SIXTIETH DAY
(Continued)
(Wednesday, May 1, 1957)

The House met at 10:00 o'clock a. m. and was called to order by the Speaker.

The Invocation was offered by the Reverend Albert C. Walling, II, Assistant Rector of St. David's Episcopal Church, Austin, Texas, as follows:

"O God, the fountain of wisdom, whose statutes are good and gracious and whose law is truth; We beseech Thee so to guide and bless the Legislature of this State, that it may ordain for our governance only such things as please Thee, to the glory of Thy Name and the welfare of the people;

"Thou who art the Father of our Lord Jesus Christ, our only Saviour, the Prince of Peace, give us grace seriously to lay to heart the great dangers we are in by our unhappy divisions. Take away all hatred and prejudice and whatsoever else may hinder us from godly union and concord; that as there is but one Body and one Spirit, and one hope of our calling, one Lord, one Faith, one Baptism, one God and Father of us all, so we may be all of one heart and of one soul, united in one holy bond of truth and peace, of faith and charity, and may with one mind and one mouth glorify Thee, through Jesus Christ our Lord.—Amen."

LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence on account of important business:

Mr. Hughes of Dallas for today on motion of Mr. Johnson.

Mr. Zbranek for today on motion of Mr. Sanders.

The following Members were granted leaves of absence on account of illness:

Mr. Bass for today on motion of Mr. Day.

Mr. Kells for today on motion of Mr. Smith of Hays.

Mr. Huffman for today on motion of Mr. Storey.

EXTENDING WELCOME TO DOCTOR DIETMAR STRAUB
OF VIENNA, AUSTRIA

Mr. Blaine offered the following resolution:

H. S. R. No. 432

Whereas, There is in the Texas House of Representatives today a most distinguished visitor, Doctor Dietmar Straub of Vienna, Austria; and

Whereas, Doctor Straub is observing life in these United States as a representative of the Department of State; now, therefore, be it

Resolved, That the House of Representatives of the Fifty-fifth Legislature welcomes him to the Texas Capitol and wishes him a successful and happy visit in Texas.

The resolution was adopted unanimously.

COMMENDING WILLIAM ALLEN WARD
OF DALLAS, TEXAS

Mr. Atwell offered the following resolution:

H. S. R. No. 433

Whereas, A distinguished citizen and native of the State of Texas, William Allen Ward, Military Editor and Oak Cliff Editor of the Dallas Morning News, is to be commended by the Dallas Professional Chapter of Sigma Delta Chi, National Journalism Fraternity, on May 3, 1957, with a special award in appreciation of the assistance and encouragement he has given many aspiring young journalists, and

Whereas, William Allen Ward has been with A. H. Belo Corporation continuously since August 2, 1929, and during that time has started more than forty young newspapermen on their career, including among others, the following prominent local men: Mason Walsh, Allen Bogum, Tom Simmons, Allen Duckworth, Bill McNally, Bruce Cunningham, and Robert Frinkiea, now therefore be it

Resolved by the House of Representatives of the Fifty-fifth Texas Legislature, That the appreciation and congratulations of this Body be extended to Mr. William Allen Ward, and that this Resolution be printed...
in the House Journal and that an enrolled copy be sent to Mr. Ward.

ATWELL, CROSTHWAIT, POOL, SUTTON, HUGHES of Dallas, JOHNSON, SANDERS.

The resolution was adopted unanimously.

ADOPTION OF CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 89

Mr. Anderson submitted the following Conference Committee Report on S. B. No. 89:

Austin, Texas, April 30, 1957
Hon. Ben Ramsey, President of the Senate. 
Hon. Waggoner Carr, Speaker of the House of Representatives.

Sirs:
We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S. B. No. 89, have met and had same under consideration, and beg to report it back with the recommendation that it do pass in the form attached.

HARDEMAN, LANE, RAYLIFF, AKIN, KREUGER,
On the part of the Senate.
ANDERSON, LEE, OLIVER, BAKER, PATTERSON,
On the part of the House.

S. B. No. 89

"A BILL
To Be Entitled
An Act amending Chapter 162, Acts of 52nd Legislature, Regular Session, 1951, House Bill No. 284, page 284; same being known as Article 4591 of the Revised Civil Statutes of Texas, as amended by Acts of 1893, page 4, as amended by Acts of 1911, page 52 and Acts of 1921, page 99, and by Acts of 42nd Legislature, 1931, Chapter 8, paragraph 1, page 9, by designating certain days as legal holidays on which all public officers of the state may be closed; providing for certain exceptions and designating the legal holidays for banking purposes; providing for the effective date of such Act; and declaring an emergency."

Be it Enacted by the Legislature of the State of Texas:

Section 1. Article 4591, Chapter 162, Acts of the 52nd Legislature, Regular Session, amended by Acts of the 43rd Legislature, 1931, Chapter 8, paragraph 1, page 9, be and the same is hereby amended so as to read hereafter as follows:

"Article 4591. The first day of January, the 19th day of January, the 22nd day of February, the 2nd day of March, the 21st day of April, the third day of June, the fourth day of July, the first Monday in September, the 12th day of October, the 11th day of November, the fourth Thursday in December, of each year, and every day on which an election is held throughout the state, are declared legal holidays, on which all the public offices of the state may be closed and shall be considered and treated as Sunday for all purposes regarding the presenting for the payment or acceptance and of protesting for and giving notice of the dishonor of bills of exchange, bank checks and promissory notes placed by the law upon the footing of bills of exchange."

Section 2. Section 1c of Chapter 390, Acts of the Fiftieth Legislature, as added by Chapter 16, Acts of the Fifty-fourth Legislature (codified as Sec. 1c of Article 4591d, Vernon's Texas Civil Statutes) is amended to read as follows:

"Sec. 1c. Notwithstanding any existing provisions of law relative to negotiable or non-negotiable instruments, but subject to the provisions of Section 1a of this Act, only the following enumerated dates are declared to be legal holidays for banking purposes on which each bank and trust company in Texas shall remain closed. The dates referred to are Sundays, January 1 (New Year's Day), April 21 (San Jacinto Day), July 4 (Inde-
consideration of same postponed until today.

Mr. Dewey moved that further consideration of S. J. R. No. 9 be postponed until 10:30 o'clock a. m. tomorrow.

There was no objection offered and it was so ordered.

SENATE JOINT RESOLUTION
NO. 6 ON SECOND READING

The Speaker laid before the House, on its second reading,

S. J. R. No. 6, Proposing an amendment to the Constitution to authorize retirement benefits for elected county and precinct officials.

The resolution was read second time and was passed by the following vote:

Year—130

Anderson  Heath
Atwell  Heflin
Baker  Haskell
Ballman  Hollowell
Barram  Holman
Bell  Holstein
Bishop  Hooks
Bland  Huchner
Blanchard  Huff
Bowes  Hughes of Grayson
Boyzen  Hutchins
Brashar  Isaac, Miss
Bristow  Jackson
Bryan  Jamison
Byrd  Johnson
Cline  Jones
Cloud  Kable
Coley  Keen
Conley  Kilpatrick
Cory  Kilbuck
Cowie  Kibbe
Cox  Kothmann
Crowkalt  Latimer
Day  Laurel
de la Garza  Lee
Dewey  Luciov
Duff, Miss  McCoppin
Dunger  McGregor
Ehrie  McLea
Elliott  McGregor
Farrell  McQuar
Ferron  McGregor of El Paso
Forysth  Mollin
Gibb  Mann
Gibson  Moore of Harris
Glazner  Moore of Tarrant
Greene  Mullen
Hale  Murray
Harrington  Myatt
Amend Senate Bill No. 20 by striking out in line 44 of page 1 of the printed bill the words "on Sundays."

The amendment was adopted.

Senate Bill No. 20 was then passed to third reading.

SENATE BILL NO. 20 ON THIRD READING

Mr. Wilson of Potter moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 20 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—115

Anderson Holstein
Armor Huesner
Atwell Huffman
Ballman Hughes of Grayson
Bell Hutchins
Bishop Isaacks, Miss
Blaire Jackson
Blanchard Jamison
Bone Jenks
Braunhizer Joseph
Brashear Kenaan
Britt Richardson
Byrd Kilpatrick
Chapman Koliba
Cline Kothmann
Cloud Latimer
Cole Laurel
Conley Lee
Corry McCaughey
Court McGregor

Yeas—111

Absents—Excused

Base Hughes of Dallas
Bills Shramek

SENATE BILL NO. 20 ON SECOND READING

The Speaker laid before the House, on its second reading and passage to third reading, S. B. No. 20, Relating to the sale of beer on Sunday; and declaring an emergency.

The bill was read second time.

Mr. Latimer offered the following amendment to the bill:

Mr. Latimer offered the following amendment to the bill:
The Speaker then laid Senate Bill No. 20 before the House on third reading and final passage. The bill was read third time and was passed by the following vote:

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Bartram
Bristow
Bullock
Chapman
Cowen
Duff, Miss
Fenoglio

Abstent

Bartram
Bristow
Bullock
Chapman
Cowen
Duff, Miss
Fenoglio

Mr. Wilson of Potter moved to reconsider the vote by which S. B. No. 29 was passed and to table the motion to reconsider.

The motion to table prevailed.

SENATE BILL NO. 412 ON PASSAGE TO THIRD READING

The Speaker laid before the House, as postponed business, on its passage to third reading,

S. B. No. 412, Relating to the appointment, salary, etc., of certain bailiffs; and declaring an emergency.

The bill having been read second time on April 24, and further consideration of same postponed until today. Senate Bill No. 412 was then passed to third reading.

SENATE BILL NO. 412 ON THIRD READING

Mr. Day moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 412 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—126
Anderson
Armour
Atwell
Baker
Ballman
Bartram
Bell
Bishop
Blaine
Bowers
Boyd

Noes—4

Anderson
Armour
Atwell
Baker
Ballman
Bartram
Bell
Bishop
Blaine
Bowers
Boyd

Yeas—126
Cox
Cromwell
Day
De la Garza
Dewey
Duff, Miss
Duncan
Duncan
Dubill
Elliot
Ellis
Huffman
Hughes

Noes—4

Johnson
Mann
Patterson
Puckett

Present—Not Voting

Richardson
The Speaker then laid Senate Bill No. 412 before the House on third reading and final passage. The bill was read third time and was passed by the following vote:

**Present**—Not Voting
- Richardson
- Stroman

**Absent**
- Bell
- Martin

**Present—Not Voting**
- Bryant
- Osborn
- Bullock
- Sadler
- Cowen
- Eckhardt
- Hoeinghoff
- Dallmeyer
- Ford
- Wilson of Potter

**Absent—Excused**
- Harris of Dallas
- Zbranek
- Huffman
- Ramsey
- Sudderth

Mr. Day moved to reconsider the vote by which S. B. No. 412 was passed and to table the motion to reconsider.

The motion to table prevailed.

