tion by the Comptroller of Public Accounts; providing that it shall not be necessary for plans and specifications, engineering reports, profiles, maps and other data to be filed in the office of the District before an election is held for the purpose of authorizing the issuance of bonds and that it shall not be necessary to secure approval of the State Board of Water Engineers prior to the issuance of bonds by the District; providing a savings clause; and declaring an emergency."

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

FIFTY-THIRD DAY
(Continued)
(Thursday, April 27, 1961)

The House met at 10:00 o'clock a.m., and was called to order by the Honorable L. DeWitt Hale.

The Invocation was offered by the Reverend Clinton Kersey, Chaplain, as follows:

"Our Father, help us to be men and women of courage. Give us clear vision that we may know where to stand and what to stand for because we realize unless we stand for something we shall fall for anything. Bless the Governor, Speaker, Lieutenant Governor and all those in places of responsibility in our State Government. In Christ's Name we pray.—Amen."

H. G. WELLS, Chairman.

LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence:

Mr. Gibbens for today on account of illness in his family, on motion of Mr. Miller.

Mr. Parsons for today and the remainder of the week on account of a death in his family, on motion of Mr. Allen.

Mr. Slider for today on account of a death in his family, on motion of Mr. Cowles.

Mr. Osborn for today and tomorrow on account of important business, on motion of Mr. Dewey.

INTRODUCTION OF HOUSE BILLS

Mrs. Banfield asked unanimous consent of the House to introduce at this time and have placed on first reading House Bill No. 1088. There was no objection offered and it was so ordered.
Mr. Mullen asked unanimous consent of the House to introduce at this time and have placed on first reading, House Bill No. 1089.

There was no objection offered and it was so ordered.

MEMORIAL RESOLUTIONS ADOPTED

H. S. R. No. 577, By Mr. Curington: In Memory of Mr. Washington F. Johnson.

H. S. R. No. 578, By Messrs. Green, Gladden, Richardson, Shannon, Cowen, Lary and Kennard: In Memory of Pat Lambert, Jr.

CONGRATULATORY RESOLUTIONS ADOPTED

H. S. R. No. 573, By Mr. Koliba: To commend members of Civics class of Weimar High School.

H. S. R. No. 574, By Mr. Wells: Congratulating Marjorie Lindsey Brewer.

H. S. R. No. 575, By Mr. Petty: Commending Dog Kilpatrick and other citizens of Brownfield, Texas.

H. S. R. No. 576, By Mr. Roberts of Hill: Congratulating Dr. Curb C. Campbell.

RELATIVE TO HOUSE BILL NO. 777

Mr. Martin offered the following resolution:

H. C. R. No. 87

Whereas, The Texas Department of Corrections is now compelled to utilize the custodial officers on a twelve-hour per day basis; and

Whereas, These employees are now working a total of eighty-four hours per week and a total of sixty-four hours on alternate weeks; and

Whereas, Many public employees are on a forty-hour week and no other State department must work its employees for this extremely long week; and

Whereas, This condition is not in accord with present recognized working hours and is a result of inadequate funds to employ a sufficient number of employees to alleviate this unfair situation; and, now, therefore, be it

Resolved, By the House of Representatives, the Senate of the State of Texas concurring, That both Houses urge the Conference Committee on Senate Bill No. 1 to work toward providing sufficient funds for employing personnel to relieve these oppressive working hours outlined in this Resolution.

The resolution was read and was referred to the Committee on Appropriations.

RELATIVE TO HOUSE BILL NO. 777

Mr. Heatly moved that House Bill No. 777 be recommitted to the Committee on Interstate Cooperation.

Mr. Berry raised a point of order on further consideration of the motion by Mr. Heatly at this time on the ground that this motion had been made several days ago and was tabled, and is therefore not in order.

The Chair sustained the point of order, stating that there has been no intervening action on the bill since the motion had been previously made.

Mr. Heatly then moved that House Bill No. 777 be recommitted to the Committee on Interstate Cooperation.

Mr. Berry moved to table the motion to recommit H. B. No. 777.

A record vote was requested on the motion to table.

