas Transportation Commission instead of by the commission.

House Bill 2202 amends the Family Code, Occupations Code, and Transportation Code to require certain fees, civil penalties, and money, as applicable, to be deposited to the credit of the TxDMV fund, including some amounts that previously were deposited to the credit of the state highway fund.

House Bill 2202 amends the Finance Code to make conforming changes. Except as otherwise provided, the bill takes effect September 1, 2013.

House Bill 2300 Effective: 9-1-13 House Author: Keffer et al. Senate Sponsor: Uresti

House Bill 2300 amends the Transportation Code to authorize a county to create a county energy transportation reinvestment zone in an area affected by oil and gas exploration and production activities and to set out applicable procedures and requirements regarding the creation of such a zone, including the establishment of a property tax increment account for the zone and the creation of a zone advisory board. The bill provides for the alternative formation of a road utility district that has the same boundaries as a zone in order to assist the county in developing a transportation project. The bill also provides for the termination of a zone and authorizes a commissioners court to enter into an agreement with the Texas Department of Transportation to designate a zone for a specified transportation project involving a state highway located in the proposed zone. The bill authorizes a commissioners court to accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

House Bill 2585 Effective: 6-14-13 House Author: Harper-Brown et al.

Senate Sponsor: Paxton

House Bill 2585 amends the Transportation Code to make permanent the requirement that the Texas Department of Transportation and an applicable utility share equally the cost of the

relocation of a utility facility that is required by the improvement, construction, or expansion of certain toll projects.

House Bill 2612 House Author: Flynn Effective: 6-14-13 Senate Sponsor: Deuell

Current law authorizes a road supervisor to prohibit the use of a county road under certain conditions. House Bill 2612 amends the Transportation Code to add the condition that an alternative, more suitable road is available within the county at the time and to authorize a road supervisor to restrict the use of a road as an alternative to prohibiting the use of the road. Written notice of a hearing on a complaint regarding such a prohibition or restriction must be given to the road supervisor, the county engineer, and the commissioners court.

House Bill 2612 authorizes a commissioners court to identify an alternate route to a road and to require certain heavy vehicles to travel the alternate route in order to prevent excessive damage to the road due to the volume of heavy vehicle traffic. Notice of the prohibition must be provided in the same manner as for a prohibition or restriction of a county road. Also, a person required to operate or move a vehicle or other object on such an alternate route is not liable for damage sustained by the road, including a bridge, as a result of the operation or movement of the vehicle or other object, unless the act, error, or omission resulting in the damage constitutes wanton, wilful, and intentional misconduct or gross negligence.

Senate Bill 466 Senate Author: Hinojosa et al.

Effective: 5-18-13 House Sponsor: Harper-Brown et al.

Senate Bill 466 amends the Transportation Code to authorize the Texas Department of Transportation (TxDOT) to assume responsibilities of the U.S. Department of Transportation with respect to duties under the federal National Environmental Policy Act of 1969 and duties under other federal environmental laws. The bill authorizes TxDOT to assume responsibilities under specified federal law relating to categorical exclusions of certain designated activities regarding environmental assessments or environmental impact statements and under specified federal law relating to the surface transportation project delivery program. The bill authorizes TxDOT to enter into one or more agreements with the U.S. secretary of transportation related to the designation of such categorical exclusions or to the delivery program.

Senate Bill 466 authorizes the Texas Transportation Commission to adopt rules to implement the bill's provisions and to adopt relevant federal environmental standards as the standards for Texas for a program described by the bill's provisions. Finally, sovereign immunity to suit in federal court and from liability is waived and abolished with regard to the compliance, discharge, or enforcement of a responsibility assumed by TxDOT under the bill's provisions, and the waiver and abolishment do not create liability for TxDOT that exceeds the liability created under the related federal law.

Senate Bill 1017 Senate Author: Paxton
Effective: 6-14-13 House Sponsor: Lavender

Senate Bill 1017 amends the Transportation Code to remove the specification that travel information centers be at the principal gateways to Texas. The bill authorizes the Texas Department of Transportation (TxDOT) to enter into an agreement with another state agency or a local government for the operation of such a center and to issue a request for proposals to private or nonprofit entities for the same. The bill sets out provisions relating to the sale of commercial advertising space and rate-setting for services provided at a center, prohibits TxDOT from engaging in certain activities that would decrease the amount of federal highway funding available to TxDOT, and authorizes TxDOT to enter into an agreement for the acknowledgment

of donations under certain conditions. The bill requires all proceeds from the sale of certain promotional items to be deposited to the credit of a separate account in the state highway fund for use in TxDOT's travel and information operations and includes in the deposit requirement all commercial advertising proceeds and acknowledged donations.

Senate Bill 1110 Senate Author: Nichols Effective: 9-1-13 House Sponsor: Pickett

Previous law authorized a municipality or county to designate a transportation reinvestment zone to promote a transportation project. Senate Bill 1110 amends the Transportation Code to authorize a municipality or county to designate a transportation reinvestment zone to promote one or more transportation projects. The bill specifies that "transportation project" has the same meaning given to that term in provisions relating to regional mobility authorities.

Current law requires a municipal ordinance designating a transportation reinvestment zone to contain findings that promotion of a transportation project will cultivate the improvement, development, or redevelopment of the zone. Senate Bill 1110 establishes the same requirement for a county order or resolution designating a transportation reinvestment zone.

Current law authorizes the governing body of a municipality or county to contract with a public or private entity to develop, redevelop, or improve a transportation project in a transportation reinvestment zone and to pledge and assign all or a specified amount of money from a tax increment or property tax assessment, as applicable to that entity. Senate Bill 1110 clarifies that the governing body is prohibited from rescinding the pledge or assignment until the contractual commitments that are the subject of the pledge or assignment have been satisfied. The bill also authorizes a county, similar to the existing authority for a municipality, to use any amount remaining from a property tax increment or assessment for other purposes as determined by the commissioners court.

Senate Bill 1110 expands the types of projects in a transportation reinvestment zone for which a municipality or county may establish a sales tax increment account to include any transportation project, as that term is defined in provisions relating to regional mobility authorities. The bill repeals a provision authorizing a county that collects a property tax increment to issue bonds to pay all or part of the cost of a transportation project and to pledge or assign all of a specified amount of money in the tax increment account to secure those bonds. Among other provisions, Senate Bill 1110 authorizes the governing body of a county or municipality to designate a transportation reinvestment zone for a transportation project located outside the boundaries of the county or municipality if specified conditions are met, including that a zone has been designated for the same project by one or more counties or municipalities in whose boundaries the project is located.

Senate Bill 1411Senate Author: DeuellEffective: 6-14-13House Sponsor: Gooden

Senate Bill 1411 amends the Government Code to authorize a commissioners court of a county to enter into an interlocal contract with the board of a special district to apply the county's traffic regulations to a public road that is in the county and that is owned, operated, and maintained by the district if the commissioners court finds that it is in the county's interest to regulate traffic on the public road. The bill amends the Transportation Code to authorize the commissioners court, on entering into such a contract, by order to apply the county's traffic regulations to the public road. A county commissioners court, under certain conditions, is also authorized to adopt regulations establishing a system of traffic control devices in restricted traffic zones on property abutting a public road that is subject to such an order.

Senate Bill 1747 Senate Author: Uresti et al. House Sponsor: Keffer et al.

Senate Bill 1747 amends the Transportation Code to establish the transportation infrastructure fund, provide for its composition, and restrict appropriation of money in the fund to the Texas Department of Transportation (TxDOT) for the fund's purposes. The bill requires TxDOT to develop policies and procedures to administer a grant program to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production and provides for the allocation of grants among counties. The bill sets out requirements regarding the grant application process, matching funds, and subsequent grant applications by a county.

Senate Bill 1747 authorizes a county to create a county energy transportation reinvestment zone in an area affected by oil and gas exploration and production activities, sets out applicable procedures and requirements regarding the creation of such a zone, including the establishment of a property tax increment account for the zone, and provides for the termination and extension of a zone. The bill also authorizes a commissioners court to enter into an agreement with TxDOT to designate a county energy transportation reinvestment zone for a specified transportation infrastructure project involving a state highway located in the proposed zone and provides for the alternative formation of a road utility district that has the same boundaries as a county energy transportation reinvestment zone in order to assist the county in developing a transportation infrastructure project. The bill provides for, as a condition of eligibility for a transportation infrastructure project grant, the creation of a county energy transportation reinvestment zone advisory board by a county.

Senate Bill 1747 requires a road condition report made by a county that is operating under a system of administering county roads to include, if reasonably ascertained, the primary cause of any road, culvert, or bridge degradation. The bill authorizes a commissioners court to accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

Senate Bill 1747 specifies that its provisions relating to county energy transportation reinvestment zones and the advisory boards of such zones prevail over similar provisions in House Bill 2300, 83rd Legislature, Regular Session, 2013, and that those provisions in House Bill 2300 have no effect.

Senate Bill 1792 Senate Author: Watson et al. Effective: 6-14-13 House Sponsor: Phillips

Senate Bill 1792 amends the Transportation Code and Government Code to establish optional remedies for the nonpayment of tolls and administrative fees assessed by a toll project entity. The bill authorizes a toll project entity to publish a list of the names of the registered owners or lessees of nonpaying vehicles who at the time of publication owe tolls or administrative fees to the publishing entity. The list may include address information, the number of times a person failed to pay tolls or fees, and the amount the person owes.

Senate Bill 1792 authorizes a toll project entity to enter into a written payment plan agreement with a person who has outstanding tolls and administrative fees. If a person defaults on the agreement, the toll project entity, after appropriately notifying the person in default and in addition to other available remedies, may refer the matter to an authorized attorney for filing suit in district court.

Senate Bill 1792 authorizes a toll project entity, in lieu of mailing a written notice of nonpayment, to serve the notice in person if the vehicle is not registered in Texas. In these circumstances, the notice may be served by an employee of a governmental entity operating an international bridge at the time the vehicle is entering or exiting Texas and must include a

warning that the failure to pay the amount in the notice may result in the toll project entity's exercise of habitual violator remedies. The bill makes it a misdemeanor offense punishable by a fine not to exceed \$250 for a person so served to fail to pay the amount of tolls and administrative fees owed within the time specified in the notice. The bill authorizes the court in which an owner is convicted of such an offense to also collect the amount of tolls and administrative fees owed and forward the amount to the toll project entity. The bill establishes certain defenses to prosecution for this offense.