**MESSAGE FROM THE SENATE**

Austin, Texas, May 1, 1957

Hon. Waggonner Carr, Speaker of the House of Representatives,

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:

S. B. No. 182, Constituting the State Board of Control purchasing
agent for state agencies and certain other agencies; imposing duties to buy competitively, authorizing the Board to utilize the most efficient purchasing methods, establishing a specifications and standards program, etc; and declaring an emergency.

S. B. No. 190, Designating the State Board of Control as agent to sell and dispose of all state-owned surplus and salvage personal property and to utilize the best methods for sale and disposal of state-owned surplus and salvage personal property; and declaring an emergency.

S. B. No. 455, Authorizing the State Board of Education to acquire, purchase and contract for books published in Braille recommended as suitable for use as textbooks for the education of the blind scholastics in the public school systems of Texas; and declaring an emergency.

S. B. No. 457, Prohibiting the acquisition of certain land by the State Building Commission; prohibiting the appropriation of money to pay the cost of acquiring such land; and declaring an emergency.

S. B. No. 102, Relating to the transportation of public school pupils; and declaring an emergency.

S. B. No. 104, Relating to ophthalmic dispensers; providing certain exemptions for ophthalmic dispensers; and declaring an emergency.

S. C. R. No. 77, Relating to location of any office building constructed by the Texas Employment Commission.

H. B. No. 922, Relating to the Board of Directors of the York Creek Improvement District in the Counties of Guadalupe, Hays and Comal; providing for a Maintenance Tax election; and declaring an emergency.

H. C. R. No. 99, Directing the Enrolling Clerk of the House to make certain corrections in H. B. No. 597.

The Senate has concurred in House Amendments to S. B. No. 222 by a vote of (28-1).

Respectfully,
CHARLES SCHNABEL,
Secretary of the Senate.

SENATE BILL NO. 222 ON SECOND READING
The Speaker laid before the House, as a special order, on its second reading and passage to third reading,

S. B. No. 222, Creating the Texas Insurance Board; and declaring an emergency.

The bill was read second time.

Mr. Dugas moved that S. B. No. 222 be considered section by section.

Mr. Dewey moved to table the motion by Mr. Dugas.

The motion to table the motion to consider S. B. No. 222 section by section prevailed.

Mr. Bristow offered the following Committee Amendment to the bill:

Committee Amendment No. 1
Amend S. B. 222, by striking out all below the enacting clause and inserting in lieu thereof the following:

Section 1. The purpose of this Act is to reorganize the agency charged with administration of the insurance laws of this State in accordance with the provisions of this Act and to make such changes in the Insurance Code, and the construction of the terms of the Insurance Code, as are necessary to accomplish the purposes of this Act. All reference to the "Insurance Code" are to the Insurance Code enacted by Chapter 491, Acts of the 52nd Legislature, 1961, as amended.

Section 2. Article 1.02 through Article 1.09, inclusive, of the Insurance Code, as amended, are amended to read as follows:

"Art. 1.02. State Board of Insurance.

(a) There is hereby created the State Board of Insurance, which shall consist of six members until February 10, 1959, and thereafter said Board shall be composed of three members. All members of said Board shall be citizens of Texas. The present confirmed members of said Board shall be citizens of Texas. The present confirmed members of the Board of Insurance Commissioners shall be members of the State Board of Insurance for the duration of their respective terms of office for which they have been confirmed by the Senate.

The remaining members of the
State Board of Insurance shall be appointed by the Governor, by and with the consent of the Senate of Texas, and the Governor shall then appoint from among the members a Chairman who shall be designated as the Chairman of the State Board of Insurance. The term of each member shall be as provided in this Code. Each such appointed member shall be a person with at least ten (10) years of successful experience in business, professional or governmental activities, or a total of at least ten (10) years in any combination of two or more of such activities. Each member shall serve on a full-time basis in the discharge of the duties and functions of the Board.

"(b) All of the powers, functions, authorities, prerogatives, duties, obligations and responsibilities hereof vested in and devolving upon the Board of Insurance Commissioners as hereinafore constituted under prior statutes; the Chairman of said Board; the Life Insurance Commissioner; the Fire Insurance Commissioner; and the Casualty Insurance Commissioner, shall hereafter be vested in the State Board of Insurance as a body and, except as provided herein, they shall be exercised, performed, carried out, and administered by the Commissioner of Insurance as the chief executive and administrative officer of the Board in accordance with the pertinent laws of this State and the rules and regulations for uniform application made by the Board and subject to supervision of the Board. The duties of the State Board of Insurance shall be primarily in a supervisory capacity and the carrying out and administering the details of the Insurance Code shall be primarily the duty and responsibility of the Commissioner of Insurance acting under the supervision of the Board.

The primary purpose of increasing the Board membership to six members was February 10, 1959 is to enable the Board to give special attention to the progress of liquidation of insolvent insurers and to the qualification of new insurers for original license and qualifications for annual renewal of license to all insurers.

"(c) Except as otherwise provided herein, all remaining references in the Insurance Code and other statutes of this State to 'Board of Insurance Commissioners,' 'Board,' or individual Commissioners shall mean the 'State Board of Insurance,' or the 'Commissioner of Insurance,' consistent with their respective duties and responsibilities under the terms and provisions of this amendatory act.

"(d) Upon the appointment of the members of the State Board of Insurance and on February 10 of each odd-numbered year thereafter, the Governor shall appoint from among the membership a Chairman who shall be known and designated as the Chairman of the State Board of Insurance.

"Art. 103. Terms of Office.

"(a) Upon the effective date of this Act amending the Insurance Code, the Governor shall appoint three members to the State Board of Insurance, by and with the advice and consent of the Senate, each of which appointments shall be for a term expiring February 10, 1959. Thereafter, in each odd-numbered year, the Governor, with the advice and consent of the Senate, shall appoint one member for a term of six years, which term shall begin on the tenth (10th) day of February of each such year. Each member shall serve until his successor has qualified; provided that the Governor may remove from office any member of the Board who fails for any reason to attend a meeting of the Board for three consecutive months, and he shall remove from office any member of the Board who for any reason fails to attend a meeting of the Board for six months. Such removal shall be by an instrument in writing filed with the Secretary of State and the State Board of Insurance, and the office of the Commissioner of Insurance acting under the supervision of the Board.

The primary purpose of increasing the Board membership to six members was February 10, 1959 is to enable the Board to give special attention to the progress of liquidation of insolvent insurers and to the qualification of new insurers for original license and qualifications for annual renewal of license to all insurers.

"(b) Vacancies occurring in any such office on the Board during any term shall, with the advice and consent of the Senate, be filled by appointment by the Governor, which appointment shall extend only to the end of the unexpired term.

Art. 104. Duties and Organization of the State Board of Insurance.

"(a) The State Board of Insurance shall operate and function as one body or a unit and a majority vote
of the members of the Board shall be necessary to transact any of its official business. The Board shall maintain one official set of records of its proceedings and actions.

"(b) The State Board of Insurance shall determine policy, rules, rates and appeals but otherwise it shall execute its duties through the Commissioner of Insurance as herein provided for, in accordance with the laws of this State and the rules and regulations for uniform application as made by the Board.

"(c) All rules and regulations for the conduct and execution of the duties and functions of the State Board of Insurance shall be rules for general and uniform application and shall be made and published by the Board on the basis of a systematic organization of such rules by their subject matter and content. The Commissioner of Insurance may make recommendations to the Board regarding such rules and regulations, including amendments, changes and additions. Such published rules shall be kept current and shall be available in a form convenient to all interested persons.

"(d) Any person or organization, private or public, which is affected by any ruling or action of the Commissioner of Insurance shall have the right to have such ruling or action reviewed by the State Board of Insurance by making an application to the Board. Such application shall state the identities of the parties, the ruling or action complained of, the interests of the parties in such ruling, the grounds of such objection, the action sought of the Board and the reasons and grounds for such action by the Board. The original shall be filed with the Chief Clerk of the Board together with a certification that a true and correct copy of such application has been filed with the Commissioner of Insurance. Within thirty (30) days after the application is filed, and after ten (10) days written notice to all parties of record, the Board shall review the action complained of in a public hearing and render its decision at the earliest possible date thereafter. The Board shall make such other rules and regulations with regard to such applications and their consideration as it deems advisable, not consistent with this Article.

"(e) Any application shall have precedence over all other business of a different nature pending before the Board.

"If in the public hearing, any and all evidence and matters pertinent to the appeal may be submitted to the Board, whether included in the application or not.

"(f) The Board shall have regular meetings on the first and third Mondays in each month and such special meetings to be called by the Chairman as shall be required to execute its duties. The Board shall from time to time make and publish rules regarding such meetings.

"(g) If any insurance company or other party at interest be dissatisfied with any decision, regulation, order, rule, rate, order, act, or administrative ruling, or to either or all of them, in the District Court of Travis County, Texas, or not elsewhere, against the State Board of Insurance as defendant, said action shall have precedence over all other causes on the docket of a different nature. The action shall not be limited to questions of law and the substantial evidence rule shall not apply, but such action shall be tried and determined upon a trial de novo to the same extent as now provided for in the case of an appeal from the Justice Court to the County Court. Either party to said action may appeal to the Appellate Court having jurisdiction of said cause and said appeal shall be at once returnable to said Appellate Court having jurisdiction of said cause and said action so appealed shall have precedence in said Appellate Court over all causes of a different character therein pending. The Board shall not be required to give any appeal bond in any cause arising hereunder.

"(g) In making examinations of any insurance organization as provided by law, the Board may use its own salaried examiners or may employ any holder of a permit to practice public accountancy in Texas who is engaged as an independent public accountant in the public practice as
that term is known and understood in the accounting profession. Such examination shall cover the period of time which the Board shall request. In the event the Board does not specify a longer period of time, such examination shall be from the time of the last examination therefore made by the Board to December 31 of any year preceding the examination then being made and such public accountants shall so certify the period being examined by him. Any such public accountant shall be paid for such examination at the usual and customary rates charged by public accountants for similar services. Such payment shall be made by the insurance organization being examined and all such examination fees so paid shall be allowed as a credit on the amount of premium or other taxes to be paid by any such insurance organization for the taxable year during which examination fees are paid just as examination fees are credited when the Board uses its own salaried examiners.

"Art. 1.05. Bond and Compensation."

"(a) Each of the members of the State Board of Insurance shall, before entering upon the duties of this office, give a bond to the State of Texas, executed by a surety company to do business in the State of Texas, in the sum of Fifty Thousand Dollars ($50,000.00), to be approved by the Governor, conditioned upon the faithful discharge of the duties of his office.

"(b) Compensation to be paid the members of the State Board of Insurance shall be such sums as are provided for by the appropriation acts from time to time."

"Art. 1.06. Insolvency."

"No person who is a stockholder, director, officer, attorney, agent, or employee of any insurance company, insurance agent, insurance broker, or insurance adjuster, or who is in any way directly or indirectly interested in any such business shall be a member of the State Board of Insurance, be Commissioner of Insurance, or be appointed to, or accept, any office or employment under said Board or Commissioner of Insurance, provided, however, that such insolv-ibility shall not extend or apply to persons who are merely insured by an insurer or are merely beneficiaries of such insurance; or who, in their official capacity, are appointed as a receiver, liquidator, or conservator for an insurer.