The motion to table the motion to recommit H. B. No. 777 to the Committee on Interstate Cooperation was lost by the following vote:

Yeas-58

Adams of Titus  Fairchild
Alaniz  Garrison
Allen  Gladden
Atwell  Gluslng
Barron  Grover
Bartram  Guffey
Bell  Harding
Berry  Harrington
Buchanan  Hasheer
Burges  Johnson of Dallas
Butler  Johnson of Bexar
Cannon  Jones of Dallas
Cole of Harris  Jones of Travis
Cowles  Kilpatrick
de la Garza  La Valle
Dungan  Luebner

Alien  Johnson of Dallas
Atwell  Johnson of Bexar
Bartram  Jones of Travis
Barlow  Kilpatrick
Bartram  Luebner
Bell  Martin
Berry  Martin
Buchanan  Martin
Burges  Martin
Butler  Martin
Cannon  Martin
Cole of Harris  Martin
Cowles  Martin
de la Garza  Martin
Dungan  Martin

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The motion to recommit H. B. No. 777 to the Committee on Interstate Cooperation then prevailed.

Mr. Dewey moved to reconsider the vote by which H. B. No. 777 was recommitted to the Committee on Interstate Cooperation and to table the motion to reconsider.

The motion to table prevailed by the following vote:

Yeas—70
Adams of Lubbock Johnson of Dallas
Bailey Johnson of Bell
Ballman Jones of Travis
Banfield, Mrs. Kennard
Barnes Lack
Boyson Lary
Bridges Latimer
Caldwell Leaverton
Carrick McCoppin
Chapman Markgraf
Collins Martin
Cook Mullen
Cory Mutscher
Cotter Petty
Crain Preston
Dewey Price
Duff, Miss Ratcliff
Eckhardt Richards
Ehrle Rosan
Floyd Shannon
Foreman Stewart
Glass of Wichita
Green Townsend
Haynes Ward
Healy Watson
Hollowell Wheelley
Hughes Whitfield
Isacks, Miss Yezak
James

Nays—54
Adams of Titus Andrews
Alanis Atwell
Allen Barlow

The motion to reconsider the vote was laid on the table.
**SENATE BILL NO. 26 ON PASSAGE TO THIRD READING**

The Chair, Mr. Cole of Hunt, offered the following amendment to the bill:

Amend Senate Bill No. 26 by striking out all below the enacting clause and in lieu thereof substituting the following:

> "Section 1. The Board of Regents of the State Teachers Colleges of Texas, acting for East Texas State College, is hereby authorized to levy a regular fixed student fee not to exceed Eleven Dollars ($11) per student for each semester of the long session and not to exceed Five Dollars and Fifty Cents ($5.50) per student for each term of the summer school, or any fractional part thereof, as may in their discretion be just and necessary for the sole purpose of financing, constructing, operating, maintaining, and improving the Union Center Building; provided, however, that the amount of this fee may be changed at any time within the limits hereinabove fixed, in order that sufficient funds to support the Union Center Building may be raised; and providing further, that any increase in the fee is initially approved by a majority vote of those students participating in a general election to be called and held for that purpose. The fees herein authorized to be levied should be in addition to any Use Fee and Service Fee now or hereafter levied in accordance with law. No State funds may be expended for use of the Union Center Building."

> "Sec. 2. The Business Manager of the East Texas State College shall collect said fees provided for in Section 1 hereof and shall credit the money received from the said fees to an account known as the Union Center Building Account."

> "Sec. 3. The money thus collected and placed in said Union Center Building Account shall be used for the purpose of financing, constructing, operating, maintaining and improving the Union Center Building and shall be placed under the control and subject to the control of the Board of Directors of the Union Center Building, which Board of Directors shall annually submit a complete itemized budget to be accompanied by a full and complete report of all activities conducted during the year and all expenditures made incident thereto. The Board of Regents of the State Teachers Colleges of Texas shall make such changes in the budget as it deems necessary before approving the same, and shall then levy the student fees under"
the provisions of Section 1 in such amount as will be sufficient to meet the budgetary needs of the Union Center Building, within the statutory limits herein fixed.

Sec. 4. This fee will be collectible beginning 1 September 1962.

Sec. 5. The fact that there is a great need for a union center fee because of the recent vote of the students of East Texas State College, endorsing the new proposed Union Center Building, and that there is a necessity that the Board of Directors have the authority to pledge the Union Center with fees if necessary to the retirement of Union Center Building bonds, create 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 is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.”