Senate Bill 1792 establishes that, for purposes of its provisions, a habitual violator is a registered owner of a vehicle about whom a toll project entity determines the following: the owner was issued at least two written nonpayment notices that contained, in the aggregate. 100 or more events of nonpayment within a one-year period, with certain exceptions, and a warning that the failure to pay may result in the entity's exercise of habitual violator remedies; and the owner has not paid in full the total amount due for tolls and administrative fees for which notice was given. On making those determinations, the entity must give certain notice of the determination to the registered owner, who is entitled to request within a certain time frame a hearing on the toll project entity's habitual violator determination. If the registered owner does not timely request a hearing, the determination becomes final and not subject to appeal. The bill sets out hearing and appeal procedures and requires a requestor to pay a \$100 hearing filing fee. A final determination that a person is a habitual violator remains in effect until the amount of tolls and fees due is paid or the toll project entity determines that the amount has been otherwise addressed. On termination of the habitual violator status, the toll project entity must send notice of the termination to the vehicle's registered owner and the county assessor-collector or the Texas Department of Motor Vehicles (TxDMV), as appropriate.

Senate Bill 1792 authorizes a toll project entity, by order of its governing body, to ban the operation of a motor vehicle on a toll project of the entity if the vehicle's registered owner has been finally determined to be a habitual violator and the entity has provided required notice of the ban order to the registered owner. The bill makes it a Class C misdemeanor offense to operate a motor vehicle on a toll project in violation of a ban order. The bill authorizes a peace officer to detain a motor vehicle banned on the toll project and to impound the vehicle if certain conditions are met. The vehicle may be released from impound after a toll project entity determines that all tolls and fees owed by the owner to the entity have been paid or otherwise addressed and towing, storage, and impound fees are paid.

Senate Bill 1792 authorizes a toll project entity, after a final determination that the registered owner of a vehicle is a habitual violator, to report the determination to a county assessor-collector or the TxDMV, which is authorized to deny the vehicle's registration or registration renewal based on the determination.

Senate Bill 1792 sets out provisions authorizing a toll project entity to seek habitual violator remedies against a lessee of a vehicle and not the registered owner under certain circumstances and against an owner of a vehicle that is not registered in Texas.

Senate Bill 1792 establishes a temporary grace period, ending September 13, 2013, during which a person determined to be a habitual violator by a regional tollway authority on June 14, 2013, has the option of paying unpaid tolls and opening a toll tag account, entering into a payment plan agreement and opening a toll tag account, or requesting a hearing on the habitual violator determination. The bill sets out notice requirements and prohibits a regional tollway authority from pursuing habitual violator remedies against a person who opens a toll tag account and fulfills other specified criteria. These provisions expire August 31, 2015.

Senate Joint Resolution 1 (3rd C.S.)

For Election: 11-4-14

Senate Author: Nichols et al.

House Sponsor: Pickett et al.

Senate Joint Resolution 1 proposes an amendment to the state constitution to require the comptroller of public accounts to allocate one-half of the amount of oil and gas production tax revenue the comptroller currently is required to transfer to the economic stabilization fund to the state highway fund for the sole purpose of constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads. The legislature by general law must provide for a procedure by which this allocation of oil and gas production tax revenue may be adjusted to provide for a transfer of a greater amount to the economic stabilization fund, with the remainder, if any, allocated for transfer to the state highway fund. Such an allocation is binding on the comptroller for the purposes of the required transfers to the economic stabilization fund and the state highway fund.

### **Driver's Licenses and Driver Education**

House Bill 346 House Author: Deshotel Effective: 6-14-13 Senate Sponsor: Carona

Current law makes it an offense to access and use electronically readable personal information obtained from a driver's license or personal identification certificate and provides an exception for a financial institution or business that uses the information for purposes of check verification. House Bill 346 amends the Transportation Code to provide for an additional exception if the information is used to prevent fraud in a check transaction.

House Bill 438 House Author: Dutton Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 438 amends the Transportation Code to expand the courts in which an eligible person whose driver's license has been suspended may petition to apply for an occupational driver's license to include a justice court with jurisdiction over the precinct in which the person resides or the offense occurred for which the license was suspended.

**House Bill 3483 Effective:** 9-1-13 **House Author:** Fletcher **Senate Sponsor:** Watson

House Bill 3483 reenacts and amends Education Code provisions to increase from 20 to 30 the number of behind-the-wheel instruction hours that are required in a driver education course.

House Bill 3483 amends the Transportation Code to authorize the provider of an approved home-taught driver education course to administer the highway sign and traffic law parts of the driver's license examination to a student of that course. The bill requires the rules established by the Department of Public Safety regarding the approval of such a course to additionally provide a method by which the provider may electronically administer that portion of the examination and a method by which an applicant submits proof of passage of those parts of the examination. The bill also prohibits a person under 18 years of age from operating a motor vehicle after midnight and before 5 a.m. unless necessary for specified purposes or with more than one passenger in the vehicle under 21 years of age who is not a family member.

House Bill 3676 House Author: Phillips Effective: 9-1-13 Senate Sponsor: Paxton

House Bill 3676 amends the Transportation Code to remove the exemption for a person who holds a hardship license from the prohibitions against the operation of a motor vehicle by a person under 18 years old while using a wireless communications device or within the 12-month period following the original license issuance during certain night hours or with certain passengers, and the operation of a motorcycle or moped by a person under 17 years old who holds a restricted motorcycle or moped license while using a wireless communications device or during certain night hours within the 12-month period following the original license issuance.

House Bill 3838 House Author: Phillips
Effective: See below Senate Sponsor: Hancock

House Bill 3838 enacts Malorie's Law by amending the Transportation Code to prohibit the carrying of or riding by a passenger on any motorcycle that is not equipped with footrests and handholds for use by the passenger. The bill requires the motorcycle operator training and safety program to contain information regarding operating a motorcycle while carrying a passenger and authorizes, rather than requires, the program to include curricula developed by the Motorcycle Safety Foundation. The bill clarifies that the prohibition against a person offering training in motorcycle operation without an appropriate license or contract applies also with respect to conducting such training, makes a violation of that prohibition a Class B misdemeanor, and enhances the penalty for a subsequent conviction to a Class A misdemeanor. The bill requires notice and opportunity for a hearing on the denial, suspension, or cancellation of approval for a program sponsor to conduct or for an instructor to teach a program course to be given following, rather than prior to, denial, suspension, or cancellation of the approval. The bill also requires the Department of Public Safety to issue a Class M driver's 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 such restricted operation. Effective January 1, 2015, the bill requires a motorcycle that is designed to carry more than one person to be equipped with footrests and handholds for use by the passenger. Except as otherwise noted, the bill takes effect September 1, 2013.

Senate Bill 229
Senate Author: Davis et al.
House Sponsor: Turner, Chris et al.

Current law prohibits the issuance of a commercial driver's license other than a nonresident license to a person unless the person, among other requirements, has a domicile in Texas. Senate Bill 229 amends the Transportation Code to extend the exception to that prohibition to a person who has a domicile in another state and who is a member of the United States armed forces, including a member of the National Guard or a reserve or auxiliary unit of any branch of the armed forces, whose temporary or permanent duty station is located in Texas.

Senate Bill 763 Senate Author: Watson Effective: 9-1-13 House Sponsor: Phillips

Senate Bill 763 amends the Transportation Code to require the motorcycle operator training and safety program to include curricula approved by the state agency administering the program, rather than curricula developed by the Motorcycle Safety Foundation. The bill clarifies that the prohibition against a person offering training in motorcycle operation without being licensed by or under contract with the designated state agency applies also with respect to conducting such training, makes a violation of that prohibition a Class B misdemeanor, and enhances the penalty to a Class A misdemeanor for a subsequent conviction. The bill requires notice and

opportunity for a hearing on the denial, suspension, or cancellation of approval for a program sponsor to conduct or for an instructor to teach a program course to be given following, rather than before, denial, suspension, or cancellation of the approval. The bill also requires the Department of Public Safety to issue a Class M driver's 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 that operation.

Senate Bill 1705 Senate Author: Campbell House Sponsor: Parker

Senate Bill 1705 amends the Transportation Code to authorize the Department of Public Safety to authorize certain employers, government agencies, and other appropriate organizations, including a licensed driver education school, to administer the driving portion of the examination required to obtain a Texas driver's license.

Senate Bill 1729 Senate Author: Nichols et al. House Sponsor: King, Ken et al.

Senate Bill 1729 amends the Transportation Code to authorize the Department of Public Safety (DPS) to establish a pilot program for the provision of renewal and duplicate driver's license, election identification certificate, and personal identification certificate services in a specified number of counties with certain population brackets or in a county in which DPS operates a driver's license office as a scheduled or mobile office. The bill authorizes DPS to enter into an agreement with a county commissioners court to permit county employees to provide certain administrative and ministerial services at a county office relating to the issuance of those documents. The bill prohibits such an agreement from including training to administer a driver's license examination, requires a participating county to remit the fees collected for the issuance of the documents to DPS, and provides for a county office's authority to decline or consent to provide the license and certificate services. The bill requires DPS to provide all equipment and supplies necessary to perform the services, requires DPS to adopt rules to administer the pilot program, and authorizes a county that provides the services to collect an additional fee of up to \$5 for each transaction provided that relates to driver's license and personal identification certificate services only.

Senate Bill 1815

Effective: 5-18-13

Senate Author: Zaffirini
House Sponsor: Zerwas et al.

Previous law required the Department of State Health Services to contract with a nonprofit organization to maintain the Glenda Dawson Donate Life-Texas Registry. Senate Bill 1815 amends the Health and Safety Code to instead require a nonprofit organization designated by the Department of Public Safety (DPS) to maintain and administer the registry and updates statutory provisions to reflect that change. The bill creates the Glenda Dawson Donate Life-Texas Registry fund as a trust fund outside the state treasury to be held by the comptroller of public accounts and administered by DPS as trustee on behalf of the statewide donor registry.

Senate Bill 1815 amends the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to remit any voluntary contributions made to the organization administering the registry by a person applying for motor vehicle registration or renewal to the comptroller for deposit to the credit of the Glenda Dawson Donate Life-Texas Registry fund. The organization must submit an annual report to the legislature and the comptroller that includes the total amount of such contributions received. The bill also authorizes a person applying for an original or renewal driver's license to contribute \$1 to the organization and requires DPS to remit any contribution collected from such an applicant or an applicant for the issuance or renewal of a

personal identification card, minus any deductions for reasonable administrative expenses, to the comptroller for deposit to the credit of the fund. The organization must submit an annual report to the director of DPS that includes the total amount of such contributions received. The bill sets out the methods TxDMV and DPS must provide for persons to make such contributions. The bill's provisions relating to a contribution made on application for an original or renewal driver's license apply to a driver's license issued or renewed on or after January 1, 2014.