"Art. 1.07. Industrial Accident Board."

"(a) The Board shall appoint a Chief Clerk of the State Board of Insurance. The Chief Clerk shall have the responsibility of keeping and maintaining all records and proceedings of the Board.

"(b) The Board may make any appropriate provisions by rules as to method or form by which any records or proceedings are kept and maintained, such as, but not limited to, providing for the mechanical or electrical recording of hearings or meetings in a photographic transcription form and the photographing or microphotographing of written records or other materials."

"Art. 1.08. Commissioner of Insurance."

"(a) The Board shall appoint a Commissioner of Insurance, who shall be its chief executive and administrative officer, who shall be charged with the primary responsibility of administering, enforcing, and carrying out the provisions of the Insurance Code under the supervision of the Board. He shall hold his position until removed by the Board.

"(b) The Commissioner of Insurance shall be the State Fire Marshal and shall function as subject to the rules and regulations of the Board.

"(c) The Commissioner of Insurance shall be a resident citizen of Texas, for at least one (1) year prior to his appointment and shall be a competent and experienced administrator who shall be well informed and qualified in the field of insurance and insurance regulation. He shall have had at least ten (10) years of administrative or professional experience, and shall have had training and experience in the field of insurance or insurance regulation. No former or present member of the Board of Insurance Commissioners,
or attorney formerly or presently employed by or in any wise connected with the Board of Insurance Commissioners shall be appointed Commissioner of Insurance.

"(d) The Commissioner of Insurance shall first give a bond to the Board of Insurance in the sum of Fifty Thousand Dollars ($50,000.00), to be approved by the Board, conditioned upon the faithful discharge of the duties of his office.

"(e) Compensation to be paid the Commissioner of Insurance shall be such as is provided for by the appropriation acts.

"(f) The Commissioner of Insurance or his representative shall meet with the Board in an advisory capacity and without vote in the proceedings of the Board. He shall submit such reports to the Board as it may request or provide for by its rules and regulations.

"(g) The Commissioner of Insurance shall appoint such deputies, assistants, and other personnel as are necessary to carry out the duties and functions devolving upon him and the State Board of Insurance under the Insurance Code of this State, subject to the authorization by the Legislature in its appropriations bills or otherwise, and to the rules of the Board.

Section 3, Chapter One of the Insurance Code is amended by adding the following Article 1.09-1, which shall read as follows:

"Art. 1.09-1. Represented by the Attorney General.

"(a) The State Board of Insurance and the Commissioner of Insurance shall be represented and advised by the Attorney General in all legal matters before them or in which they shall be interested or concerned. The Board and Commissioner of Insurance may employ or obtain any other legal services without the written approval of the Attorney General.

"(b) In all rate hearings and policy form proceedings before the Board or the Commissioner of Insurance, the Attorney General may intervene in the public interest. The Board shall have and exercise the power of subpoenas and subpoenas duces tecum for witnesses, documents and other evidence to the extent of the jurisdiction of this State for such hearings and proceedings on its own motion or upon application of the Attorney General.

Section 4, Chapter One of the Insurance Code is amended by adding after Article 1.09 the following Article 1.09-2, which shall read as follows:

"Art. 1.09-2. Eligibility to Run for Public Office.

"(a) The members of the State Board of Insurance and the Commissioner of Insurance shall be ineligible to run for any public office, or to have their names placed on the official ballot for any office in any election in this State, except and unless such Board member or Commissioner of Insurance has resigned and his resignation accepted by the Governor.

Section 5, Chapter One of the Insurance Code is amended by adding after Article 1.09 the following Article 1.09-3, which shall read as follows:


"(a) It shall be unlawful for any member of the State Board of Insurance, Commissioner of Insurance, or any employee or agent of the State Board of Insurance to accept any money, gift or anything of value or agree to accept any money, gift, or anything of value, or to sell or offer to sell anything of value, or to buy or offer to buy anything of value from or to any insurance company or agent or employee of any insurance company.

"It shall be unlawful for any officer, agent or employee of any insurance company to give or offer to give money, a gift or anything of value, or to pay or offer to pay money or anything of value, to any member of the State Board of Insurance, Commissioner of Insurance or any agent or employee of the State Board of Insurance.

"The provisions of this action shall not apply to transactions between such persons as insureds of insurers provided the customary premia are paid by the insured.

"Any person violating the provisions of this section shall upon conviction be confined in the penitentiary for not less than one year or more than five years."
Section 6. All laws or parts of laws in conflict with the provisions of this Act are hereby repealed to the extent of conflict only.

Section 7. If any provision of this Act or the application thereof to any person or circumstances be held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision of application, and to this end the provisions of this Act are declared to be severable.

Section 8. The fact that there is an urgent need for more unified and effective administration of the insurance laws of this State creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each House be suspended, and said rule hereby suspended, and that this Act shall take effect and be in force from and after its passage, and it is so enacted.

Mr. Cory offered the following amendment to the Committee Amendment:

Amend committee amendment No. 1 to S. B. No. 322 by deleting all of Articles 1.02 and 1.03 and substituting the following:

"Art. 1.02. State Board of Insurance.

(a) There is hereby created the State Board of Insurance which shall consist of three members, all of whom shall be citizens of Texas. They shall be appointed by the Governor, by and with the advice and consent of the Senate of Texas. The term of office of each member shall be as provided in this Code. Each member of the Board shall be a person with at least ten (10) years of successful experience in business, professional or governmental activities, or a total of at least ten (10) years in any combination of two or more of such activities. Each member shall be available at all times for the discharge of the duties and functions of the Board, but the members shall act as a unit, and in no event shall the individual members divide or confine their activities to special fields of insurance regulation or attempt to administer the functions otherwise assigned to the Commissioner of Insurance.

(b) All the powers, functions, authorities, prerogatives, duties, obligations and responsibilities hereby vested in and devolving upon the Board of Insurance Commissioners as herebefore constituted under prior statutes; the Chairman of said Board; the Life Insurance Commissioner; the Fire Insurance Commissioner; and the Casualty Insurance Commissioner, shall hereafter be vested in the State Board of Insurance as a body, and, except as provided herein, they shall be exercised, performed, carried out, and administered by the Commissioner of Insurance as the chief executive and administrative officer of the Board in accordance with the pertinent laws of this State and the rules and regulations for uniform application made by the Board and subject to supervision of the Board. The duties of the State Board of Insurance shall be primarily in a supervisory capacity and the carrying out and administering the details of the Insurance Code shall be primarily the duty and responsibility of the Insurance Commissioner acting under the supervision of the Board.

(c) Except as otherwise provided herein, all remaining references in the Insurance Code and other statutes of this State to 'Board of Insurance Commissioners,' 'Board,' or Individual Commissioners shall mean the State Board of Insurance, or the Commissioner of Insurance consistent with their respective duties and responsibilities under the terms and provisions of this amendatory act.

(d) Upon the appointment of the members of the State Board of Insurance and on February 10, of each odd numbered year thereafter, the Governor shall appoint from among the membership a Chairman who shall be known and designated as the Chairman of the State Board of Insurance.

"Art. 1.03. Term of Office.

"(a) Upon the effective date of this Act amending the Insurance Code, the Governor shall appoint three members to the State Board of Insurance. One appointment shall be for a term expiring January 31, 1959; another, for a term expiring January 31, 1941; and the third, for a term expiring January 31, 1943. Thereafter, in each odd numbered year, the Governor shall appoint a member for a term of six years which term shall begin on the tenth day of February of each such
years. Each member shall serve until his successor has qualified; provided that the Governor may remove from office any member of the Board who fails for any reason to attend a meeting of the Board for three consecutive months, and he shall remove from office any member of the Board who for any reason fails to attend a meeting of the Board for six months. Such removal shall be by an instrument in writing filed with the Secretary of State and the State Board of Insurance, and the office of the member so removed shall be deemed vacant the same as if the member had died or resigned. The members of the Board of Insurance Commissioners in office immediately prior to the effective date of this Act amending this Code shall serve as interim members of the State Board of Insurance until the members of such Board provided for in this Act shall have been appointed and qualified.

"(b) Vacancies occurring in any office on the Board during any term shall, with the advice and consent of the Senate, be filled by appointment by the Governor, which appointment shall extend only to the end of the unexpired term."

(Mr. Elliott in the Chair.)

Mr. Bullock offered the following substitute amendment for the amendment by Mr. Cory:

Amend Committee Amendment No. 1 to Senate Bill No. 222 in the following respects:

(1) By striking out Subdivision (a) of Article 1.02 of the Insurance Code and inserting in lieu thereof the following:

"Art. 1.02. State Board of Insurance."

"(a) There is hereby created the State Board of Insurance, which shall consist of three members, one of whom shall be elected biennially at each general election for a term of six years. All members of said Board shall be citizens of Texas. Each member shall be a person with at least ten (10) years of successful experience in business, professional or governmental activities, or a total of at least ten (10) years in any combination of two or more of such activities. Each member shall serve on a full-time basis in the discharge of the duties and functions of the Board, and shall receive a salary of $15,000 per year. All members of the Board shall continue in office until their successors are elected and qualified. In January of each odd-numbered year, the members of the Board shall elect one of their number to serve as Chairman."

(2) By striking out Article 1.03 of the Insurance Code and inserting in lieu thereof the following:

"Art. 1.03. Terms of Office."

"(a) Regular six-year terms of members of the Board shall commence on the first day of January of 1959, 1961, and 1963, respectively, and every sixth year thereafter. Until the beginning of the first regular term, the membership of the Board shall be filled in the following manner: A special election shall be held on November 5, 1957, at which members shall be elected for terms expiring on the 31st day of December of 1958, 1960, and 1962, respectively. Applications for a place on the ballot shall be made in accordance with the provisions of Section 32a of the Election Code, and each application shall state whether it is for the term expiring in 1958, 1960, or 1962. The elections shall be held and the results canvassed in accordance with the provisions applicable to general election. Persons elected at the special election shall be entitled to take office immediately after the results of the election have been declared and a certificate of election issued by the Governor. The present confirmed members of the Board of Insurance Commissioners shall be members of the State Board of Insurance until their successors have been elected at the special election as herein provided. The member of the Board of Insurance Commissioners whose term expires in 1959 under existing law shall be succeeded by the person elected to the term expiring in 1958; the member whose term expires in 1961 shall be succeeded by the person elected to the term expiring in 1960, and the member whose term expires in 1963 shall be succeeded by the person elected to the term expiring in 1962."

(b) Vacancies occurring in any office on the Board during any term shall, with the advice and consent of the Senate, be filled by ap-
pointment by the Governor, which appointment shall not continue be­
YIHld the flret general election there­
A record vote was requested on the motion to table.

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REASON FOR VOTE

Inasmuch as I have been closely associated with the insurance indus­
Inasmuch as I have been closely associated with the insurance indus­

WOOLEY

MESSAGE FROM THE SENATE

Austin, Texas, May 1, 1957

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:
S. C. R. No. 79, Recommending that the State Building Commission cease and desist from any further plans to acquire property of St. Martin's Evangelical Lutheran Church.