Mr. Leaverton offered the following amendment to the amendment offered by Mr. Cole of Hunt:

Amendment No. 1

Amend amendment to Senate Bill No. 26 by striking the last sentence of Section 1 thereof and substituting in its place the following:

“The total fees for student services may not exceed the limit imposed by Section 4 of Chapter 12, Acts of the 56th Legislature, Second Called Session, 1959.”

The amendment by Mr. Leaverton to the amendment by Mr. Cole of Hunt was lost.

Mr. Leaverton offered the following amendment to the amendment offered by Mr. Cole of Hunt:

Amendment No. 2

Amend Amendment to Senate Bill No. 26 by striking out the first eight and one-half lines preceding the words “provided, however” of Section 1 and adding in lieu thereof the following:

Section 1. The Board of Regents of the State Teachers Colleges of Texas, acting for East Texas State College, is hereby authorized to levy a regular fixed student fee not to exceed Five ($5.00) Dollars per student for each semester of the long session and not to exceed Two and 50/100 ($2.50) Dollars per student for each term of the summer school, or any fractional part thereof, as may be necessary for the sole purpose of operating, maintaining, and improving the Union Center Building;

Mr. Ratcliff moved the previous question on the passage of S. B. No. 26 to third reading, with pending amendments and the main question was ordered.

The amendment by Mr. Leaverton to the amendment by Mr. Cole of Hunt was lost.

The amendment by Mr. Cole of Hunt was adopted.

S. B. No. 26 was passed to third reading.

SENATE BILL NO. 26 ON THIRD READING

Mr. Cole of Hunt moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 26 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—117

Adams of Titus  Adams of Titus  Adams of Titus
Alamia  Allen  Allen
Andrews  Atwell  Atwell
Ballman  Ballman  Ballman
Banfield, Mrs.  Barlow  Barlow
Barnes  Bartram  Bartram
Barres  Barram  Barram
Bass  Hell  Hell
Blaine  Boysen  Boysen
Bridges  Burgess  Burgess
Butler  Caldwell  Caldwell
Chapman  Cole of Harris  Cole of Harris
Cole of Hunt  Collins  Collins
Cook  Cooke  Cooke
Cory  Cotten  Cotten
Cowen  Cowles  Cowles
Crai  Crew  Crew
Curington  de la Garza  de la Garza
Duff, Miss  Duff, Miss  Duff, Miss
Dugas  Dickard  Dickard
Ehrhardt  Earle  Earle
Ebrle  Eberle  Eberle
Fairchild  Fletcher  Fletcher
Floyd  Ford  Ford
Foreman  Garrison  Garrison
Glaedden  Glass  Glass
Glaging  Glasing  Glasing
Green  Grover  Grover
Grove  Grover  Grover
Haring  Haring  Haring
The bill was read third time.

Mr. Cole of Hunt offered the following amendment to the bill:

Amendment No. 2

Amend Senate Bill No. 26 by striking out all above the enacting clause and in lieu thereof substituting the following:

“A Bill To Be Entitled An Act authorizing and empowering the Board of Regents of the State Teachers Colleges of Texas to levy a regular fixed student fee for the purpose of financing, constructing, operating, maintaining and improving the East Texas State College Union Center Building at the East Texas State College; fixing the amount of said fee; authorizing the Business Manager of East Texas State College to collect the same, and providing the purpose for which said fee shall be used; placing the control of the fees in the hands of the Board of Directors of the East Texas State College Union Center; providing for a budget for the operation of said Union Center; providing that no State funds shall be expended for use of the Union Center Building; and declaring an emergency.”

The amendment was adopted by unanimous consent.

S. B. No. 26 was then passed.

Mr. Cole of Hunt moved to reconsider the vote by which S. B. No. 26 was passed and to table the motion to reconsider.

The motion to table prevailed.

SENATE BILL NO. 135 ON PASSAGE TO THIRD READING

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

S. B. No. 135, Creating a Juvenile Board for Galveston County; and declaring an emergency.

The bill was read second time on March 15, considered on March 29 and April 12 and further consid-
eration was postponed until 11:00 o'clock a.m., April 26.