#### **Motor Vehicles**

House Bill 1692 House Author: Gutierrez Effective: 1-1-14 Senate Sponsor: Patrick

House Bill 1692 repeals an Occupations Code provision relating to the requirement for the director of the Motor Vehicle Division of the Texas Department of Motor Vehicles (TxDMV) to conduct hearings and issue final orders for the implementation and enforcement of statutory provisions governing vehicle warranties and the warranty-related rights of vehicle owners and amends a Transportation Code provision relating to procedures in certain contested cases to update a cross-reference to that repealed provision. The bill instead requires all hearings under statutory provisions governing the sale or lease of motor vehicles, rather than only hearings under provisions governing warranties, to be held by an administrative law judge of the State Office of Administrative Hearings, with the exception of a hearing regarding a complaint concerning a vehicle defect in a vehicle covered by a warranty or concerning a warranty in general, in which case the hearing must be held by a hearings examiner. The bill authorizes TxDMV to employ a chief hearings examiner and one or more additional hearings examiners, all of whom must be licensed to practice law in Texas, and specifies that a hearings examiner, along with an administrative law judge, has all of the TxDMV board's power and authority to conduct hearings.

House Bill 1692 requires the parties to certain contested cases to participate in mediation as provided by TxDMV board rule before the parties may have a hearing in the case and requires a hearings examiner to issue a final order in such a contested case hearing. The bill authorizes the board by rule to establish procedures to allow a party to a contested case to file a motion for rehearing and requires the motion to be filed with and decided by the chief hearings examiner.

House Bill 2305 House Author: Rodriguez, Eddie Effective: See below Senate Sponsor: Watson

House Bill 2305 amends the Transportation Code to establish a registration-based system of enforcing motor vehicle inspection requirements. The bill requires the Texas Department of Motor Vehicles (TxDMV) and the Department of Public Safety (DPS) to enter into an agreement regarding the timely submission by DPS of inspection compliance information to TxDMV. The bill requires DPS to maintain an electronic database to which inspection stations are required to electronically submit, after completion of an inspection, the vehicle identification number of the inspected vehicle, an indication of whether the vehicle passed the inspections, and any additional information required by rule by DPS for the type of vehicle inspected. DPS must also require an inspection station to issue a vehicle inspection report to a vehicle owner or operator indicating whether the vehicle has passed the safety and, if applicable, required emissions inspection.

Before a vehicle may be registered, TxDMV or a county assessor-collector registering the vehicle must verify that the vehicle passed the required inspections, as indicated in the DPS inspection database. However, if the database information is not available, the vehicle owner

may present a vehicle inspection report issued for the vehicle. The bill requires TxDMV or the county assessor-collector to collect at the time of registration the portion of the inspection fee required to be remitted to the state and to remit the fee to the comptroller of public accounts.

House Bill 2305 removes, revises, or repeals, as applicable, references in the Code of Criminal Procedure, Education Code, Government Code, Health and Safety Code, Occupations Code, and Transportation Code to the provision, display, and disposition of inspection certificates or inspection verification forms, as appropriate, and certain related enforcement provisions. The bill also removes certain references to state inspection stickers and revises, updates, and provides provisions to reflect the bill's changes relating to vehicle inspection reports and a registration-based system of enforcement.

House Bill 2305 requires DPS rules relating to the general one-year inspection period to provide that a vehicle owner may obtain an inspection not earlier than 90 days before the vehicle's registration expiration date and that a used motor vehicle sold by a dealer must be inspected in the 180 days before the date of sale. The bill subjects a motor vehicle, semitrailer, or trailer registered with an extended registration for commercial vehicles to the amended inspection requirements provided by the bill as if the vehicle, semitrailer, or trailer were registered without extended registration. TxDMV and DPS by rule must establish a method to enforce the amended inspection requirements for these vehicles, semitrailers, and trailers.

House Bill 2305 prohibits an inspection station or inspector from issuing a passing vehicle inspection report for a vehicle equipped with a compressed natural gas container unless the owner demonstrates in accordance with DPS rules proof that certain conditions have been met. Effective September 1, 2013, the bill requires DPS, not later than January 1, 2014, to adopt rules relating to this required proof and establishes that these provisions apply only to a vehicle inspected on or after September 1, 2014.

House Bill 2305, effective September 1, 2013, requires TxDMV, DPS, and the Texas Commission on Environmental Quality, not later than March 1, 2014, to adopt rules necessary to implement the changes made by the bill and requires DPS, not later than March 1, 2014, to create the inspection database and to require inspection stations to submit the necessary information to the database. Except as otherwise provided, House Bill 2305 takes effect March 1, 2015.

House Bill 2690 House Author: Elkins Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 2690 amends the Transportation Code to authorize a peace officer to cause a vehicle that is being offered for sale by a person who is engaged in business as a motor vehicle dealer without a dealer general distinguishing number to be towed from the location where the vehicle is being offered for sale and to be stored at a vehicle storage facility under certain conditions. Before the vehicle may be towed, a peace officer, an appropriate local government employee, or an investigator employed by the Texas Department of Motor Vehicles must attach a conspicuous notice containing certain required information to the vehicle's front windshield or, if the vehicle has no front windshield, to a conspicuous part of the vehicle. The bill authorizes a peace officer, once the notice has been attached to a vehicle, to prevent the vehicle from being removed by a person unless the person provides evidence of ownership in the person's name or written authorization from the owner of the vehicle for the person to offer the vehicle for sale in a manner other than by consignment.

Senate Bill 854 Senate Author: Van de Putte House Sponsor: Harper-Brown

Senate Bill 854 amends the Occupations Code to authorize a specific use agreement, defined in the bill, to prohibit the sale or sublease of the dealership property by the transferee to a person for a purpose other than the operation of a dealership under a franchise with the owner, defined in the bill, of the property, or to make such limitations applicable to any successor or sublessee of the transferee.

Senate Bill 854 provides for a prohibition against an owner coercing an existing franchised dealer to relocate an existing dealership and establishes that a specific use agreement is void if a person entered into the specific use agreement as a result of coercion. The bill sets out provisions relating to the applicability and duration of a specific use agreement. The bill establishes that there is no penalty for the full performance by the transferee and transfer of title to the transferee prior to the time set forth by the contract's terms unless the specific use agreement associated with the sale of property expressly provides otherwise.

Senate Bill 854 specifies that the prohibition against a dealer protesting an application to relocate a dealership if the proposed relocation site is two miles or less from the dealership's current location applies to a franchised dealer and conditions the prohibition on the proposed relocation site not being more than two miles from the site where the dealership is currently located nor closer to the franchised dealer than the site from which the dealership is being relocated.

#### Motor Vehicles—Commercial

House Bill 474 House Author: Munoz, Jr. et al. Effective: 9-1-13 Senate Sponsor: Hinojosa

House Bill 474 amends the Transportation Code to provide an optional procedure by which a regional mobility authority authorized by the Texas Transportation Commission can issue a permit for the movement of oversize or overweight vehicles carrying cargo on certain roads located in Hidalgo County. Beginning September 1, 2013, the fee for such a permit may not exceed \$80, but subsequently may be annually adjusted by the authority to reflect changes in the Consumer Price Index for All Urban Consumers. The collected fees are required to be used only for the construction and maintenance of the specified roads and for the authority's administrative costs, which may not exceed 15 percent of the collected fees. The bill requires the authority to make payments to the Texas Department of Transportation to fund the maintenance of the roads and highways for which the permits are issued. The bill specifies items the permit is required to include and requires the authority to report to the Texas Department of Motor Vehicles all permits issued for these purposes. The bill prohibits movement authorized by the permit from exceeding the posted speed limit or 55 miles per hour, whichever is less, and makes a violation of this prohibition a moving violation. The bill authorizes the Department of Public Safety to enforce the bill's provisions and authorizes the commission to adopt rules necessary to implement those provisions.

House Bill 511 House Author: Murphy Effective: 6-14-13 Senate Sponsor: Carona

House Bill 511 amends the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to issue a non-expiring license plate for a token trailer registered as part of a commercial fleet. For a token trailer registered and used in combination with certain

#### **Transportation**

truck-tractors or commercial motor vehicles, the bill requires TxDMV to issue a non-expiring license plate, rather than a specially designed license plate, and specifies that the plate's annual registration insignia is not required to be valid. The bill authorizes the alphanumeric pattern for these license plates to remain on a token trailer for as long as the registration of the token trailer is renewed or until the token trailer is removed from service or sold. Finally, the bill provides that the vehicle registration receipt is not required for token trailers with these license plates.

**House Bill 714 Effective:** 9-1-13 **House Author:** Kuempel **Senate Sponsor:** Zaffirini

House Bill 714 amends Transportation Code provisions relating to enforcement of vehicle size and weight. The bill authorizes a county and the Department of Public Safety to enter into an agreement for the joint operation of a fixed-site facility located within the boundaries of the county.

**House Bill 2304 Effective:** 6-14-13 **House Author:** Rodriguez, Eddie **Senate Sponsor:** Watson et al.

House Bill 2304 amends the Transportation Code to make a sheriff or a deputy sheriff of a county with a minimum population of one million, rather than 2.2 million, eligible to apply for certification to enforce commercial motor vehicle safety standards in the county.

House Bill 3125 House Author: Lucio III Effective: 9-1-13 Senate Sponsor: Lucio

State law provides a procedure for the issuance of a permit by a port authority in a county bordering Mexico for the movement of oversize or overweight vehicles carrying cargo on certain state highways. House Bill 3125 amends the Transportation Code to require the Texas Transportation Commission, for purposes of such permits, to designate with the consent of the port authority the most direct route from the Free Trade International Bridge to the entrance of the Port of Brownsville using Farm-to-Market Road 509, United States Highways 77 and 83, Farm-to-Market Road 511, State Highway 550, and East Loop (State Highway 32).

Senate Bill 274 Senate Author: Williams Effective: 9-1-13 House Sponsor: Eiland

Senate Bill 274 amends the Transportation Code to expand the portions of State Highway 99 and Farm-to-Market Road 565 in Chambers County for which the county is authorized to issue permits for the movement of oversize or overweight vehicles carrying cargo.

## Motor Vehicles—Registration and Titling

House Bill 625 House Author: Harper-Brown Effective: 9-1-13 Senate Sponsor: Carona

House Bill 625 amends the Transportation Code to classify a violation of statutory provisions relating to the operation of a vehicle without a license plate as a misdemeanor offense punishable by a fine not to exceed \$200.