S. B. No. 212. Authorizing electric cooperatives to engage in rural electrification; providing for the purposes for which corporations organized heretofore or hereafter are authorized to engage in rural electrification and the methods; and declaring an emergency.

Respectfully,

CHARLES SCHNABEL,
Secretary of the Senate.

MESSAGE FROM THE SENATE
Austin, Texas, May 1, 1957
Hon. Waggoner Carr, Speaker of the House of Representatives.

SIR: I am directed by the Senate to inform the House that the Senate has passed the following:

S. C. R. No. 79, Requesting the Governor to return Senate Bill No. 222 to the Senate for correction.

Respectfully,

CHARLES SCHNABEL,
Secretary of the Senate.

RECESS

Mr. Talasek moved that the House recess until 2:30 o'clock p. m. today.

Mr. Dugas moved that the House recess until 10:30 o'clock a. m. tomorrow.

The motion to recess until 2:30 o'clock p. m. today prevailed.

The House accordingly, at 12:30 o'clock p. m., took recess until 2:30 o'clock p. m. today.

AFTERNOON SESSION

The House met at 2:30 o'clock p. m. and was called to order by the Speaker.

SENATE BILL NO. 222 ON PASSAGE TO THIRD READING

The House resumed consideration of pending business, same being S. B. No. 222, Relating to the Appointment, Compensation, etc., on the Board of Insurance Commissioners, on its passage to third reading.

The bill having been read second time on this morning, with Committee Amendment No. 1, offered by Mr. Bristow, and amendment by Mr. Cory to the Committee Amendment, pending.

Mr. Welch offered the following substitute amendment for the amendment by Mr. Cory:

Amendment To Senate Bill No. 222

Amend committee amendment No. 1 to S. B. No. 222 by deleting all of Articles 1.02 and 1.03 and substituting in lieu thereof the following:

"Art. 1.02. State Board of Insurance.

"(a) There is hereby created the State Board of Insurance which shall consist of three members, all of whom shall be citizens of Texas. They shall be appointed by the Governor, by and with the advice and consent of the Senate of Texas. The term of office of each member shall be as provided in this Code. Each member of the Board shall be a person with at least ten (10) years of successful experience in business, professional or governmental activities, or a total of at least ten (10) years in any combination of two or more of such activities. Each member shall be available at all times for the discharge of the duties and functions of a full time Board, but the members shall act as a unit, and in no event shall the individual members divide or confine their activities to special fields of insurance regulation or attempt to administer the functions hereafter assigned to the Commissioner of Insurance.

"(b) All of the powers, functions, authorities, prerogatives, duties, obligations and responsibilities, heretofore vested in and devolving upon the Board of Insurance Commissioners as heretofore constituted under prior statutes; the Chairman of said Board; the Life Insurance Commissioner; the Fire Insurance Commissioner; and the Casualty Insurance Commissioner, shall hereafter be vested in the State Board of Insurance as a body, and, except as provided herein, they shall be exercised, performed, carried out, and admin-
interested by the Commissioner of
Insurance as the chief executive and
administrative officer of the Board
in accordance with the pertinent laws
of this State and the rules and regu-
lations for uniform application made
by the Board and subject to supervi-
sion of the Board. The duties of the
State Board of Insurance shall be
primarily in a supervisory capacity
and the carrying out and adminis-
tering the details of the Insurance
Code shall be primarily the duty and
responsibility of the Insurance Com-
misssioner acting under the supervi-
sion of the Board.

(c) Except as otherwise provided
herein, all remaining references
in the Insurance Code and other sta-
tutes of this State to 'Board of In-
surance Commissioners,' 'Board,' or
individual Commissioners shall mean
the 'State Board of Insurance,' or the
Commissioner of Insurance' consul-
tant with their respective duties and
responsibilities under the terms and
provisions of this mandatory act.

"(d) Upon the appointment of the
members of the State Board of In-
surance and on February 10 of each
odd numbered year thereafter, the
Governor shall appoint from among
the membership a Chairman who
shall be known and designated as the
Chairman of the State Board of In-
surance.

"(a) Upon the effective date of this
Act amending the Insurance Code,
the Governor shall appoint by and
with the advice and consent of the
Senate of Texas, three members to
the State Board of Insurance. One
appointment shall be for a term expir-
ing January 31, 1958; another, for a
term expiring January 31, 1961; and
a third, for a term expiring January
31, 1963. Thereafter, in each odd
numbered year, the Governor shall
appoint, by and with the advice and
consent of the Senate of Texas, a
member for a term of six years which
term shall begin on the tenth day of
February of each such year. Each
member shall serve until his succe-
sor has qualified; provided that the
Governor may remove from office
any member of the Board who fails
for any reason to attend a meeting of
the Board for three consecutive
months, and he shall remove from
office any member of the Board who
for any reason fails to attend a meet-
ing of the Board for six months. Such
removal shall be by an instrument
in writing filed with the Secretary
of State and the State Board of In-
surance, and the office of the mem-
ber so removed shall be deemed va-
cant the same as if the member had
died or resigned. The members of
the Board of Insurance Commission-
ers in office immediately prior to the
effective date of this Act amending
the Code shall serve as interim mem-
ers of the State Board of Insurance
until the members of each Board
provided for in this Act shall have
been appointed and qualified.

"(b) Vacancies occurring in any
such office on the Board during any
term shall, with the advice and con-
sent of the Senate, be filled by
appointment by the Governor, which
appointment shall extend only to
the end of the unexpired term.

The substitute amendment was
adopted.

A record vote was requested on the
amendment by Mr. Cory, as
substituted, and was adopted by the fol-
lowing vote:

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The amendment by Mr. Cory, as
substituted, was adopted by the fol-
lowing vote:
Mr. OrderedDict moved to reconsider the vote by which the amendment as substituted was adopted and to table the motion to reconsider.

The motion to table prevailed.

May 1, 1957

HOUSE JOURNAL

2403

McGregor of El Paso
McIlhany
Mann
Matthew
Mays
Moore of Harris
Mullen
Murray
Myatt
Olivet
Oslborn
Parsons
Patterson
Pipkin
Pool
Pressler
Ramsey
Richardson
Roosevelt
Sanders
Schrum
Schwartz of Galveston
Schwartz of Washington

Nays—34
Atwell
Bartram
Bishop
Blaine
Bowers
Brown
Bristow
Bullock
Burkett
Burns
Crockett
Dugav
Ferrell
Ford
Heflin
Huebner
Jones

Present—Not Voting
Puckett
Wooten

Absent
Cowen
Fenoglio
Martin

Reason for Vote

I favor an insurance reorganization but, I do think the people of Texas should have a voice in this reorganization. Under the Ferrell, Bullock and Welch amendment to S. B. No. 222, the qualified voters throughout Texas would have had an opportunity to elect a three (3) man Insurance Board thus subtituting their wisdom for that of one individual with the power to appoint a three (3) man Board. This amendment did not attempt to change the reorganization features found in S. B. 222 but provided only for an elected Board in lieu of an appointed one.

BULLOCK.

Mr. Watson offered the following amendment to the Committee Amendment No. 1:

Amend Committee Amendment No. 1 to Senate Bill No. 222 by adding after Section 6 the following Sections and renumber the succeeding Sections accordingly:

"Section 6. It is the intent of the Legislature, that the Members of the State Board of Insurance and the Commissioner that are herein created shall be paid an adequate salary not exceeding Twenty-five Thousand Dollars ($25,000) as the Legislature shall see fit in the biennial Appropriation Bill."

Mr. Hollowell raised a point of order on further consideration of the amendment by Mr. Watson on the ground that it violates Rule 9A of the Joint Rules in that it appropriates money.

The Speaker overruled the point of order.

Mr. Dewey moved to table the amendment by Mr. Watson. The motion to table prevailed.

Mr. Schwartz of Galveston offered the following amendment to the Committee Amendment No. 1:

Amend Committee Amendment No. 1 to Senate Bill No. 222 by striking the following language from Art. 1.09 (c): "or attorney formerly or presently employed by or in any wise connected with the Board of Insurance Commissioners."
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The amendment was adopted.

Mr. Bell offered the following amendment to the Committee Amendment No. 1:

Amend Committee Amendment No. 1 to Senate Bill 222 by adding the following typographical corrections:

In line 60, page 4, subsection (a) of the printed bill, add the word "sum" immediately before the word "as".

The amendment was adopted.

Mr. Lee offered the following amendment to the Committee Amendment No. 1:

Amend Committee Amendment No. 1 to Senate Bill No. 222 by adding a new Section after Section No. 5 to be numbered Section 6, and renumbering the succeeding sections and to read as follows:

"The Board of Insurance Commissioners shall not enter into any extension of leases, leases, or contracts with, and shall make no expenditures of money for any purpose to any individual, group of individuals, or groups connected with directly or indirectly with any insurance company, insurance agency, insurance brokerage, or insurance adjustor. It is expressly provided, however, that the Commission shall comply with the provisions hereof not later than three years from the effective date heretofore not granted to the bill."

Mr. Jones raised a point of order on further consideration of the amendment by Mr. Lee on the ground that it is not germane to the bill.

The Speaker overruled the point of order.

Mr. Blackburn moved the previous question on the pending amendment, and the motion was seconded.

The amendment by Mr. Lee was adopted.

Mr. Dugan offered the following substitute amendment for the Committee Amendment No. 1, offered by Mr. Bristow:

Amend S. B. 222, by striking out all below the enacting clause and inserting in lieu thereof the following:

Section 1. The purpose of this Act is to reorganize the agency charged with administration of the insurance laws of the State in accordance with the provisions of this Act and to make such changes in the Insurance Code and the construction of the terms of the Insurance Code, as are necessary to accomplish the purposes of this Act. All reference to the "Insurance Code" are to the Insurance Code enacted by Chapter 491 of Acts of the 32nd Legislature, 1961, as amended.

Section 2. Article 1.02 through Article 1.09, inclusive, of the Insurance Code, as amended, are made to read as follows:

"(a) The State Board of Insurance shall consist of three members, two of whom shall be the present confirmed members of the Board of Insurance Commissioners, who shall serve for the duration of their terms of office respectively expiring February 10, 1959, and February 10, 1961, for which they have been confirmed by the Senate as members of the Board of Insurance Commissioners. The third member of the State Board of Insurance shall be appointed by the Governor by and with the consent of the Senate for a term expiring February 10, 1969. On February 10, 1959, and each odd-numbered year thereafter, the Governor shall appoint a member for a term of six years by and with the consent of the Senate, which term shall begin from the 10th day of February of each such year. Each member shall serve until his successor has qualified.