Mr. LaValle moved that further consideration of Senate Bill No. 135 be postponed until Thursday, May 4, at 11:00 o'clock a.m.

The motion prevailed.

SENATE BILL NO. 162 ON PASSAGE TO THIRD READING

The Chair laid before the House as postponed business, on its passage to third reading, S. B. No. 162, Changing the name of the Probate Court of Galveston County; and declaring an emergency.

The bill was read second time on March 15, considered on March 29 and April 12 and further consideration was postponed until 11:00 o'clock a.m., April 26.

Mr. LaValle moved that further consideration of Senate Bill No. 162 be postponed until Thursday, May 4, at 11:00 o'clock a.m.

The motion prevailed.

SENATE BILL NO. 18 ON SECOND READING

The Chair laid before the House, on its second reading and passage to third reading, S. B. No. 18, Providing that an instrument is payable to bearer; and declaring an emergency.

The bill was read second time and was passed to third reading.

SENATE BILL NO. 18 ON THIRD READING

Mr. Gladden moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 18 be placed on its third reading and final passage.

The motion prevailed by the following vote:

YEAS—116
Adams of Titus       Barnes
Adkins             Bartram
Atwell             Bass
Bailey             Bell
Banfield, Mrs.     Blaine
Bartow             Boyesen
Bridges            McGregor
Buchanan           of El Paso
Butler             McLainy
Caldwell           Markgraf
Cannon             Martin
Carriker           Cole of Harris
Cole of Harris     Cole of haut
Collins            Moore
Connell            Mullen
Cook               Murray
Cory               Mutcher
Cotting            Nimsayer
Cowen              Oliver
Cowles             Peeler
Craig              Petty
Dia de Garza       Preston
Dewey              Price
Duff, Miss         Quilliam
Dungan             Rapp
Richardt           Read
Ehrie              Richards
Fauchild           Richardson
Fletcher           Roberts of Dawson
Foreman            Ross
Gladden            Rosson
Glass              Sandahl
Glasing            Schram
Green              Shannon
Grover             Shirley
Guiffey            Smith of Bexar
Harding            Sparr
Harrington         Spelman
Haynes             Sprieger
Healy              Stewart
Hinson             of Galveston
Hollowell          Stewart
Hubner             of Wichita
Isaacks, Miss      Struve
Johnson of Bexar   Thurm
Johnson of Bell    Thurmond
Jones of Dallas    Townsend
Jones of Travis    Trevo
Kilpatrick         Tunnell
Kilroy             Walker
Lack               Ward
Lary               Watson
Latimer            Wells
La Valle           Wheatley
Leauseron          Whaley
Lewis              Wilson of Trinity
McCoopin           Wilson of Potter
McGregor           Woods
of McLennan        Yesak
Nays—11
Adams of Lubbock    Jarvis
Andrews             Koliba
Burgess            Nugent
Floyd              Roberts of Hill
Garrison           Snelson
Haring             In The Chair
Hale
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Mr. Barlow offered the following Committee Amendment to the bill:

Committee Amendment No. 1

Amend Senate Bill No. 23 by adding to Section 23 of Section 1 the following sentence:

"Nothing contained herein shall be construed so as to prevent the application of the enhanced penalty provision of Article 63 of the Penal Code of Texas, 1925."

The amendment was adopted.

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

Committee Amendment No. 2

Amend Senate Bill No. 23 by striking out all above the enacting clause and in lieu thereof substituting the following:

"A BILL
To Be Entitled
AN ACT amending Subsection (1) of Section 23 of the Uniform Narcotic Drug Act, Chapter 169, Acts of the 45th Legislature, Regular Session, as amended, by increasing the minimum penalty for selling or offering to sell narcotic drugs as prohibited by such Act, and providing the provisions of Article 63, Vernon's Texas Penal Code shall be applicable; and declaring an emergency."

The amendment was adopted.