**House Bill 719 Effective:** 6-14-13 **House Author:** Morrison **Senate Sponsor:** Hegar

House Bill 719 repeals Transportation Code provisions relating to the issuance of specialty license plates for eligible golf carts and updates provisions relating to the registration of golf

carts for operation on a public highway to require the Texas Department of Motor Vehicles (TxDMV) by rule to establish a procedure to issue the license plates to be used for operation in accordance with specified state law and the bill's provisions. The bill authorizes TxDMV to charge a fee, not to exceed \$10, for the cost of such a license plate. The bill expands the types of counties in which the commissioners court is authorized to allow the operation of a golf cart or utility vehicle on all or part of a public highway that has a speed limit of not more than 35 miles per hour and is located in the unincorporated area of the county.

**House Bill 894 Effective:** 9-1-13 **House Author:** Kolkhorst **Senate Sponsor:** Hegar

House Bill 894 amends the Transportation Code to authorize an independent motor vehicle dealer or an employee of an independent motor vehicle dealer to use a metal dealer's license plate on a service or work vehicle used to transport a vehicle in the dealer's inventory to or from a point of sale. Those individuals are not authorized to operate a service or work vehicle as a tow truck without a license or permit required by the Texas Towing and Booting Act. The bill requires the Texas Department of Motor Vehicles to adopt rules consistent with these provisions.

House Bill 1198 House Author: Raymond et al. Senate Sponsor: Zaffirini

Previous law authorized the commissioners court of a county that borders the United Mexican States, that has a population of more than 300,000, and in which the largest municipality has a population of less than 300,000 to impose an additional vehicle registration fee to fund long-term transportation projects in the county. House Bill 1198 amends the Transportation Code to instead grant this authority to the commissioners court of a county that borders the United Mexican States and has a population of more than 250,000.

House Bill 1347 House Author: Gonzalez, Mary et al. Effective: 9-1-13 Senate Sponsor: Rodriguez

House Bill 1347 amends the Transportation Code to expand the purposes for which the Texas Historical Commission is authorized to use money in the El Paso Mission Restoration account to include making grants for the preservation and rehabilitation of the San Elizario and Ysleta Missions, in addition to the Socorro Mission.

House Bill 1573 House Author: McClendon et al. Senate Sponsor: Van de Putte

House Bill 1573 amends the Transportation Code to authorize the commissioners court of a county that has a population of more than 1.5 million and is coterminous with a regional mobility authority, in addition to such a court in a border county that meets certain population criteria, to impose an additional vehicle registration fee, not to exceed \$10, to fund long-term transportation projects in those counties. The bill provides that the transportation projects must be consistent with the purposes specified by the constitution for which revenue from motor vehicle registration fees may be used.

House Bill 2394 House Author: Perry Effective: 6-14-13 Senate Sponsor: Hancock

House Bill 2394 amends the Transportation Code to add temporary provisions, set to expire August 31, 2015, requiring the Texas Department of Motor Vehicles (TxDMV) to conduct a study of the feasibility of requiring title for each trailer, semitrailer, or travel trailer that is not manufactured housing. The bill sets out the duties required of TxDMV in conducting the study,

including that TxDMV use input from local governmental entities providing certain title services, automotive theft experts, statewide associations representing agricultural entities, and statewide associations of counties. The bill requires the comptroller of public accounts to assist TxDMV in conducting the study and requires TxDMV to prepare and submit a report containing its findings and recommendations, not later than September 1, 2014, to the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each legislative standing committee with primary jurisdiction over motor vehicles.

House Bill 2741 House Author: Phillips Effective: See below Senate Sponsor: Nichols

House Bill 2741 amends the Finance Code, Government Code, Occupations Code, and Transportation Code to update provisions relating to motor vehicle registration and titling, including nonrepairable titles, salvage vehicle titles, and salvage record of title, by county tax assessor-collectors and the Texas Department of Motor Vehicles (TxDMV) and provisions relating to vehicle dealer regulation, motor carrier registration, and other motor vehicle functions of TxDMV. The bill makes numerous clarifying, technical, and administrative updates.

House Bill 2741 authorizes TxDMV to issue a title for a trailer that has a gross weight of 4,000 pounds or less. The bill requires a county assessor-collector that transfers money to TxDMV under the Certificate of Title Act to transfer the money electronically. The bill caps the late title transfer fee at \$250. The bill authorizes the board of TxDMV by rule to set a fee for the issuance of a paper title to cover the cost of administering the electronic titling system.

House Bill 2741 makes it a third-degree felony to manufacture or sell a registration insignia or license plate that is deceptively similar to a registration insignia or license plate of TxDMV. The bill makes it a Class C misdemeanor to possess such a deceptively similar registration insignia or license plate and a Class B misdemeanor if the person has previously been convicted of possessing a deceptively similar registration insignia or license plate.

House Bill 2741 authorizes TxDMV to credit the transferor of a multiyear vehicle registration for any time remaining on the registration in annual increments.

House Bill 2741 makes various changes relating to specialty license plates associated with veterans with disabilities, the merchant marine of the United States, and the Texas Aerospace Commission. The bill requires TxDMV to issue Big Brothers Big Sisters specialty license plates. Money collected for the issuance of the plates, less administrative costs, must be used by the attorney general to provide grants to benefit the Big Brothers Big Sisters of America organizations operating in Texas.

House Bill 2741 makes it a Class C misdemeanor to use, purchase, possess, manufacture, sell, offer to sell, or otherwise distribute with criminal negligence a license plate flipper and makes a subsequent conviction a Class B misdemeanor. The bill makes any license plate offense the penalty for which is not prescribed in law a misdemeanor offense punishable by a fine of not less than \$5 and not more than \$200.

House Bill 2741 authorizes the operation of a neighborhood electric vehicle under certain circumstances.

House Bill 2741 prohibits a county or municipality, except as expressly authorized by Transportation Code provisions relating to vehicle size and weight, from requiring a permit, bond, fee, or license for the movement of a vehicle or combination of vehicles or any load carried by the vehicle or vehicles on the state highway system in the county or municipality that exceeds the weight or size limits on the state highway system. The bill makes loading a vehicle in excess of the weight limitations for operation of that vehicle on a public highway subject to administrative enforcement unless a criminal penalty has been assessed for the violation. The bill expands the conduct that constitutes the offense of operating or loading an

overweight vehicle and increases from \$150 to \$250 the maximum fine for such an offense. The bill also increases the maximum fine from \$150 to \$250 for specified offenses relating to general permits for oversize or overweight vehicles. The bill creates schedules of weight violations and associated fines for an offense involving a vehicle having a single axle weight or tandem axle weight that is heavier than the vehicle's allowable weight and an offense involving a vehicle having a gross weight that is heavier than the vehicle's allowable gross weight.

House Bill 2741 authorizes TxDMV to issue a permit authorizing the operation of a ready-mixed concrete truck with three axles. The bill sets the one-year permit fee at \$1,000 and authorizes the issuance of a permit that is valid for less than one year with a prorated fee. The bill requires 50 percent of collected fees to be deposited to the state highway fund (Fund 6) and the remaining 50 percent to be distributed to the counties designated in the permit application.

House Bill 2741, as an alternative to the general permit issued for an overweight or oversize vehicle, authorizes TxDMV to issue an annual permit for a vehicle or combination of vehicles being used to transport unrefined timber, wood chips, or woody biomass in specified counties. The permit fee is set at \$1,500, 50 percent of which is deposited to the credit of the state highway fund (Fund 6) and 50 percent of which is divided among all counties designated in the permit. Before the vehicles may operate under the permit, the financially responsible party associated with the permitted vehicles must provide a document to TxDMV designating the roads on which the vehicles will travel and must agree to reimburse the county or state, as applicable, for road or highway damage caused by the permitted vehicles. The designated counties and TxDMV may inspect the roads or highways to document their state before the vehicles may operate under the permit to establish a baseline condition for assessing damage caused by the permitted vehicles.

House Bill 2741 authorizes the governor to suspend certain registration and fuel tax requirements in response to an emergency or disaster declaration by the U.S. president or governor of another state if strict compliance with the requirements would prevent, hinder, or delay necessary action in providing emergency or disaster assistance to another state. The bill also authorizes TxDMV to issue a special permit during a major disaster as declared by the president of the United States to an overweight or oversize vehicle or load that can easily be dismantled or divided and will be used only to deliver relief supplies.

House Bill 2741 authorizes TxDMV to deny a motor carrier registration if the applicant's business is controlled by or affiliated with, or if the applicant is a motor carrier whose business is controlled by or affiliated with, a person whom the Department of Public Safety has determined has an unsatisfactory safety rating or multiple violations of commercial motor vehicle safety standards. The bill sets out appeal proceedings for the denial of an application for motor carrier registration, renewal of registration, or reinstatement of registration.

House Bill 2741 transfers from the Texas Department of Transportation to TxDMV the requirement to adopt rules that conform with federal rules requiring motor carriers operating foreign commercial motor vehicles in Texas to maintain financial responsibility.

House Bill 2741 revises the application process for a disabled parking placard, makes a placard valid for four years applicable only to a Texas resident, makes a placard issued to a person who is not a Texas resident valid for six months, and requires a peace officer to destroy a seized placard.

House Bill 2741 repeals various provisions of the Occupations Code and the Transportation Code to make conforming changes.

House Bill 2741 takes effect September 1, 2013, except for provisions relating to the cap on late fees associated with a title transfer, specialty license plates for veterans with disabilities, and a general penalty for license plate offenses, which take effect June 14, 2013.

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House Bill 2874 Effective: 9-1-13

House Author: Harper-Brown Senate Sponsor: Paxton

House Bill 2874 amends the Transportation Code to require the Texas Department of Motor Vehicles, in designating the registration year for certain vehicles sold by a dealer, to use the date of sale of the vehicle.

House Bill 3126 Effective: 9-1-13 House Author: Lucio III
Senate Sponsor: Lucio

House Bill 3126 amends the Transportation Code to authorize the commissioners court of a county that borders the United Mexican States, has a population of more than 300,000 and less than 700,000, and in which the largest municipality has a population of less than 300,000 to increase from a maximum of \$10 to a maximum of \$20 the additional vehicle registration fee used to fund long-term transportation projects in the county, if approved by a majority of the qualified voters of the county voting on the issue at a referendum election.

House Bill 3256 Effective: 9-1-13 House Author: Kacal et al. Senate Sponsor: Uresti

House Bill 3256 amends the Transportation Code to prohibit the issuance of a specialty license plate to certain farm trailers or semitrailers, the registration of a commercial motor vehicle as a farm vehicle, and the issuance of a permit for certain overweight farm vehicles unless an agricultural and timber sales tax exemption registration number issued by the comptroller of public accounts is provided to the Texas Department of Motor Vehicles. The bill requires the comptroller to allow access to the established online system to verify a registration number provided for such purposes.