"(b) All of the powers, functions, authorities, prerogatives, duties, obligations and responsibilities, heretofore vested in and devolving upon the Board of Insurance Commissioners as hereof constituted under prior statute; the Chairman of said Board; the Life Insurance Commissioner; the Fire Insurance Commissioner; and the Casualty Insurance Commissioner, shall hereafter vest in the State Board of Insurance as a body, and, except as provided herein, they shall be exercised, performed, carried out, and administered by the Commissioner of Insurance as the chief executive and administrative officer of the Board in accordance with the pertinent laws of this State and the rules and regulations for uniform application made by the Board and subject to supervision of the Board. The duties of the State Board of Insurance shall be pri-
The primary purpose of amending the Insurance Code is to enable the Board to give special attention to the progress of liquidation of insolvent insurers and to the qualification of new insurers for original licenses and qualifications for annual renewal of licenses to all insurers.

"(c) Except as otherwise provided herein, all remaining references in the Insurance Code and other statutes of this State to 'Board of Insurance Commissioners,' 'Board,' or individual Commissioners shall mean the 'State Board of Insurance,' or the 'Commissioner of Insurance,' consistent with their respective duties and responsibilities under the terms and provisions of this amendatory act.

"(d) Upon the appointment of the members of the State Board of Insurance and on February 10 of each odd-numbered year thereafter, the Governor shall appoint from among the membership a Chairman who shall be known and designated as the Chairman of the State Board of Insurance.

"Art. 1.05. Terms of Office.

"(a) Upon the effective date of this Act amending the Insurance Code, the Governor shall appoint three members to the State Board of Insurance, by and with the advice and consent of the Senate, each of which appointment shall be for a term, expiring February 10, 1959. Thereafter, in each odd-numbered year, the Governor, with the advice and consent of the Senate, shall appoint one member for a term of six years, which term shall begin on the tenth (10th) day of February of each such year. Each member shall serve until his successor is qualified; provided that the Governor may remove from office any member of the Board who fails for any reason to attend a meeting of the Board for three consecutive months, and he shall remove from office any member of the Board who for any reason fails to attend a meeting of the Board for six months. Such removal shall be by an instrument in writing filed with the Secretary of State and the State Board of Insurance, and the office of the member so removed shall be deemed vacant the same as if the member had died or resigned.

"(b) Vacancies occurring in any such office on the Board during any term shall, with the advice and consent of the Senate, be filled by appointment by the Governor, which appointment shall extend only to the end of the unexpired term.

"Art. 1.04. Duties and Organization of the State Board of Insurance.

"(a) The State Board of Insurance shall operate and function as one body or a unit and a majority vote of the members of the Board shall be necessary to transact any of its official business. The Board shall maintain one official set of records of its proceedings and actions.

"(b) The State Board of Insurance shall determine policy, rules, rates and appeals but otherwise it shall execute its duties through the Commissioner of Insurance as herein provided for, in accordance with the laws of this State and the rules and regulations for uniform application as made by the Board.

"(c) All rules and regulations for the conduct and execution of the duties and functions of the State Board of Insurance shall be rules for general and uniform application and shall be made and published by the Board on the basis of a systematic organization of such rules by their subject matter and content. The Commissioner of Insurance may make recommendations to the Board regarding such rules and regulations, including amendments, changes and additions. Such published rules shall be kept current and shall be available in a form convenient to all interested persons.

"(d) Any person or organization, private or public, which is affected by any ruling or action of the Commissioner of Insurance shall have the right to have such ruling or action by the State Board of Insurance by making an application to the Board. Such application shall state the identities of the parties, the ruling or action complained of, the interests of the parties in such ruling, the grounds of such objection, the action sought of the Board and the reasons and grounds for such action by the Board. The original shall be filed with the Chief Clerk of the Board.
together with a certification that a true and correct copy of such application has been filed with the Commissioner of Insurance. Within thirty (30) days after the application is filed, and after ten (10) days written notice to all parties of record, the Board shall review the action complained of in a public hearing and render its decision at the earliest possible date thereafter. The Board shall make such other rules and regulations with regard to such applications and their consideration as it deems advisable, not consistent with this Article. Said application shall have precedence over all other business of a different nature pending before the Board.

"In the public hearing, any and all evidence and matters pertinent to the appeal may be submitted to the Board, whether included in the application or not.

"(e) The Board shall have regular meetings on the first and third Mondays in each month and such special meetings to be called by the Chairman as shall be required to execute its duties. The Board shall have time to time make and publish rules regarding such meetings.

"(f) If any insurance company or other at interest be dissatisfied with any decision, regulation, order, rate, rule, act, or administrative ruling adopted by the State Board of Insurance, such dissatisfied company or other at interest after failing to get relief from the State Board of Insurance, may file a petition setting forth the particular objection to such decision, regulation, order, rate, rule act, or administrative ruling, or to either or all of them, in the District Court of Travis County, Texas, and not elsewhere, against the State Board of Insurance as defendant. Such action shall have precedence over all other causes on the docket of a different nature. The action shall not be limited to questions of law and the substantial evidence rule shall not apply, but such action shall be tried and determined upon a trial de novo to the same extent as now provided for in the case of an appeal from the Justice Court to the County Court. Either party to said action may appeal to the Appellate Court having jurisdiction of said cause and said appeal shall be

"at once returnable to said Appellate Court having jurisdiction of said cause and said action so appealed shall have precedence in said Appellate Court over all causes of a different character therein pending. The Board shall not be required to give any appeal bond in any cause arising hereunder.

"(g) In making examinations of any insurance organization as provided by law, the Board may use its own salaried examiners or may employ any holder of a permit to practice public accountancy in Texas who is engaged as an independent public accountant in the public practice as that term is known and understood in the accounting profession. Such examination shall cover the period of time which the Board shall request. In the event the Board does not specify a longer period of time, such examination shall be from the time of the last examination theretofore made by the Board to December 31st of the year preceding the examination then being made and such public accountants shall so certify the period being examined by him. Any such public accountant shall be paid for such examination at the usual and customary rates charged by public accountants for similar services. Such rates shall be made by the insurance organization being examined and all such examination fees so paid shall be allowed as a credit on the amount of premium or other taxes to be paid by any such insurance organization for the taxable year during which examination fees are paid just as examination fees are credited when the Board uses its own salaried examiners.

Art. 1.05. Bond and Compensation.

"(a) Each of the members of the State Board of Insurance shall, before entering upon the duties of his office, give a bond to the State of Texas, executed by a surety company licensed to do business in the State of Texas, in the sum of Fifty Thousand Dollars ($50,000.00) to be approved by the Governor, conditioned upon the faithful discharge of the duties of his office.

"(b) Compensation to be paid the members of the State Board of Insurance shall be such sum as are
provided for by the appropriation acts from time to time.

"Art. 1.08. Ineligibility.

"No person who is a stockholder, director, officer, attorney, agent, or employee of any insurance company, insurance agent, insurance broker, or insurance adjuster, or who is in any way directly or indirectly interested in any such business shall be a member of the State Board of Insurance, be Commissioner of Insurance, or be appointed to, or accept, any office or employment under said Board or Commissioner of Insurance, provided, however, that such ineligibility shall not extend or apply to persons who are merely insured by an insurer, or are merely beneficiaries of such insurance; or who, in their official capacity, are appointed as a receiver, liquidator, or conservator for an insurer.

"Art. 1.09. Industrial Accident Board.

"Nothing in this Code shall be construed to in any manner affect the duties now imposed by law on the Industrial Accident Board or to take from said Board the performance of the duties now imposed on said Board by law.


"(a) The Board shall appoint a Chief Clerk of the State Board of Insurance. The Chief Clerk shall have the responsibility of keeping and maintaining all records and proceedings of the Board.

"(b) The Board may make any appropriate provisions by rules as to method or form by which any records or proceedings are kept and maintained, such as, but not limited to, providing for the mechanical or electrical recording or hearings or meetings in a photographic transcription form and the photographing or microphotographing of written records or other materials.

"Art. 1.09. Commissioner of Insurance.

"(a) The Board shall appoint a Commissioner of Insurance, who shall be the chief executive and administrative officer, who shall be charged with the primary responsibility of administering, enforcing, and carrying out the provisions of the Insurance Code under the supervision of the Board. He shall hold his position until removed by the Board.

"(b) The Commissioner of Insurance shall be the State Fire Marshal and shall function as such subject to the rules and regulations of the Board.

"(c) The Commissioner of Insurance shall be a resident citizen of Texas, for at least one (1) year prior to his appointment and shall be a competent and experienced administrator who shall be well informed and qualified in the field of insurance and insurance regulation. He shall have had at least ten (10) years of administrative or professional experience, and shall have had training and experience in the field of insurance or insurance regulation. No former or present member of the Board of Insurance Commissioners, or attorney formerly or presently employed by or in any way connected with the Board of Insurance Commission shall be appointed Commissioner of Insurance.

"(d) The Commissioner of Insurance shall first give a bond to the State of Texas, executed by a surety company licensed to do business in the State of Texas, in the sum of Fifty Thousand Dollars ($50,000), to be approved by the Board, conditioned upon the faithful discharge of the duties of his office.

"(e) Compensation to be paid the Commissioner of Insurance shall be such as is provided for by the appropriation acts.

"(f) The Commissioner of Insurance or his representative shall meet with the Board in an advisory capacity and without vote in the proceedings of the Board. He shall submit such reports to the Board as it may request or provide for by its rules and regulations.

"(g) The Commissioner of Insurance shall appoint such deputies, assistants, and other personnel as are necessary to carry out the duties and functions devolving upon him and the State Board of Insurance under the Insurance Code of this State, subject to the authorization by the Legislature in its appropriations bill or otherwise, and to the rules of the Board.

Section 3. Chapter One of the Insurance Code is amended by adding immediately after Article 1.09 the following Article 1.09-1, which shall read as follows:

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"Art. 1.09-1. Represented by the Attorney General.

(a) The State Board of Insurance, and the Commissioner of Insurance, shall be represented and advised by the Attorney General in all legal matters before them or in which they shall be interested or concerned. The Board and Commissioner of Insurance shall not employ or obtain any other legal services without the written approval of the Attorney General.

(b) In all rate hearings and policy form proceedings before the Board or the Commissioner of Insurance, the Attorney General may intervene in the public interest. The Board shall have and exercise the power of subpoena and subpoena duces tecum for witnesses, documents and other evidence to the extent of the jurisdiction of this State for such hearings and proceedings on its own motion or upon application of the Attorney General.

Section 4. Chapter One of the Insurance Code is amended by adding after Article 1.09 the following Article 1.09-2, which shall read as follows:

"Art. 1.09-2. Eligibility to Run for Public Office.

(a) The members of the State Board of Insurance and the Commissioner of Insurance shall be ineligible to run for any public office, or to have their names placed on the office for any office in any election in this State, except and unless such Board member or Commissioner of Insurance has resigned and his resignation accepted by the Governor.

Section 5. Chapter One of the Insurance Code is amended by adding after Article 1.09 the following Article 1.09-3, which shall read as follows:


(a) It shall be unlawful for any member of the State Board of Insurance, Commissioner of Insurance, or any employee or agent of the State Board of Insurance to accept any money, gift or anything of value or agree to accept any money, gift, or anything of value, or to sell or offer to sell anything of value, or to buy or offer to buy anything of value from or to any insurance company or agent or employee of any insurance company.