S. B. No. 23 was passed to third reading.

SENATE BILL NO. 23 ON THIRD READING

Mr. LaValle moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 23 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas-133
Adams of Lubbock Atwell
Adams of Titus Bailey
Alanis Ballman
Albanes Banfield, Mrs.
Andrews Barlow

The bill was read second time.
The Chair then laid Senate Bill No. 23 before the House on third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—135

Adams of Lubbock Eckhardt
Adams of Titus Edriss
Allen Fairchild
Andrews Fletcher
Atwell Floyd
Bailey Foreman
Ballman Grover
Barnes Glusing
Bell Gulrey
Blaine Harding
Blaine Gladiator
Blain Johnson of Bexar
Blair Johnson of Dallas
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Latimer                Roberts of Dawson
La Valle                Ross
Leaverton              Ronser
Lewis                  Sandahl
Longoria               Schram
McCoppin               Shannon
McGregor                Black
McGregor of El Paso    Smith of Bexar
McIlhany               Smith of Jefferson
McKibben               Snelson
Markgraf                Spears
Martin                 Spilman
Miller                 Springer
Moore                  Stewart
Mullen of Galveston    Stewart of Wichita
Murray                  of Tarrant
Mutcher                  of Wichita
Niemeyer                Struve
Nugent                  Tharman
Oliver                  Thurmond
Peary                   Townsend
Peeler                   Trevino
Petry                   Trennell
Pipkin                  Walker
Preston                 Ward
Price                   Watson
Quilliam               Wheatley
Rapp                    Whitehead
Ratliff                 Wilson of Potter
Read                    Woods
Richards                Yezak
Richardson               of El Paso

Haring of Galveston        Nays—1

In The Chair

Hale                    Absent

Alaziz               Roberts of Hill
Berry                   Wells
Buchanan               Wilson of Trinity
Pierce                  Wilson of Trinity

Absent—Excused

Gibbens                  Parsons
Osborn                    Slider

Mr. LaValle moved to reconsider the vote by which S. B. No. 27 was passed and to table the motion to reconsider.

The motion to table prevailed.

SENATE BILL NO. 27 ON SECOND READING

The Chair laid before the House, on its second reading and passage to third reading, S. B. No. 27, To provide a remedy for persons convicted and imprisoned in the penitentiary on false or untrue testimony; and declaring an emergency.

The bill was read second time and was passed to third reading.

SENATE BILL NO. 27 ON THIRD READING

Mr. Barlow moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 27 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—126
Adams of Lubbock       Glusing
Adams of Titus         Green
Alaziz                 Grover
Allen                  Guiffey
Andrews                Harding
Balley                 Harrington
Ballman                Haynes
Bailey, Mrs.           Hinson
Barlow                 Hollowell
Barrett                Huebner
Barnes                 Hughes
Bartlam                Hughes
Bell                    Hughes of Dallas
Blaine                 Isaac, Miss
Boyer                  Johnson of Bexar
Bridges                Johnson of Bell
Burgess                Jones of Travis
Butler                 Kennard
Caldwell               Kirkpatrick
Cannon                 Kipcolth
Carrier                Lack
Cole of Harris         Lary
Cole of Hunt           Latimer
Collins                La Valle
Connor                 Leaverton
Cook                    Lewis
Cory                   Longoria
Cotter                 McCoppin
Cowen                  McGregor
Cowles of McLennan     McGregor
Crews of El Paso       McIlhany
Duff, Miss             Markgraf
Dungan                 Martin
Ehrle                  Miller
Fairchild              Moore
Fletcher               Mullen
Floyt                  Murray
Foreman                 Mutcher
Garrison               Niemeyer
Gladden                Oliver
Glass                   Peeler

Nays—1

Haring of Galveston
There was no objection offered and it was so ordered.

RELATIVE TO CONSIDERATION
OF H. B. NO. 960

Mr. Wilson of Trinity moved to suspend all necessary rules in order to place House Bill No. 960 at the top of the Calendar on next Tuesday morning, May 2.

The motion prevailed, having received the necessary two-thirds vote.

SENATE JOINT RESOLUTION NO. 19 ON PASSAGE TO THIRD READING

The Chair laid before the House, on its passage to third reading,

S. J. R. No. 19, Relative to proposing to amend Art. 9 of the Constitution to permit the Legislature to delegate certain zoning powers to counties on Gulf of Mexico.

The resolution having been read second time on this morning.