House Bill 3677 Effective: 9-1-13 House Author: Farney et al. Senate Sponsor: Patrick

House Bill 3677 amends the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to issue specially designed license plates to benefit the Foundation School Program and to design the license plates in consultation with the Texas Education Agency. The bill requires TxDMV, after deducting administrative costs, to deposit the remainder of the fee for issuance of the license plates to the credit of the foundation school fund.

Senate Bill 487 Effective: 9-1-13 Senate Author: Davis
House Sponsor: Lavender

Senate Bill 487 amends the Transportation Code to redefine "all-terrain vehicle" for purposes of statutory provisions relating to the registration of vehicles and to certain off-highway vehicles. The bill also redefines "recreational off-highway vehicle" for purposes of statutory provisions relating to the registration of vehicles.

Senate Bill 1914 Effective: 9-1-13 **Senate Author:** Garcia et al. **House Sponsor:** Pickett

Senate Bill 1914 amends Transportation Code provisions concerning certain specialty license plates. Previous law required the Texas Department of Motor Vehicles (TxDMV) to issue specialty license plates depicting the State Capitol. The bill instead requires TxDMV to design and issue specialty license plates relating to the State Capitol and authorizes TxDMV to design the license plates in consultation with the State Preservation Board. The bill also requires the remainder of the fee for issuance of the license plates, after deducting the department's administrative

costs, to be deposited to the credit of the Capitol fund, rather than the general revenue fund. Finally, the bill removes the specification that the specialty license plates issued to state officials include the words "State Official."

#### Motor Vehicles—Rules of the Road

House Bill 347 House Author: Pitts et al. Senate Sponsor: Nichols

House Bill 347 amends the Transportation Code to make it a misdemeanor offense to use a wireless communication device while operating a motor vehicle on the property of a public school for which a local authority has designated a school crossing zone, during the time a reduced speed limit is in effect for the school crossing zone, unless the vehicle is stopped or a hands-free device is used. The bill exempts certain motor vehicle operators from this prohibition and establishes an affirmative defense to prosecution for the offense if the wireless communication device was used to make an emergency call to certain individuals or entities. The bill provides that its provisions preempt all local ordinances, rules, or regulations that are inconsistent with specific provisions of the bill adopted by a political subdivision of Texas relating to the use of a wireless communication device by the operator of a motor vehicle, except that a political subdivision may by ordinance or rule prohibit the use of a wireless communication device while operating a motor vehicle throughout the jurisdiction of the political subdivision.

House Bill 567 House Author: Smith Senate Sponsor: Nichols

House Bill 567 amends Transportation Code provisions relating to the rules of the road to redefine "authorized emergency vehicle" to include an emergency medical services (EMS) vehicle authorized under an EMS provider license issued by the Department of State Health Services under the Emergency Health Care Act and operating under a contract with an emergency services district that requires the EMS provider to respond to emergency calls with the vehicle.

House Bill 1044 House Author: Eiland Senate Sponsor: Williams

House Bill 1044 amends the Transportation Code, Natural Resources Code, and Parks and Wildlife Code to authorize an operator of an all-terrain vehicle to drive the vehicle on a beach that is open to motor vehicle traffic, except as provided by statutory provisions governing public beaches and dunes. Subject to the same exceptions, the bill authorizes a person who is authorized to operate an all-terrain vehicle owned by the state, a county, or a municipality to drive the all-terrain vehicle on any beach if the vehicle is registered. The bill requires a person operating an all-terrain vehicle on a beach to hold and have in the person's possession a driver's license or a commercial driver's license and makes certain statutory provisions relating to the operation of an all-terrain vehicle on public property applicable to the operation of such a vehicle on a beach. The bill authorizes the Texas Department of Transportation (TxDOT) or a county or municipality to prohibit the operation of an all-terrain vehicle on a beach if TxDOT or the governing body determines that the prohibition is necessary in the interest of safety.

House Bill 1097 House Author: Sheets
Effective: 9-1-13 Senate Sponsor: Paxton

House Bill 1097 amends the Transportation Code to make the fine for certain traffic offenses committed in a construction or maintenance work zone when workers are present applicable to

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a violation of a prima facie speed limit authorized by law only if the construction or maintenance work zone is marked by a sign indicating the applicable maximum lawful speed.

House Bill 1174 House Author: Fallon et al. Effective: 9-1-13 Senate Sponsor: Nelson

House Bill 1174 amends the Transportation Code to increase the minimum fine for the misdemeanor offense relating to passing a school bus from \$200 to \$500 and the maximum fine for such an offense from \$1,000 to \$1,250. The bill enhances the penalty for a second or subsequent conviction of that offense committed within five years of the date on which the most recent preceding offense was committed to a misdemeanor punishable by a minimum fine of \$1,000 and a maximum fine of \$2,000.

House Bill 1294 House Author: Price

Effective: 9-1-13 Senate Sponsor: Seliger et al.

House Bill 1294 amends the Transportation Code to make the penalty for the offense of failing to secure a child in a child passenger safety seat system a fine of not less than \$25 and not more than \$250, rather than a fine of not more than \$25 for the first offense and not more than \$250 for a second or subsequent offense. The bill also establishes a defense to prosecution for the offense if the defendant proves that, at the time of the offense, the defendant was not arrested or issued a citation for violation of any other offense, the defendant did not possess a child passenger safety seat system in the vehicle, and the vehicle the defendant was operating was not involved in an accident; and, subsequent to the time of the offense, the defendant obtained an appropriate safety seat system. The bill removes as a defense to prosecution that the defendant provides proof of possessing an appropriate safety seat system.

House Bill 1607 House Author: Farney Effective: 6-14-13 Senate Sponsor: Nichols

House Bill 1607 amends the Transportation Code to increase from 60 to 70 miles per hour the maximum speed limit a county commissioners court is authorized to establish for certain county roads or highways.

**House Bill 2204 Effective:** 6-14-13 **House Author:** Pickett **Senate Sponsor:** Watson

House Bill 2204 adds temporary provisions, set to expire February 1, 2015, to require the Texas Transportation Commission by rule to establish and the Texas Department of Transportation to implement a variable speed limit pilot program to study the effectiveness of temporarily lowering prima facie speed limits to address inclement weather, congestion, road construction, or any other condition that affects the safe and orderly movement of traffic on a roadway. Among other provisions, the bill requires the commission to inform the Department of Public Safety and any affected local law enforcement agency about the pilot program and the locations being used to test the program. The bill sets out provisions relating to a speed limit that is established under the program and requires the commission, not later than December 31, 2014, to submit a report to the legislature that includes specified items relating to the program.

House Bill 3668 House Author: Naishtat et al. Effective: 9-1-13 Senate Sponsor: Ellis

House Bill 3668 amends the Transportation Code to require the operator of a vehicle involved in an accident that results in injury to or death of a person to immediately determine whether a person is involved in the accident, and if so, whether the person requires aid, in addition to

other established statutory requirements for such an operator. The bill expands the applicability of those requirements to the operator of a vehicle involved in an accident that is reasonably likely to result in injury to or death of a person.

Senate Bill 510 Senate Author: Nichols

Effective: 9-1-13 House Sponsor: Martinez et al.

Senate Bill 510 amends the Transportation Code to require a motor vehicle operator, on approaching a Texas Department of Transportation (TxDOT) vehicle that is not separated from the roadway by a traffic control channelizing device and is using specified visual signals, either to vacate the lane closest to the TxDOT vehicle or to slow to a specified speed, unless otherwise directed by a police officer.

Senate Bill 1757 Senate Author: Uresti Effective: 6-14-13 House Sponsor: Zedler

Senate Bill 1757 amends the Transportation Code to make it a Class B misdemeanor offense to, with criminal negligence, purchase or possess a license plate flipper, which is a device designed or adapted to be installed on a motor vehicle and switch the license plate displayed or flip and hide a license plate from view. The bill makes it a Class A misdemeanor offense to, with criminal negligence, manufacture, sell, offer to sell, or otherwise distribute a license plate flipper.

Senate Bill 1917 Senate Author: Birdwell Effective: 6-14-13 House Sponsor: Cook

Senate Bill 1917 amends the Transportation Code to expand the definition of "authorized emergency vehicle" for purposes of statutory provisions relating to rules of the road. The bill includes in that definition a private vehicle of an employee or volunteer of a county emergency management division in a county with a population of more than 46,500 and less than 48,000 that is designated as an authorized emergency vehicle by the county commissioners court.

## State Highway System—Designations

House Bill 250

Effective: 9-1-13

House Author: Miller, Doug Senate Sponsor: Estes

House Bill 250 amends the Transportation Code to designate a portion of Interstate Highway 35 in Hays County as the Trooper Randy Vetter Memorial Highway.

House Bill 442 House Author: Munoz, Jr. et al. Effective: 6-14-13 Senate Sponsor: Hinojosa

House Bill 442 amends the Transportation Code to require a portion of U.S. Highway 83 in Starr County to serve as a memorial to Trooper Eduardo Chavez.

House Bill 695 House Author: Phillips et al. Senate Sponsor: Nichols

Previous law exempted the Texas Department of Transportation (TxDOT) from the requirement to design, construct, or erect a specific state highway name marker unless a grant or donation of funds was made to TxDOT to cover the cost of those activities. House Bill 695 amends the Transportation Code to prohibit TxDOT from designing, constructing, or erecting

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such a marker unless a grant or donation of funds is made to TxDOT to cover the cost of those activities. The bill also requires, rather than authorizes, TxDOT to accept a grant or donation made to assist in financing the construction and maintenance of such a marker.

**House Bill 1238 Effective:** 9-1-13 **House Author:** Price **Senate Sponsor:** Seliger

House Bill 1238 amends the Transportation Code to designate the portion of U.S. Highway 287 between the northern corporate limits of the City of Stratford and the Texas-Oklahoma border as the Trooper Bobby Steve Booth Memorial Highway.

House Bill 1534 House Author: Leach et al. Effective: 9-1-13 Senate Sponsor: Paxton

House Bill 1534 amends the Transportation Code to designate a portion of U.S. Highway 75 in Collin County as the Sam Johnson Highway. The bill also designates a portion of U.S. Highway 281 in Jim Wells County as the Lt. General Marc Cisneros Highway.

**House Bill 2356 Effective:** 9-1-13 **House Author:** White **Senate Sponsor:** Nichols

House Bill 2356 amends the Transportation Code to designate a portion of Recreational Road 255 in Jasper County as Sam Rayburn Parkway.

**House Bill 3070 Effective:** 9-1-13 **House Author:** Simpson **Senate Sponsor:** Eltife

House Bill 3070 amends the Government Code to require the Texas Historical Commission to cooperate with the Texas Department of Transportation (TxDOT) to designate, interpret, and market the portion of U.S. Highway 80 in Gregg and Upshur Counties as a Texas historic highway.