(b) It shall be unlawful for any officer, agent or employee of any insurance company to give or offer to give money, a gift or anything of value, or to pay or offer to pay money or anything of value to any member of the State Board of Insurance, Commissioner of Insurance or any agent or employee of the State Board of Insurance.

The provisions of this section shall not apply to transactions between such persons as insureds of insurers provided the customary premiums are paid by the insureds.

"Any person violating the provisions of this section shall be convicted and convicted persons as Insureds of Insurers provided the customary premiums are paid by the insureds.

Section 6. All laws or parts of laws in conflict with the provisions of this Act are hereby repealed to the extent of conflict only.

Section 7. If any provision of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provisions of application, and to this end the provisions of this Act are declared to be severable.

Section 8. The fact that there is an urgent need for more unified and effective administration of the insurance laws of this State creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three separate days in each House be suspended, and said rule is hereby suspended, and that this Act shall take effect and be in force from and after its passage, and it is so enacted.

Committee Amendment No. 2

Amend S. B. No. 222 by striking out all above the enacting clause and substituting in lieu thereof the following:

"A BILL

To Be Entitled

An Act amending Articles 1.02, 1.03, 1.04, 1.05, 1.06, 1.07, 1.08 and 1.09 of the Insurance Code, same being Acts of the 52d Legislature, Regular Session (1951),
Chapter 491, page 868, as amended; by adding to the Insurance Code Articles 1.09-1, 1.09-2, and 1.09-3; by creating the State Board of Insurance; providing for the appointment, bond, and compensation of the members of said Board; prescribing their qualifications and terms of office, and the manner in which they shall operate; providing how vacancies on the Board shall be filled; defining the duties of the Board, together with its powers and functions; providing for meetings of the Board; providing for appointment of a Commissioner of Insurance and for his bond and compensation; defining the duties and powers of the Commissioner of Insurance; appointing the Commissioner of Insurance the State Fire Marshal; providing for the appointment of a Chief Clerk and for his compensation; defining the duties and powers of the Chief Clerk; making certain persons ineligible to be members of the Board or Commissioner of Insurance, or to hold any office or employment under either; providing for an appeal from the decisions of the Commissioner and the Board; providing that the Board and Commissioner shall be represented by the Attorney General, and fixing his powers and duties; providing method for additional examinations of insurers, providing insolvency of members of State Board of Insurance and Commissioner to run for public office, making certain acts of members of Board, the Commissioner, and their employees unlawful and fixing penalties therefor; and declaring an emergency.

Mr. Cory moved to table the substitute amendment by Mr. Dugas.

A record vote was requested on the motion to table.

The motion to table the amendment by Mr. Dugas prevailed by the following vote:

YEAS--109

Anderson
Arner
Baker
Ballman
Bell
Bishop

Cloud
Coley
Coley
Conley
Cory
Cottrell

Cox
Crouthwait
Day
de la Garza
Dewey
Duff, Miss
Dungan

Ehrle
Elliott
Ellis
Foreman
Fowth
Glas

Guising
Green
Hale
Harrington
Hensley
Hollowell
Holtmann
Holstein
Hooks
Hosey
Hubbner
Huff

Hughes of Grayson
Hughes of Dallas
Hutchins
Jackson, Miss
Jackson
Janison
Johnson
Joseph
Kelly
Kendall
Kilpatrick
Koliba
Koroth
Lattimer
Leach

Mccoplin
McGregor
of McLennan

McGregor
Mcllhaney
Matthew
Mars
Moore of Harris
Mullen

Murray
Osborn
Parrson
Patterson
Pepin
Poli
Presler
Ramsey
Richardson
Russell
Sanders
Schram
Schwartz
of Galveston
of Washington
Seigslon
Shackelford
Shannon
of Tarrant
Shaw
Sherrill
Slack
Smith of Harris
Smith of Jefferson
Spilman
Springer
Stewart
Storey
Sudderith
Sutton
Talasek
Terrell
Thurmond
Turman
Wallington
Watson
Wheeler

White
Wilson of Young
Wilson of Potter
Winfree
Wohlford

NAYs--26

Braehbar
Bratlow
Bullock
Burrage
Dusse
Perrell
Ford
Heatly
Heflin
A record vote was requested on the Committee Amendment No. 1. The Committee Amendment No. 1, offered by Mr. Bristow, as amended, was adopted by the following vote:

- Yeas: 108
- Nays: 27

The motion to reconsider was rejected. On motion of Mr. Bristow and by unanimous consent of the House, the Caption of Senate Bill No. 335 was ordered amended to conform with the body of the bill.
A record vote was requested on the passage of S. B. No. 222 to third reading.

Senate Bill No. 222 was then passed to third reading by the following vote:

Year—111

Anderson  Karioth
Armor  Kothmann
Atwell  Lakimer
Baker  Lautred
Bann  Lee
Bane  McCoppin
Bell  McGregor
Blake  of McLennan
Blanchard  McGregor
Bryan  Meilhany
Chapman  Mann
Cline  Matthew
Cloud  Mays
Cole  Moore of Harris
Coley  Mullen
Cory  Murray
Cotter  Hyatt
Cotten  Oliver
Cox  Osborn
Day  Parsons
de la Garza  Pickin
Dewey  Pool
Duff, Miss  Premier
Ehrle  Ramsey
Elliott  Richardson
Ellis  Russell
Foreman  Sanders
Forreth  Schram
Glass  Schwartz
Glasing  of Galveston
Green  of Washington
Hale  Hessigson
Harrington  Shackleford
Hensley  Shannon of Erath
Holman  Shaw
Holston  Sherrill
Hooks  Stack
Hosey  Smith of Hays
Hueiwer  Smith of Jefferson
Huffor  Spillman
Hughes of Grayson  Springer
Hughes of Dallas  Stewart
Hutchins  Storey
Isaacks, Miss  Strickland
Jackson  Sudderth
Jameson  Sutton
Johnson  Talasek
Joseph  Terrell
Kelly  Thermond
Kennard  Turman
Kilpatrick  Wailing
Koliba  Watson
White  Winfree
Wilson of Young  Wohlford
Wilson of Potter

Nay—29

Bartram  Kennedy
Bishop  McDonald
Bowers  Parish
Brazhear  Roberts
Brazlow  Sadler
Bullock  Sandahl
Burkett  Saul
Byrd  Shannon
Crouchwall  of Tarrant
Duraz  Sheridan
Ferrell  Stroman
Ford  Tunnell
Hensley  Welch
Heflin  Wheeler
Jones  Yemen

Present—Not Voting

Puckett  Woody

Absent

Cone  Martin
Fenoglio  Moore of Tarrant

Absent—Excused

Huffman  Zbranek

Mr. Cory moved to reconsider the vote by which S. B. No. 222 was passed to third reading and to table the motion to reconsider.

The motion to table prevailed.

MOTION TO PLACE SENATE BILL NO. 222 ON THIRD READING

Mr. Cory moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 222 be placed on its third reading and final passage.

The motion was lost (not receiving the necessary four-fifths vote) by the following vote:

Year—107

Anderson  Bryan
Armour  Chapman
Atwell  Cline
Baker  Cloud
Bann  Cole
Bell  Cooper
Bishop  Conley
Blake  Cory
Blanchard  Cox
Boozen  Croswall

REASONS FOR VOTE

I am voting present on S. B. 222 because I am in the insurance business and I feel that I should refrain from voting on this particular bill.

POCKETT.

I voted against S. B. 222 because I feel that this bill is premature. The Texas Research League is presently making a complete study of the Insurance Commission and all of its operations. Until this study is completed, I do not think that anyone has sufficient facts upon which to justify a vote for this bill or any other reorganization plan.

McDONALD.

My reason for voting against Senate Bill 222 is: "I will not vote for any bill that would impeach any person from an appointive or elective job without first proving that he had committed a wrong or some misconduct."

JONES.

I voted against S. B. 222 for I believe it is only a sham to fool the public and a weak reorganization that will prove useless.

FERRILL.

MOTION TO SET A SUSPENSION CALENDAR

Mr. Ramsey moved to suspend all necessary rules to set a Suspension Calendar for tonight, the calendar to be under the two-thirds suspension rule.

The motion was lost not receiving the necessary two-thirds vote.
COMMITTEE MEETING

Mr. Spilman asked unanimous consent of the House that the Committee on Judiciary be permitted to meet at this time.

There was no objection offered.

MESSAGE FROM THE SENATE

Austin, Texas, May 1, 1957

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:

H. C. R. No. 100. Suspending the Joint Rules so as to permit the House to set and consider a Suspension Calendar for 7:30 p.m. on May 1, 1957.

Respectfully,

CHARLES SCHNABEL,
Secretary of the Senate.

MESSAGE FROM THE SENATE

Austin, Texas, May 1, 1957

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:

S. C. R. No. 76. Suspending the joint rules so that the Senate may take up and consider Senate Bills on May 1, 1957.

Respectfully,

CHARLES SCHNABEL,
Secretary of the Senate.

SUSPENDING THE JOINT RULES SO THAT THE SENATE MAY CONSIDER SENATE BILLS ON MAY 1, 1957

The Speaker laid before the House for consideration at this time the following resolution:

Senate Concurrent Resolution No. 76

Resolved, By the Senate of Texas, the House of Representatives concurring, that the joint rules be suspended so that the Senate may take up and consider Senate bills on Wednesday, May 1, 1957.

The resolution was read and was adopted.

REQUESTING THE GOVERNOR TO RETURN S. B. NO. 303 FOR CORRECTIONS

The Speaker laid before the House the following resolution:

S. C. R. No. 79

Be it resolved by the Senate, the House concurring, that the Governor be requested to return Senate Bill 303 to the Senate for corrections of a minor nature.

The resolution was adopted.

SENATE BILL NO. 294 ON SECOND READING

Mr. Sanders moved that all the necessary rules be suspended for the purpose of taking up and considering at this time, Senate Bill No. 294.

The motion prevailed by the necessary two-thirds vote.

The Speaker laid before the House, on its second reading and passage to third reading,

S. B. No. 294, Repealing the Securities Act of Texas and the Insurance Securities Act of Texas; and substituting for both such acts a single act comprehensively providing for the regulation of the sale of securities, etc., this new act to be known as "The Securities Act"; and declaring an emergency.

The bill was read second time.

Mr. Sanders offered the following amendment to the bill:

Amend S. B. 294 by striking subsection C of Section 5 and substituting in lieu thereof the following:

"C. (1) Sales of securities made by or in behalf of a vendor, whether by dealer or other agent, in the ordinary course of bona fide personal investment of the personal holdings of such vendor, or change in such investment, if such vendor is not engaged in the business of selling securities and the sale or sales are isolated transactions not made in
the course of repeated and successive transactions of a like character; pro-
vided, that in no event shall such sales or offerings be exempt from the
provisions of this Act when made or intended by the vendor or his
agent, for the benefit, either directly or indirectly, of any company or
corporation except the individual vendor (other than a usual com-
mission to said agent), and provided,

Amendment to the

that any person acting as
agent for such vendor shall be regis-
ted pursuant to this Act;

(2) Sales by or on behalf of any
insurance company subject to the
supervision or control of the Board of
Insurance Commissioners of any se-
curities owned by such company as a
legal and bona fide investment, pro-
vided, that in no event shall any such
sale or offering be exempt from the
provisions of this Act when made or
intended, either directly or indi-
directly, for the benefit of any other
company as that term is defined in
this Act.”