COMMEMORATING THE GOLDEN ANNIVERSARY OF BEAUMONT AERIE NO. 116, FRATERNAL ORDER OF EAGLES

Mr. Smith of Jefferson offered the following resolution:

H. S. R. No. 680

Whereas, The Fraternal Order of Eagles is an outstanding, patriotic and humanitarian organization with more than a million members in the United States; and

Whereas, Beaumont Aerie No. 116 of this great Order was officially chartered in the year 1911, and has performed outstanding service throughout the years since that time; and

Whereas, Beaumont Aerie No. 116, Fraternal Order of Eagles, will, on May 7, 1961, celebrate and observe its Golden Anniversary commemorating a full fifty (50) years in the great Organization which is dedicated to Liberty, Truth, Equality and Justice; and

Whereas, On May 7, 1961 all former members of the Aerie and their families, brother Eagles from all parts of this State and from many parts of this Nation, delegates from
many Aeries in Southeast Texas and many other special guests, will be royally welcomed and entertained by Beaumont Aerie No. 116 and the Ladies Auxiliary under the direction of Honorable Bill Waldrop, Worthy President, Honorable Joe Jordan, Honorable Norman Troy, Honorable Jim Davis, Honorable John Morrison and the members of their various committees; and

Whereas, A district initiation is also scheduled for this occasion which will bring new Eagles from all Aeries within the district to be received by a distinguished Degree Team consisting of outstanding Eagles from many parts of Texas; therefore, be it

Resolved by the House of Representatives of the State of Texas that congratulations be extended to Beaumont Aerie No. 116 on the occasion of its Fiftieth Anniversary in Eagledom, and that the best wishes of all the members of this House and more especially all of those members who are Eagles, be expressed by this resolution; and be it further

Resolved, That Representative Will L. Smith of Beaumont, Texas, a member of both the House of Representatives and the Fraternal Order of Eagles for many years, be instructed and directed to present an official copy of this resolution duly signed and sealed and with proper ceremony to the officials and members of Beaumont Aerie No. 116 on May 7, 1961 in Beaumont, Texas.

The resolution was adopted.

RECESS

Mr. Oliver moved that the House recess until 2:00 o'clock p.m. today.

The motion prevailed.

In accordance with the motion to recess the House at 12:35 o'clock p.m., took recess until 2:00 o'clock p.m. today.

AFTERNOON SESSION

The House met at 2:00 o'clock, p.m., and was called to order by the Honorable L. DeWitt Hale.

MESSAGE FROM THE GOVERNOR

The Chair laid before the House and had read the following message from the Governor:

April 27, 1961

To the Members of the Fifty-Seventh Legislature:

As we enter the last 30 days of this Regular Session, with the State’s financial needs still of paramount importance, I call your special attention to various economy measures and sources of revenue other than new taxes which I have heretofore recommended.

Some of these measures would obviate the necessity for a considerable amount of new taxes, and others would reduce General Fund spending. They are:

1. An enforcement and reporting statute to supplement the present Texas escheat law. There are two bills pending on this subject, H. B. 476, which has been spread on the House Journal, and H. B. 760, now in the Revenue and Taxation Committee. Even with amendments which have been placed on these measures since the beginning of the session, enactment of an escheat enforcement law should yield at least $10 million. By simply bringing in the money now due the State under the present escheat statute, but which is being used and often dissipated by the holders, the people of Texas could be saved from paying at least this amount in new taxes.

2. Financing the Colson-Briscoe farm-to-market road program from special earmarked farm-to-market funds in the Highway Department for a period of two years, as proposed in the substitute of Rep. Smith of Jefferson for H. B. 562, now pending in the Revenue and Taxation Committee. This can be done without any reduction in new construction of farm-to-market roads, and will relieve the General Fund of a $30 million burden during the biennium.

3. A tuition increase of $50 per semester at State-supported colleges and universities, with continuation of a tuition scholarship program for any students who cannot afford to pay, proposed in H. B. 933 before the Appropriations Committee, and amounting to $15 million per year.

4. Include the Texas Education Agency budget in Minimum Foundation Program financing (H. B. 479), which has passed the House and is in the Senate Finance Committee.
This would save the General Fund $283,000 per year.

5. Finance county school superintendents and administration from local sources, and permit people of any county to abolish this office. This would save the State $2,523,000 per year. It was recommended by the Hale-Aikin Committee, and is contained in H. B. 380, both of which are still in committee.