**House Bill 3520 Effective:** 9-1-13 **House Author:** Branch et al. **Senate Sponsor:** Carona

House Bill 3520 amends the Transportation Code to designate a portion of U.S. Highway 75 in Dallas County as the George W. Bush Expressway.

House Bill 3568 House Author: Kleinschmidt Effective: 9-1-13 Senate Sponsor: Watson

House Bill 3568 amends the Transportation Code to designate the structure on Loop 150 located in the city of Bastrop connecting the east and west banks of the Colorado River as the Chief Petty Officer (SOC) Stephen "Matt" Mills Bridge.

**House Bill 3831 Effective:** 9-1-13 **House Author:** Herrero et al. **Senate Sponsor:** Hinojosa

House Bill 3831 amends the Transportation Code to designate a portion of State Highway 358 in Nueces County as the Peace Officers Memorial Highway.

House Bill 3946 House Author: Gonzalez, Naomi et al.

Effective: 9-1-13 Senate Sponsor: Rodriguez

House Bill 3946 amends the Transportation Code to designate the interchange in El Paso between Interstate Highway 10 and Joe Battle Boulevard as the Officer Angel David Garcia Memorial Interchange.

Senate Bill 139

Senate Author: Eltife

Effective: 9-1-13

House Sponsor: Simpson et al.

Senate Bill 139 amends the Transportation Code to designate a portion of U.S. Highway 80 in Gregg and Upshur Counties as the Sergeant Travis E. Watkins Memorial Highway.

### State Highway System—General

House Bill 3422 Effective: 6-14-13 House Author: Lavender Senate Sponsor: Eltife

House Bill 3422 amends the Transportation Code to require the Texas Transportation Commission by rule to establish a program under which the Texas Department of Transportation (TxDOT) may accept donations of landscape materials for state highways from any source. The program may provide for TxDOT to enter into an agreement with an individual or private business or organization for the individual or entity to provide, at no cost to TxDOT, services for the installation or maintenance of landscaping on state highways.

Senate Bill 1029

Senate Author: Campbell et al.

**Effective:** 6-14-13

**House Sponsor: Phillips** 

State law prohibits, with limited exceptions, the Texas Department of Transportation from operating a nontolled state highway or a segment of such a highway as a toll project and from transferring a nontolled highway or segment to another entity as a toll project. Senate Bill 1029 amends the Transportation Code to remove two exceptions to this prohibition: that the highway or segment was open to traffic as a turnpike project on or before September 1, 2005, and that the Texas Transportation Commission converts the highway or segment to a toll facility by specified means.

Senate Bill 1029 repeals provisions relating to the commission's authority to conduct such a conversion on making a determination that the conversion will improve regional mobility or is the most feasibly and economically sound means by which expansion, improvements, or extensions to that segment are accomplished; conducting a public hearing regarding the proposed conversion; and receiving the required county and voter approval for the conversion.

### The summaries for the following bills are in the listed chapters:

House Bill 1678 - Military Forces and Veterans Senate Bill 275 - Criminal Justice

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## **Utilities**

This chapter covers legislation relating to electric, natural gas, liquefied petroleum gas, water and sewer, and telecommunications utilities, as well as cable and video service providers. Legislation relating to energy efficiency and conservation and the use of coal and biomass in power plants is in the **Energy Resources** chapter, and legislation relating to natural gas production, gathering, and pipeline transmission is in the **Energy Resources** chapter. Related legislation that is summarized in other chapters is listed at the end of this chapter.

#### General

House Bill 2532 House Author: Workman et al. Effective: 9-1-13 Senate Sponsor: Fraser

House Bill 2532 amends the Utilities Code to establish standards for propane distribution system retailers applicable to the retail sale of propane gas made by a distribution system retailer through a propane gas system and inapplicable to any other retail or wholesale sale of propane gas. The bill requires a distribution system retailer to charge a customer a just and reasonable rate for propane gas and sets out criteria for such rate. The bill authorizes a distribution system retailer to also charge customers special service fees if such fees are reasonable and customary and provides for the adjustment of such fees. The bill specifies that its rate and fee ceiling provisions do not limit a distribution system retailer's ability to pass through to a customer as a separate charge certain taxes and other costs.

House Bill 2532 prohibits a distribution system retailer from disconnecting propane gas service to a residential customer on certain days or during an extreme weather emergency. The bill requires a distribution system retailer to make all reasonable efforts to prevent service interruptions, sets out recordkeeping and notification requirements regarding such interruptions, and requires the Railroad Commission of Texas to establish and maintain a toll-free telephone number by which a customer may notify the railroad commission of a service interruption and requires the railroad commission to immediately investigate such a notification.

House Bill 2532 authorizes the railroad commission, in order to restore and maintain service, to assume temporary operational control of a propane gas system that experiences certain service interruptions. The bill provides for the appointment of a receiver to collect the assets and carry on the business of a distribution system retailer that has abandoned operation of its facilities, informs the railroad commission that the owner is abandoning the system, or experiences certain service interruptions. The bill sets out provisions regarding such receivership.

House Bill 2532 establishes the conditions under which a distribution system retailer may refuse service to an applicant for new service or to an existing customer for continued service or reconnection. The bill sets out procedures and requirements regarding customer complaints and provides for certain sanctions against a distribution system retailer for rate and fee violations. The bill requires a distribution system retailer to post, in favor of the railroad commission as a performance guarantee, financial surety in a specified amount. The bill sets out certain disclosure requirements for a distribution system retailer and also establishes notice requirements for a homeowner who proposes to sell or convey real property located in a propane gas system service area owned by such a retailer.

Senate Bill 885 Senate Author: Hinojosa House Sponsor: Harper-Brown

Senate Bill 885 amends the Utilities Code to add notice by e-mail to the methods by which a gas utility may provide notice of an intent to increase rates as alternatives to publishing notice in a newspaper and to remove a specification limiting the provision of the alternative notice to the public in an area outside the affected municipality or in a municipality with a population of less than 2,500.

#### **Electric Utilities**

House Bill 994 House Author: Bonnen, Dennis Effective: 5-18-13 Senate Sponsor: Hegar

House Bill 994 amends the Utilities Code to redefine "nuclear generating unit" by removing a specification that a unit be under construction in Texas after January 1, 2007, but before January 1, 2015. The bill extends the applicability of provisions relating to a nuclear generating unit decommissioning cost plan and an associated decommissioning funding mechanism from units under construction by January 1, 2015, to such units the construction of which begins on or after January 1, 2013, and before January 1, 2033.

**House Bill 2049 Effective:** 9-1-13 **House Author:** Huberty et al. **Senate Sponsor:** Williams

House Bill 2049 amends the Utilities Code to authorize certain cogenerators to sell electric energy at retail to more than one purchaser of the cogenerator's thermal output. The bill establishes that such a cogenerator is not subject, as a result of that sale, to regulation as certain other regulated utility entities.

**House Bill 3355 Effective:** 9-1-13 **House Author:** Cook **Senate Sponsor:** Carona

House Bill 3355 amends the Utilities Code to set out provisions relating to cable operators' attachments on certain distribution poles owned or controlled by electric cooperatives, applicable to a pole attachment affixed by a cable operator to a pole owned and controlled by an electric cooperative, but not applicable to a pole attachment regulated under federal law. Among other provisions, the bill requires a cable operator and an electric cooperative to negotiate in good faith to establish a written pole attachment contract. The bill sets out provisions that establish minimum requirements for such a contract and provisions relating to the transfer of attachments, the removal of abandoned pole attachments, and easements for accessing distribution poles.

Senate Bill 349
Senate Author: Nichols
Effective: 5-18-13
House Sponsor: Creighton

Senate Bill 349 amends the Utilities Code to define "distribution line" for certain purposes to mean a power line operated below 60,000 volts when measured phase to phase and to define "transmission line" for certain purposes to mean a power line operated at 60,000 volts or more when measured phase to phase.

Senate Bill 1364 Senate Author: Schwertner House Sponsor: Murphy et al.

Senate Bill 1364 amends the Utilities Code, if an expense is allowed to be included in utility rates or an investment is included in the utility rate base in regard to the computation of an electric utility's income taxes, to require that the related income tax benefit be included in the computation of income tax expense to reduce the rates. The bill prohibits the related income tax benefit from being included in the computation of income tax expense to reduce the rates if an expense is not allowed to be included in utility rates or an investment is not included in the utility rate base. The bill requires the income tax expense of an electric utility to be computed using the statutory income tax rates. The bill removes a provision requiring an electric utility's income taxes to be computed as though a consolidated return had been filed and the utility had realized its fair share of the savings resulting from that return if the utility is a member of an affiliated group eligible to file a consolidated income tax return and it is advantageous to the utility to do so, unless it is shown to the satisfaction of the regulatory authority that it was reasonable to choose not to consolidate returns.

#### **Telecommunications**

Senate Bill 259

Effective: 9-1-13

Senate Author: Carona House Sponsor: Cook

Senate Bill 259 amends the Utilities Code to prohibit the Public Utility Commission of Texas (PUC) from imposing by rule or regulatory practice on a nondominant telecommunications utility a greater regulatory burden than is imposed on a holder of a certificate of convenience and necessity serving the same area or on a deregulated company that has 500,000 or more access lines in service at the time it becomes a deregulated company or serves an area also served by the nondominant telecommunications utility. The bill prohibits the commission from requiring a nondominant carrier or a deregulated company or transitioning company, as applicable, from obtaining advance approval for a filing with the PUC or a posting on the nondominant carrier's Internet website that adds, modifies, withdraws, or grandfathers a retail service, nonbasic retail service, or basic network service or the applicable service's rates, terms, or conditions. Among other provisions, the bill requires an incumbent local exchange carrier to continue to provide to affected resellers of retail services the same notice of rate changes or withdrawal of detariffed services that it was required to provide prior to detariffing.

Senate Bill 512Senate Author: CaronaEffective: 9-1-13House Sponsor: Frullo

Senate Bill 512 amends the Utilities Code to transfer from the Public Utility Commission of Texas (PUC) to the Department of Assistive and Rehabilitative Services (DARS) the powers, duties, functions, programs, and activities and all related obligations, contracts, property, and records pertaining to the specialized telecommunications assistance program established by the PUC and DARS to provide financial assistance to individuals with disabilities that impair the individuals' access to the telephone network, except for duties relating to the recovery of a program surcharge. The bill further revises the duties of the PUC to include auditing voucher payments and other expenditures made under the program.