SANDERS.
MCDONALD.

(Mr. Dewey in the Chair)

The amendment was adopted.

Mr. Sanders offered the following
amendment to the bill:

Amend Senate Bill No. 294 by
strikingsubsection R of Section 5.

SANDERS.
MCDONALD.

The amendment was adopted.

Mr. Sanders offered the following
amendment to the bill:

Amend Senate Bill No. 294, Sec-
tion 10, subsection B by deleting the
words “or lease” wherever they appear
in said subsection.

SANDERS.
MCDONALD.

The amendment was adopted.

Mr. Sanders offered the following
amendment to the bill:

Amend Section 24 of S. B. No. 294
so that the number, heading, and in-
troductory clause of said section and
subsection A thereof will read as
follows:

“Section 24. List of Securities File-
d with the Commissioner on Re-
quest. Notice and Hearing as to Se-
curities Questioned by Commissioner.

Anything in this Act to the contrary
notwithstanding—

“A. If it appears to the Commis-
sioner at any time that the sale or
proposed sale or method of sale of
any security, whether exempt or
not, except the sale of securities as
defined in sub-section A of Section 6,
would not be in compliance with this
Act or would tend to work a fraud
on any purchaser thereof or would
not be fair, just or equitable to any
purchaser thereof, the Commissioner
may, after notice to the lesser, the
registrant and the person on whose
behalf such securities are being or
are to be offered, by personal ser-
of S. B. No. 294 by inserting after the word "statement" in the first line of said sub-paragraph the following:

"prepared in accordance with generally accepted auditing standards and procedures and generally accepted accounting principles."

and by also inserting said quoted language after the comma after the word "statement" in the first clause of the sixth sentence of said sub-paragraph.

SANDERS, MCDONALD.

The amendment was adopted.

Mr. Sanders offered the following amendment to the bill:

Amend S. B. No. 294 by deleting Section 20 thereof and renumbering the succeeding sections accordingly.

SANDERS, MCDONALD.

The amendment was adopted.

Mr. Sanders offered the following amendment to the bill:

Amend Senate Bill No. 294 by striking subsection J of Section 5 and relettering the subsequent subsections of Section 5 accordingly.

SANDERS, MCDONALD.

The amendment was adopted.

Mr. Sanders offered the following amendment to the bill:

Amend Senate Bill No. 294 by inserting the following language in Section 23 as subsection D thereof, and relettering what is now subsection D to be subsection E:

"D. The whole, or any part, of any written, typed, or printed documents theretofore filed under the Federal Securities Act of 1933 with the securities and Exchange Commission of the United States may be used as advertising, if not printed in newspapers, used on television, or broadcast over radio. With the above exception, if a copy of such advertising matter is first sent to the Commissioner, same may be used prior to and during the time and application for a securities permit, or application for registration by notification, of securities is under consideration by the Commissioner, and thereafter until notice is given under Section 24 by the Commissioner to cease advertising. Any advertising matter used under this subsection (d) shall have the following legend printed or securely pasted on the first page thereof:

"Informational Advertising Only

The Securities Herein Described Have Not Been Qualified Or Registered For Sale In Texas. Any Representations To The Contrary, Or Sale Of These Securities In Texas Prior To Qualification Or Registration Thereof Is A Criminal Offense."

If any advertising matter used under this subsection D does not bear the above legend, or if such information is televised, broadcast over radio, or printed in a newspaper, prior to issue of a permit, or prior to completion of registration by notification or coordination, or if a copy is not first sent to the Commissioner, such use is declared unlawful and shall be deemed a sale punishable under the penalties set out in Section 39 of this Act."

SANDERS, MCDONALD.

The amendment was adopted.

Mr. Sanders offered the following amendment to the bill:

Amend Senate Bill No. 294 by striking Subsection E of Section 4, substituting in lieu thereof the following language, and relettering the succeeding subsection accordingly:

"E. The terms "sale" or "offer for sale" or "sell" shall include every disposition, or attempt to dispose of a security for value. The term "sale" means and includes contracts and agreements whereby securities are sold, traded or exchanged for money, property or other things of value, or any transfer or agreement to transfer, in trust or otherwise. Any security given or delivered with or as a bonus on account of any purchase of securities or other thing of value, shall be conclusively presumed to constitute a part of the subject of such purchase and to have been sold for value. The term "sell" means any act by which a sale is made, and the term "sale" or
"offer for sale" shall include a subscription, an option for sale, a solicitation of an offer to buy, an attempt to sell, or an offer to sell, directly or by an agent or salesman, by a circular, letter, or advertisement or otherwise, including the deposit in a United States Post Office or mail box or in any manner in the United States mails within this state of a letter, circular or other advertising matter. Nothing herein shall limit or diminish the full meaning of the terms "sale," "sell" or "offer for sale" as used by or accepted in course of law or equity. The sale of a security under conditions which entitle the purchaser or subsequent holder to exchange the same for, or to purchase some other security, shall not be deemed a sale or offer for sale of such other security; but no exchange for or sale of such other security shall ever be made unless and until the sale thereof shall have been first authorized in Texas under this Act, if not exempt hereunder, or by other provisions of law. Provided, however, advertising when made in compliance with Section 22 shall not be deemed a sale.

SANDERS, McDONALD.

The amendment was adopted.

Mr. Sanders offered the following amendment to the bill:

Amend subsection E of Section 5 of H. B. 294 by changing the comma after the word "agent" to a semi-colon and by striking the words "and without incurring any liability for any expenses whatsoever in connection with such distribution."

The amendment was adopted.

Mr. McDonald offered the following amendment to the bill:

Amend S. B. 294 by striking out subsection C of Section 9 and inserting the following new subsection C to read as follows:

"C. In connection with any permit to sell securities the Commissioner shall require all offers for sale of said securities to be made through and by prospectus which fairly discloses the material facts about the plan of finance and business. Said prospectus shall be filed with and approved by the Commissioner; provided, however, if the applicant files a prospectus, or offering circular with the Commissioner which is also filed with the S. E. C. under the Securities Act of 1933 as amended or the regulations thereunder, this subsection shall be in all respects be satisfied. Failure to comply with this requirement shall be treated as a violation of this Act, subjecting the parties responsible to the consequences thereof as provided herein.

The amendment was adopted.

Mr. Ferrell offered the following amendment to the bill:

Amend S. B. 294 by striking out Subsection C of Section 7.

Mr. McDonald moved to table the amendment by Mr. Ferrell.

The motion to table prevailed.

Mr. Chapman offered the following amendment to the bill:

Amend Section 5, Subsection 1, by changing the words and figure twenty-five ($25) to thirty-five ($35).

The amendment was adopted.

Mr. Hale offered the following amendment to the bill:

Amend S. B. 294 by striking out lines 42 thru 53 on page 20 of the printed bill and substituting in lieu thereof the following:

"All appeals to the District Court shall be tried by such court as a trial de novo as that term is used in an appeal from Justice of the Peace Court to a county court, as if there had been no previous determination or hearing on the matters in controversy, and under no circumstance shall the substantial evidence rule as interpreted by the Court of Texas ever be applied to appeals taken under this Act."

The amendment was adopted.

Senate Bill No. 294 was then passed to third reading.

SENATE BILL NO. 294 ON THIRD READING

Mr. Sanders moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 294 be placed on its third reading and final passage.
The motion prevailed by the following vote:

Yeas—114

Anderson
Armor
Atwell
Baker
Baldwin
Bell
Bishop
Blaine
Blanchard
Bowers
BoySEN
Brehm
Bryan
Bullock
Byrd
Chapman
Clay
Cole
Coley
Cox
Crosthwait
Day
de la Garza
Duff, Mies
Duza
Dungan
Ehrle
Elliot
Foreman
Freas
Glass
Glassing
Green
Hale
Harrington
Hensley
Hollowell
Holman
Holstein
Hooks
Hofy
Huebner
Huffer
Hughes of Galveston
Hughes of Grayson
Hutchins
Isaacs, Miss
Jackson
Jamison
Johnson
Jones
Joseph
Kelly
Kennard
Kilgore
Koikha
Koroth
Kothmann
LaCinaer
Lee
McCoop
McDonald
McGregor
McGregor
McHness
McIlhany
Mann
Matthew
Moore of El Paso
Moore of Harris
Mullen
Murray
Parsons
Patterson
Pipkin
Pool
Presler
Ramsey
Richardson
Sadler
Sander
Schram
Schwartz
Schwartz
Kenyon
Scott
Shannon
Shannon of Erath
Shannon of Tarrant
Sherrill
Slack
Smith of Hays
Smith of Jefferson
Spillman
Springer
Stewart
Storer
Strickland
Sudduth
Talasek
Turman
Walling
Welch
Wheeler
White
Wilson of Young
Wilson of Potter
Winfree
Wellsford
Woody
Yeak
Yeak
Yeak
Yezak

Nays—19

Bristow
Buckett
Cotten
Dover
Furrel
Foust
Hestly
Hill
Hill
Hutson
May
Mays
Marshall
Matthew
McGurk
McGreor
McIlhany
Mank
Moore of Tarrant
Moore of El Paso
Moses
Murchison
Mullen
Murray
Myatt
Parsons
Patterson
Pipkin
Pool
Presler
Ramsey
Richardson
Sadler
Sander
Sander
Schram
Schwartz
Schwartz
Kenyon
Scott
Shannon
Shannon of Erath
Shannon of Tarrant
Sherrill
Slack
Smith of Hays
Smith of Jefferson
Spillman
Springer
Stewart
Storer
Strickland
Sudduth
Talasek
Turman
Walling
Welch
Wheeler
White
Wilson of Young
Wilson of Potter
Winfree
Wellsford
Woody
Yeak
Yeak
Yeak
Yezak

Present—Not Voting

Kennedy

Absent

Bartram
Bass

Absent—Excused

Bartram

Bass

The Chair then laid Senate Bill No. 294 before the House on third reading and final passage.

The bill was read third time and was passed.

Mr. Sanders moved to reconsider the vote by which S. B. No. 294 was passed and to table the motion to reconsider.

The motion to table prevailed.

On motion of Mr. Sanders and by unanimous consent of the House, the Caption of Senate Bill No. 294 was ordered amended to conform with the body of the bill.

MOTION TO SET A SUSPENSION CALENDAR

Mr. Ramsey moved to suspend all necessary rules to set a Suspension Calendar for tonight and said calendar to be under a two-thirds vote.

The motion was lost (not receiving the necessary two-thirds vote.)