Senate Bill 583 Senate Author: Carona et al. Effective: 6-1-13 House Sponsor: Cook

Current law sets out provisions that establish the universal service fund to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas under the Texas high cost universal service plan and under the small and rural incumbent local exchange company universal service plan. Senate Bill 583 amends the Utilities Code to revise provisions relating to eligibility for support from the universal service fund. Among other provisions, the bill establishes eligibility requirements for an incumbent local exchange company, an electric cooperative, or a successor to either provider to receive distributions from the universal service fund plans based on whether the provider is regulated or unregulated and serves greater than 31,000 access lines in Texas on September 1, 2013. For each category of provider that serves greater than 31,000 access lines, the bill gradually reduces, on specified dates, the amount of support from the fund, calculated by applying specified percentages of the level of support the provider is eligible to receive on December 31, 2016. If an incumbent local exchange company or cooperative is ineligible for support under an established plan described above, the plan is prohibited from providing support to any other telecommunications providers for services in that exchange, except that an eligible telecommunications provider that is receiving support under the Texas high cost universal service plan in that exchange continues to receive support for a 24-month period following the date the incumbent local exchange provider or cooperative ceases receiving support in that exchange. The bill entitles an electric cooperative or affiliate of a cooperative to receive continued support through December 31, 2017, at which time the entitlement expires.

Senate Bill 809 Senate Author: Carona Effective: 9-1-13 House Sponsor: Frullo

Senate Bill 809 repeals Health and Safety Code provisions relating to the requirement that the Public Utility Commission of Texas monitor the establishment of the 9-1-1 emergency service fee imposed by the Commission on State Emergency Communications on each local exchange access line and the 9-1-1 equalization surcharge on each local exchange access line or equivalent local exchange access line and each wireless telecommunications connection, including the allocation of revenue received from that surcharge.

Senate Bill 1040 Senate Author: Taylor Effective: 9-1-13 House Sponsor: Bohac

Senate Bill 1040 amends provisions of the Utilities Code that regulate the use of automated dial announcing devices:

- to exempt from those provisions the use of an automated dial announcing device by an organization to a member of the organization;
- to exempt from those provisions the use of an automated dial announcing device by a municipality or a person calling on behalf of a municipality to deliver information to citizens of the municipality regarding a public health, safety, or welfare issue; and
- to establish that those provisions apply to an automated dial announcing device used to make a telephone call that originates or terminates in Texas.

#### Water and Sewer

House Bill 252 House Author: Larson et al. Effective: 9-1-13 Senate Sponsor: Hegar et al.

House Bill 252 amends the Water Code to require a retail public utility and each entity from which the utility is obtaining wholesale water service for the utility's retail system to notify the Texas Commission on Environmental Quality when the utility or entity is reasonably certain that the water supply will be available for less than 180 days.

House Bill 693 House Author: Phillips Effective: 6-14-13 Senate Sponsor: Deuell

House Bill 693 amends the Water Code to add a local library to the entities on behalf of which a water and sewer utility is authorized to collect voluntary contributions from its customers as part of its billing process.

House Bill 857 House Author: Lucio III et al. Effective: 9-1-13 Senate Sponsor: Ellis

Previous law required a retail public utility providing potable water that received financial assistance from the Texas Water Development Board (TWDB) to perform and file with the TWDB an annual water audit computing the utility's system water loss during the preceding year and required a retail public utility providing potable water that did not receive financial assistance from the TWDB to perform and file with the TWDB every five years a water audit computing the utility's most recent annual system water loss. House Bill 857 amends the Water Code to make the annual audit requirement applicable to any retail public utility providing potable water, with the exception that a retail public utility providing potable water that does not receive financial assistance from the TWDB and is providing service to 3,300 or fewer connections is still subject to the five-year audit requirement.

House Bill 1160 House Author: Geren

Effective: Vetoed Senate Sponsor: Nelson et al.

House Bill 1160 amends the Local Government Code to require the agency with authority over certificates of convenience and necessity for water and sewer service, on application by a municipality meeting certain criteria, to transfer at such time and under such circumstances as specified by a trial court a certificate of convenience and necessity for water and sewer service from a public utility to the municipality for the public utility's service area located in the municipality's corporate limits, if the municipality meets other requirements, and subject to specified conditions. The bill clarifies that its provisions do not alter the law with regard to a municipality's right to exercise the power of eminent domain and that a transfer is not effective unless certain conditions are met.

Reason Given for Veto: "House Bill 1160 allows a city to condemn the real property of a water or sewer utility, making no provision for the value of lost business. At a time when infrastructure is a focus for our growing state, this bill would provide a disincentive for development by private utilities. Additionally, there is pending litigation directly related to this issue."

**House Bill 1461 Effective:** 9-1-13 **House Author:** Aycock **Senate Sponsor:** Fraser

House Bill 1461 amends the Water Code to require a retail public utility that files a required water audit computing the utility's system water loss during the previous year to notify each of the utility's customers of that reported loss.

House Bill 2152 House Author: Callegari Effective: 9-1-13 Senate Sponsor: Lucio

House Bill 2152 amends the Water Code to prohibit a municipality with a municipally owned utility that provides nonsubmetered master metered utility service to a recreational vehicle park from charging the park a fee that the utility does not charge other commercial businesses that serve transient customers and receive nonsubmetered master metered utility service from the utility. The bill prohibits certain general and special law districts that provide potable water or sewer service to household users and that establish, operate, or maintain a fire department from imposing a fire department service fee to a recreational vehicle park on the basis of connections the park provides for the park's transient customers. The bill requires a service fee imposed on a recreational vehicle park to be based on the nonsubmetered master meter connection.

House Bill 3605 House Author: Burnam et al. Senate Sponsor: Hegar

House Bill 3605 amends the Water Code to require a retail public utility providing potable water that receives from the Texas Water Development Board (TWDB) financial assistance to use a portion of that financial assistance to mitigate the utility's system water loss if, based on a water audit filed by the utility, the water loss meets or exceeds the threshold established by TWDB rule. The bill, for prescribed categories of retail public utilities, requires the TWDB to adopt rules regarding the amount of system water loss that requires a utility to take such action and rules regarding the use of TWDB financial assistance to mitigate system water loss. Among other provisions, the bill, in passing on an application for financial assistance from a retail public utility that provides potable water service to 3,300 or more connections, requires the TWDB to evaluate for compliance with its best management practices the utility's water conservation plan and issue a report to the utility detailing the results of the evaluation.

Senate Bill 447 Senate Author: Fraser

**Effective:** 5-18-13 **House Sponsor:** King, Tracy O.

Senate Bill 447 amends the Water Code to authorize the board of directors of a nonprofit water supply or sewer service corporation that provides retail water or sewer service by resolution to declare an unopposed director candidate elected without an election. The bill prohibits a person from influencing or attempting to influence by intimidation or by means of coercion a person to withdraw as a candidate or not to file an application for a place on the ballot so that an election may be canceled.

Senate Bill 447 makes provisions relating to an application for placement on a directors' election ballot applicable only to a corporation that provides retail water or sewer service and revises an application petition requirement to require a petition only for corporations with 1,500 or more members or shareholders. The bill also makes provisions relating to a directors' election ballot, election procedures, and an annual or special corporation meeting applicable only to a corporation that provides retail water or sewer service. The bill requires a corporation exempt from such provisions relating to an annual or special meeting to comply with the annual meeting and director election provisions prescribed by the Business Organizations Code for nonprofit corporations.

Senate Bill 567 Effective: 9-1-13 Senate Author: Watson et al. House Sponsor: Geren

Senate Bill 567 transfers on September 1, 2014, from the Texas Commission on Environmental Quality (TCEQ) to the Public Utility Commission of Texas (PUC) the powers, duties, functions, programs, and activities of TCEQ relating to the economic regulation of water and sewer service, including the issuance and transfer of certificates of convenience and necessity, the determination of rates, and the administration of hearings and proceedings involving those matters. The bill sets out procedural provisions relating to the transfer and makes a number of conforming and related changes to the Water Code, Local Government Code, and Special District Local Laws Code.

Senate Bill 567 grants the PUC authority to regulate and supervise the business of each water and sewer utility within its jurisdiction, including ratemaking and other economic regulation, and clarifies that TCEQ retains the authority to regulate water and sewer utilities within its jurisdiction to ensure safe drinking water and environmental protection. The bill authorizes the PUC to delegate to an administrative law judge of the State Office of Administrative Hearings the responsibility and authority to issue interlocutory orders related to interim water rates. The bill establishes that the independent Office of Public Utility Counsel represents the interests of residential and small commercial consumers regarding water rates and services and sets out the office's powers and duties in representing those consumers.

Senate Bill 567 classifies public utilities that provide retail water or sewer utility service as Class A, Class B, or Class C utilities according to the number of taps or connections through which a utility provides service and revises the rate change procedures for utilities based on those classifications.

The summaries for the following bills are in the listed chapters: House Bill 1600 - Sunset Review and Process



## Water

This chapter covers legislation relating to water planning, development, conservation, finance, and use. Legislation on water and sewer utilities is in the **Utilities** chapter, and legislation relating to water districts is in the **Special Districts** chapter.

#### General

House Bill 677 House Author: Geren et al. Effective: 9-1-13 Senate Sponsor: Eltife

Previous law exempted the owner of a dam located on private property in a county with a population of less than 215,000 from meeting certain dam safety requirements if the dam meets other conditions. House Bill 677 amends the Water Code to increase the population threshold to 350,000. The bill removes the August 31, 2015, expiration date for this exemption and for the requirement that an owner of a dam comply with certain operation and maintenance requirements.

House Bill 2615 House Author: Johnson Effective: 9-1-13 Senate Sponsor: Fraser

Previous law made a person who fails to file a required annual water rights report with the Texas Commission on Environmental Quality (TCEQ) liable for a penalty of \$25 plus \$1 per day for each day the person failed to file the statement after the reporting deadline, with a maximum penalty of \$150. House Bill 2615 amends the Water Code to instead make such a person liable for a penalty for each day the person fails to file the statement after the deadline in an amount capped at \$100 per day if the person is the holder of a water right authorizing the appropriation of 5,000 acre-feet or less per year or at \$500 per day otherwise. The bill makes a person who fails to timely comply by the applicable deadline with a request by TCEQ to make related water use information available liable for the same penalties. The bill requires the executive director of TCEQ to establish a reasonable deadline by which a person must make available such information and requires TCEQ to establish a process by which an annual water rights report may be submitted electronically through the Internet.

House Bill 2615 exempts a water rights permit, certified filing, or certificate of adjudication from cancellation for nonuse to the extent the nonuse resulted from a restriction on the use of the water authorized to be appropriated that was imposed under an order issued by the executive director or resulted from an inability to appropriate the water due to drought conditions.

House Bill 3233 House Author: Ritter et al. Effective: 9-1-13 Senate Sponsor: Fraser

House Bill 3233 amends the Water Code to remove the requirement that an application for an interbasin transfer include the projected effect on user rates and fees for each class of ratepayers. Among other provisions, the bill limits an evidentiary hearing on an application to transfer water authorized under an existing water right to the consideration of issues related to the applicable requirements for an interbasin transfer. The bill clarifies that one of the proposed transfers that is exempt from certain provisions governing interbasin transfers is a proposed transfer from the part of the geographic area of a county or municipality, or the part of the retail

service area of a retail public utility, that is within the basin of origin for use in that part of the geographic area of the county or municipality, or that contiguous part of the retail service area of the utility, not within the basin of origin.

Senate Bill 1532 Senate Author: Zaffirini

Effective: 9-1-13 House Sponsor: Rodriguez, Eddie

Senate Bill 1532 amends the Injection Well Act in the Water Code to establish provisions relating to permits for injection wells applicable only to the portion of the Edwards Aquifer that is within the geographic area circumscribed by the external boundaries of the Barton Springs-Edwards Aquifer Conservation District but is not in that district's territory or the territory of the Edwards Aquifer Authority. The bill generally prohibits the Texas Commission on Environmental Quality (TCEQ) from authorizing by rule or permit an injection well that transects or terminates in the aquifer but authorizes TCEQ by rule to authorize, for the purpose of providing additional recharge, the injection of fresh water withdrawn from the aquifer into a well that transects or terminates in the aquifer or the injection of rainwater, storm water, flood water, or groundwater into the aquifer by means of an improved natural recharge feature. The bill authorizes TCEQ by general permit to authorize such injections as well as certain injection wells for specified purposes, such as injecting concentrate from a desalination facility or injecting fresh water as part of an engineered aquifer storage and recovery facility.

Senate Bill 1532 sets out requirements for rules adopted and general permits issued under its provisions, including requirements for the monitoring of an authorized injection well and the association of certain wells with a small-scale research project. The bill establishes provisions relating to the authorization for certain monitoring wells to be used for monitoring a saline water production well; the criteria for a project to be considered a small-scale research project; the authorization of a general permit to authorize owners of certain authorized injection wells to continue operating an applicable well for the purpose of implementing a desalination or engineered aquifer storage and recovery project following completion of a small-scale research project; and the ability of TCEQ to require an operator to cease operating certain injection wells.

## Water Planning, Development, and Conservation

House Bill 4 House Author: Ritter et al. Effective: See below Senate Sponsor: Fraser

House Bill 4 amends the Water Code to decrease from six to three the number of members of the Texas Water Development Board (TWDB), to set out membership criteria, and to establish a two-term limit for members. The bill grants the governor authority to remove a TWDB member from office with the advice and consent of the senate and requires each TWDB member to serve on a full-time basis. The bill makes a person ineligible for TWDB membership if the person served on the TWDB on or before January 1, 2013, and makes a person ineligible for appointment as the executive administrator of the TWDB if the person served in that capacity on that date.

House Bill 4 establishes the state water implementation fund for Texas as a special fund in the state treasury outside the general revenue fund to be used by the TWDB, without further legislative appropriation, for the purpose of implementing the state water plan. The bill provides for the management and investment of the fund by the Texas Treasury Safekeeping Trust Company and for the use of the fund. The bill authorizes the TWDB, in order to facilitate the use of the fund, to direct the trust company to enter into bond enhancement agreements to provide a source of revenue or security for the payment of the principal of and interest on

general obligation bonds or revenue bonds issued by the TWDB to finance or refinance projects included in the state water plan if the proceeds of the sale of the bonds have been or will be deposited to the credit of the state water implementation revenue fund for Texas, the water infrastructure fund, the rural water assistance fund, the Texas Water Development Fund II state participation account, or the agricultural water conservation fund. The bill sets out provisions governing these bond enhancement agreements and provides for the prioritization of applicable projects by regional water planning groups and the TWDB.

House Bill 4 establishes the State Water Implementation Fund for Texas Advisory Committee. The bill requires the advisory committee to submit comments and recommendations to the TWDB regarding the use of money in the state water implementation fund for Texas for use by the TWDB in adopting rules, policies, and procedures; requires the advisory committee to review the overall operation, function, and structure of the fund at least semiannually; and authorizes the advisory committee to provide comments and recommendations to the TWDB on any matter.

House Bill 4 requires the TWDB to adopt rules providing for the use of money in the fund, establishes reporting and transparency requirements, and provides for TWDB policies and procedures that mitigate or minimize adverse effects of federal laws that may restrict the TWDB's ability to freely invest all or part of the fund or to receive and retain all the earnings from the fund.

House Bill 4 establishes the state water implementation revenue fund for Texas as a special fund in the state treasury outside the general revenue fund to be used by the TWDB, without further legislative appropriation, only for the purpose of providing financing for certain authorized projects included in the state water plan. The bill provides for the management and investment of the fund and for the use of the fund. The bill authorizes the TWDB to issue revenue bonds for the purpose of providing money for the fund and to issue revenue bonds to refund revenue bonds or bonds and obligations issued or incurred in accordance with other provisions of law and sets out other provisions relating to such revenue bonds.

House Bill 4 requires the governing body of each political subdivision receiving financial assistance from the TWDB to require in all contracts for the construction of a project that the contract include a requirement that iron and steel products and manufactured goods used in the project be produced in the United States, with certain exceptions. The bill requires plans and specifications submitted to the TWDB in connection with an application for financial assistance to include a seal by a licensed engineer affirming that the plans and specifications are consistent with and conform to current industry design and construction standards. The bill removes statutory provisions requiring the TWDB to determine all aspects of the construction of a sewerage system or flood control project for which financial assistance is provided. The bill authorizes the TWDB to use the Texas water resources fund to provide funds to the state water implementation revenue fund for Texas.

House Bill 4 provides for the transfer of money or other assets from the Texas Water Development Fund II to the state water implementation revenue fund for Texas to provide certain financial assistance and specifies that the TWDB has authority to sell or dispose of political subdivision assets purchased with money in the Texas Water Development Fund II to any person or to another fund administered by the TWDB.

House Bill 4 exempts from certain Texas Commission on Environmental Quality approval requirements revenue notes and bonds of certain water districts issued to and approved by a federally chartered instrumentality of the United States authorized under federal law to finance certain water projects.

House Bill 4 makes its provisions regarding the state water implementation fund for Texas and the state water implementation revenue fund for Texas effective on the date on which the

constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, creating the funds takes effect. If the amendment is not approved by voters, those provisions have no effect. Otherwise, the bill takes effect September 1, 2013.

House Bill 2781 House Author: Fletcher Effective: 9-1-13 Senate Sponsor: Campbell

House Bill 2781 amends the Government Code to require State Energy Conservation Office procedural standards regarding energy and water conservation design standards for new state buildings and major renovation projects to require that on-site reclaimed system technologies and rainwater harvesting system technology for potable and nonpotable outdoor water use, rather than for landscape watering, be incorporated into the design and construction of certain new state buildings.

House Bill 2781 amends the Health and Safety Code to remove the requirement that the Texas Commission on Environmental Quality (TCEQ) develop rules regarding the installation and maintenance of rainwater harvesting systems that are used for indoor potable purposes and connected to a public water supply system.

Previous law required TCEQ to provide that a structure must have appropriate cross-connection safeguards if the structure is connected to a public water supply system and has a rainwater harvesting system for indoor use. House Bill 2781 requires TCEQ to provide that a structure must have such safeguards if the structure has a rainwater harvesting system and uses a public water supply for an auxiliary water source. The bill sets out related provisions regarding the use of a public water supply system as an auxiliary water source, including requirements for a privately owned rainwater harvesting system with a capacity of more than 500 gallons that has an auxiliary water supply, and makes a related change to the residential real property seller's property condition disclosure in the Property Code.

Previous law required each member of the permitting staff of each county and municipality with a population of more than 100,000 whose work relates directly to permits involving rainwater harvesting to receive certain rainwater harvesting training at least once every five years. House Bill 2781 amends the Local Government Code to decrease this population threshold to 10,000.

House Bill 3604 House Author: Burnam et al. Effective: 9-1-13 Senate Sponsor: Hegar

Previous law required a person or entity required to develop a water conservation plan or a drought contingency plan to immediately implement either plan on receipt of a notice of a declaration of a state of disaster in the county due to drought conditions. House Bill 3604 amends the Water Code to specify that both plans are required to be implemented, as applicable, on receipt of such a notice. The bill authorizes the Texas Water Development Board (TWDB) to notify the Texas Commission on Environmental Quality (TCEQ) if the TWDB determines that a person or entity has violated such a requirement. The bill establishes that such a violation is enforceable in a prescribed manner for a violation of a Water Code provision within TCEQ's jurisdiction or of a related TCEQ rule.

Senate Bill 662 Senate Author: Carona Effective: 9-1-13 House Sponsor: Villalba

Senate Bill 662 amends the Water Code to include in the composition of the drought preparedness council a representative from the Public Utility Commission of Texas and a representative from the certified independent organization for the ERCOT power region.

**Senate Joint Resolution 1 Senate Author:** Williams **For Election:** 11-5-13 **House Sponsor:** Pitts et al.

Senate Joint Resolution 1 proposes an amendment to the state constitution to create the state water implementation fund for Texas and the state water implementation revenue fund for Texas as special funds in the state treasury outside the general revenue fund to be administered, without further appropriation, by the Texas Water Development Board (TWDB) and used for the purpose of implementing the state water plan that is adopted by the TWDB as required by law.

Senate Joint Resolution 1 authorizes the legislature by general law to authorize the TWDB to enter into bond enhancement agreements payable solely from the state water implementation fund to provide additional security for TWDB general obligation bonds or revenue bonds, the proceeds of which are used to finance state water plan projects, and to use the fund to finance, including by direct loan, water projects included in the state water plan, with Legislative Budget Board (LBB) approval required for each bond enhancement agreement or loan agreement. The resolution also authorizes the legislature by general law to authorize the TWDB to issue bonds and enter into related credit agreements, with LBB approval, that are payable from all revenues available to the state water implementation revenue fund.

Senate Joint Resolution 1 sets out each fund's composition; requires the legislature by general law to provide for the manner in which each fund's assets may be used, subject to certain limitations; and authorizes the legislature by general law to provide for costs of investment of each fund to be paid from that fund. The resolution requires the TWDB, each fiscal year, to set aside an amount from the state water implementation fund sufficient to make bond enhancement agreement payments that become due during that fiscal year and, in each fiscal year in which amounts become due under the bonds or related credit agreements payable from the state water implementation revenue fund, to transfer from that fund an amount sufficient to pay those amounts.

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