BILLS SIGNED BY THE SPEAKER

The Speaker signed in the presence of the House after giving due notice thereof and their captions had been read severally the following enrolled bills:
H. B. No. 437, An Act authorizing and directing the Game and Fish Commission to publish information; authorizing sale of publications at not to exceed cost; providing for the disposition of funds; providing for the collection, deposit, and use of moneys collected; providing for authority to sell subscriptions to monthly publications; providing for compensation for persons collecting and remitting funds referred to in this Act; requiring procedure for making remittances; providing the form therefor; and declaring an emergency.

H. B. No. 488, An Act creating a Conservation and Reclamation District under Article XVI, Section 59, of the Constitution comprising the territory contained within the Cities of Spur, Crosbyton, Hale and Post, to be known as the "White River Municipal Water District" and abolishing White River Water Control and Improvement District, for the purpose of providing a source of water supply for municipal, domestic, industrial and mining uses and processing and transporting the same; providing for a Board of Directors to govern said District; providing for the annexion of additional territory thereto; authorizing the District to do all things necessary to make available for the above-named uses water from surface sources and water it may obtain by purchase, lease, or through arrangement contracts with persons, firms, corporations and public agencies or the United States Government or any of its agencies; empowering the District to acquire land and construct a lease, or otherwise acquire all facilities necessary or useful in diverting, impounding, storing, processing, or transporting water for the above-named purposes; authorizing the District to lease or acquire rights in and to storage and storage capacity in any reservoir; authorizing the issuance of bonds and making provisions for the payment and security thereof; making applicable to the District Title 52, Revised Civil Statutes, as amended, relating to eminent domain, and declaring the District to be a municipal corporation within the meaning of Article 3988 of Title 52; providing that the District shall bear the expense of relocation, redesign, or rerouting of any highway, railroad, or utility lines or pipelines made necessary by its exercise of the power of eminent domain; prescribing other powers and duties of the District; enacting other provisions relating to the subject; providing that nothing in this Act shall be interpreted to repeal or amend Article 7471, Revised Civil Statutes of Texas; providing for severability; and declaring an emergency.

H. B. No. 495, An Act amending Section 1 of Chapter 283, Acts of the Forty-fourth Legislature, Regular Session, 1925 (Article 279a of Vernon's Texas Civil Statutes), to include the Veterans Administration and the Administrator of Veterans Affairs in the exemption from security and bond requirements in actions brought in the courts of this State; repealing conflicting laws; and declaring an emergency.

H. B. No. 523, An Act amending Article 3766 of the Revised Civil Statutes of Texas, 1925, to provide that both males and females, who are otherwise qualified, shall constitute the militia and be subject to military duty; and declaring an emergency.

H. B. No. 553, An Act authorizing the Board of Regents of the State Teachers Colleges to execute and deliver to the State Highway Commission a right-of-way easement for the construction and maintenance of a U. S. Highway 78 by-pass loop extending along and across certain State property owned by the State of Texas for the use and benefit of Sam Houston State Teachers College; and declaring an emergency.

H. B. No. 659, An Act concerning County Law Libraries, amending Acts of the Forty-eighth Legislature, Regular Session, 1937, Article 192, Section 1, providing for a cost increase on civil cases to benefit the County Law Library Fund; and declaring an emergency.

SENATE BILLS ON FIRST READING

The following Senate Bills received from the Senate were today laid before the House read several first time and referred to the appropriate Committees, as follows:

S. B. No. 102 to the Committee on Education.
May 1, 1957

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S. B. No. 456 to the Committee on Education.
S. B. No. 194 to the Committee on Public Health.
S. B. No. 312 to the Committee on State Affairs.

HOUSE BILLS ON FIRST READING

The following House Bills were today laid before the House, read severally first time and referred to the appropriate Committees, as follows:

By Messrs. Schwartz of Galveston and Hooey:
H. B. No. 939, A bill to be entitled "An Act relating to cities which have annexed territory within water control and improvement districts, where such district lies in more than one city; providing that such cities shall succeed to the powers, duties, assets and obligations of such districts; providing that such districts may be abolished by mutual agreement of the cities wherein such district lies; providing such cities may issue refunding bonds in its own name to refund any obligations assumed by it; making other provisions relating thereto; and declaring an emergency."
Referred to the Committee on Education.

H. B. No. 940, A bill to be entitled "An Act creating a Juvenile Court and a Court of Domestic Relations in Dallas County, Texas; providing the terms and jurisdiction of said courts; providing for the appointment, election and term of office of said Judges; prescribing the powers, duties and compensation of the Judges of said courts; providing for the appointment, compensation and designation of other officers of said courts; providing for transfer of cases and filing of cases in the Juvenile Court and in the Court of Domestic Relations; providing for the services of certain county and district officers of said courts; providing for the membership of the Juvenile Board of Dallas County; containing a savings clause and declaring an emergency."
Referred to the Committee on Counties.

ADJOURNMENT

Mr. Cotten moved that the House adjourn until 10:00 o'clock a.m. tomorrow.
Mr. Pool moved that the House adjourn until 7:30 o'clock p.m. today.
Mr. Welch moved that the House adjourn until 9:00 o'clock a.m. tomorrow.

The motion to adjourn until 7:30 o'clock p.m. today was lost.
(Speaker in the Chair.)

The motion to adjourn until 9:00 o'clock a.m. tomorrow was lost.

The Reverend E. C. McDonald, Chaplain, offered the Benediction, as follows:

"Almighty God, creator of all things, giver of every good and perfect gift. Hear us as we pray for all those in places of influence and authority, that they may do right. Guide those who lead us; and teach Thy servants with Thy Holy Spirit, that their faith may be revived, their hope renewed, and their vision made clear and challenging. Give to them the conviction, that with Thy help, all things are possible—even the most difficult things that baffle us now. God forbid that any here should add to the problems, but rather resolve by Thy help, to become part of the answer. So help us God, for Jesus' sake. Amen."

The motion to adjourn until 10:00 o'clock a.m. tomorrow prevailed.

The House accordingly, at 5:20 o'clock p.m., adjourned until 10:00 o'clock a.m. tomorrow.

APPENDIX

STANDING COMMITTEE REPORTS

The following Committees have filed favorable reports on bills, as follows:

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir:

Your Committee on Engrossed Bills to whom was referred H. J. R. No. 37, Proposing an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the State.

Has carefully compared same and finds it correctly engrossed.

HERMAN YEZAK, Chairman.

Austin, Texas, April 30, 1957

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir:

Your Committee on Engrossed Bills to whom was referred H. B. No. 547, An Act amending Acts, 1937, Forty-ninth Legislature, page 181, Chapter 81, Sections 3 and 12 (codified as Article 1628b, Sections 3 and 12, Vernon's Annotated Civil Statutes) to authorize electric cooperatives, under certain conditions, to serve persons, dwellings, structures, apparatus and points of delivery not receiving central station service located in rural areas or in an area which was a rural area when service was undertaken; prescribing the qualifications of members; repealing all laws and parts of laws in conflict herewith; containing a severability clause; and declaring an emergency.

Has carefully compared same and finds it correctly engrossed.

HERMAN YEZAK, Chairman.

Austin, Texas, April 30, 1957

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir:

Your Committee on Engrossed Bills to whom was referred H. B. No. 647, A Bill to be entitled "An Act amending Acts, 1937, Forty-ninth Legislature, page 181, Chapter 86, Sections 3 and 13 (codified as Article 1628b, Sections 3 and 13, Vernon's Annotated Civil Statutes) to authorize electric cooperatives, under certain conditions, to serve persons, dwellings, structures, apparatus and points of delivery not receiving central station service located in rural areas or in an area which was a rural area when service was undertaken; prescribing the qualifications of members; repealing all laws and parts of laws in conflict herewith; containing a severability clause; and declaring an emergency."

Has carefully compared same and finds it correctly engrossed.

HERMAN YEZAK, Chairman.

Austin, Texas, April 30, 1957

Hon. Waggoner Carr, Speaker of the House of Representatives.

Sir:

Your Committee on Engrossed Bills to whom was referred H. B. No. 105, Suspending Joint Rules to permit the House to consider a Suspension Calendar for 7:30 p.m., or thereabouts on Wednesday, May 1, 1957.

Has carefully compared same and finds it correctly engrossed.

HERMAN YEZAK, Chairman.

Austin, Texas, April 30, 1957
In Memory of

Robert Troy Wilson

Miss Duff offered the following resolution:


Whereas, On August 5, 1956, it has pleased the Supreme Master of Heaven and Earth to call home to eternal rest the soul of Robert Troy Wilson of Ferris, and

Whereas, Throughout his lifetime, this distinguished citizen endeared himself in the hearts of all with whom he came in contact, being a lifetime resident and businessman of Ferris and an active member of the First Presbyterian Church, and

Whereas, Mr. Wilson was born December 10, 1894, the son of J. H. and Elizabeth Sanders Wilson. He was educated in the Ferris Public Schools and later attended Trinity University. He was married to Miss Faye Shofner of Ferris on July 30, 1929, and

Whereas, R. T. Wilson displayed the true spirit of Christianity and contributed tirelessly and generously of his talents and services to his God and Church. In early manhood he joined the Presbyterian Church and in this faith lived and died, having served as an elder for many years and having served as an official delegate to the Texas Synod of the Presbyterian Church, and

Whereas, Mr. Wilson was a member of the Ferris Masonic Lodge and a Shriner, a member of the Ferris Chamber of Commerce, and

Whereas, Since 1924 he had been associated with the Ferris Brick Company, serving in the capacity of Vice-President and General Manager at the time of his death. His early training and experience qualified him to be one of the leading livestock raisers in the Southwest. He specialized in the breeding and raising of fine mules which were in demand all over the country and which won many blue ribbons from National Horse Shows. Troy Wilson, as he was known to all breeders of fine horses and mules, was a member and director of the Ellis County Livestock Association, and

Whereas, Troy Wilson was a liberal contributor to every worthy cause in the community; he was generous and charitable; and his life was crowned with innumerable deeds of kindness, reaching out for the welfare and happiness of his fellow man, and

Whereas, This kind and gentle leader ever gave wise counsel and advice to all who were sorely troubled and distressed, and gave help, aid, and assistance to the heavily burdened. He was greatly responsible for the illuminated cross atop the high hill overlooking the famous brick yards and the City of Ferris, and

Whereas, The City of Ferris and the State of Texas have lost one of their outstanding citizens and lay leaders; now, therefore, be it

Resolved, That this House of Representatives of the Fifty-fifth Legislature of Texas hereby expresses its deepest sorrow and regrets at the passing of this citizen, and, be it further

Resolved, That enrolled copies of this resolution be furnished to the widow, Mrs. Faye Wilson; and the surviving brothers and sisters: J. Howard Wilson, Doyle Wilson, Mrs. John Rice, Mrs. Lenora Williams, Mrs. Leslie Lowrey, Mrs. Q. Weatherford, and Mrs. Clifford Pardue.

The resolution was unanimously adopted by a rising vote.