6. Redefine scholastic as pupil in average daily attendance (H. B. 804) also recommended by the Hale-Aikin Committee. This would save $180,000 per year.

7. Change the statutory allocation of certain tax revenue from the Available School Fund to the Minimum Foundation Fund, for a saving of $562,000 yearly. This is contained in H. B. 334, now pending in the Senate State Affairs Committee.

8. Increase collections from the families of non-indigent patients in the State hospitals who are able to pay for their care, which at reasonable rates would yield at least $2 million per year. This can be effected by an amendment to any revenue bill with a broad caption, such as H. B. 334 now pending in the Senate State Affairs Committee.

These recommendations would yield or save the General Revenue Fund $7,316,000 during the next biennium. Forty million dollars of this amount would be one-time non-recurring gains, and $10,316,000 would recur for each biennium.

In addition to these recommendations, S. B. 76 would provide long-range savings by encouraging school district consolidations, and House Bill 334 contains a provision that income derived from houses and annual delay rentals from Permanent School Fund lands shall be deposited in the Available School Fund in an amount not exceeding 1% of the Permanent Fund. The latter provision would yield $12 million for the biennium to apply on public school salaries and improvements.

Also, the Texas Research League has made a number of recommendations for improvements in accounting, record-keeping, and tax collecting procedures and other governmental "housekeeping" operations, designed to save approximately a million dollars per year.

At a time when we are facing the task of raising additional funds, I am sure that the members of the Legislature and the people of Texas will agree it is essential that as much revenue as possible be obtained from sources other than new taxes and that every possible economy be effected in the operation of the State government.

The foregoing proposals are means of accomplishing these purposes and I again urge their early consideration and enactment.

Respectfully submitted,

PRICE DANIEL, Governor.
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accident, health and accident, or life, health and accident insurance company. In order to form such a company, the corporators shall sign and acknowledge its articles of incorporation and file the same in the office of the State Board of Insurance. Such articles shall specify:

"1. The name and place of residence of each of the incorporators;
"2. The name of the proposed company, which shall contain the words "Insurance Company" as a part thereof, and the name selected shall not be so similar to the name of any other insurance company as to be likely to mislead the public;
"3. The location of its home office;
"4. The kind or kinds of insurance business it proposes to transact;
"5. The amount of its capital stock, not less than Fifteen Thousand Dollars ($15,000.00); all of which capital stock must be fully subscribed and paid up and in the hands of the corporators before said articles of incorporation are filed. Such stipulated premium insurance company shall not be incorporated unless at the time of incorporation such company is possessed of at least Seven Thousand Five Hundred Dollars ($7,500.00) surplus, in addition to its capital; provided the amount of such surplus need not be stated in its articles of incorporation. Such minimum capital and surplus shall, at the time of incorporation, consist only of lawful money of the United States or bonds of the United States or of any county or incorporated municipality thereof, or government insured mortgage loans which are otherwise authorized by this chapter; and shall not include any real estate; provided, however, fifty per cent (50%) of the minimum capital may be invested in first mortgage real estate loans. After the granting of charter, the surplus may be invested as otherwise provided in this chapter. Notwithstanding any other provisions of this chapter, such minimum capital shall at all times be maintained in cash or in the classes of investments described in this article;
"6. The period of time it is to exist, which shall not exceed five hundred (500) years;
"7. The number of shares of such capital stock;
"8. Each other provision not inconsistent with the law as the corporators may deem proper to insert therein.

"Section 2. Every stipulated premium company incorporated or transacting business in this State shall be subject to the provisions of this Chapter 22, unless otherwise expressly provided by this Code and no other insurance law of this State shall apply to any corporation chartered under this Chapter and no law hereafter enacted shall apply to stipulated premium companies unless they be expressly designated therein.

"Art. 22.02 Shares of Stock.

The stock of any stipulated premium company shall be of par value. Each share shall be for not less than One Dollar ($1.00) nor more than One Hundred Dollars ($100.00). Such stipulated premium companies may issue and dispose of their authorized shares having a par value for money or those notes, bonds and mortgages, of which Art. 32.01 of this Chapter authorizes for minimum capital; and such shares shall thereafter be non-assessable. In the event all of the shares of stock, authorized by the original charter or any amendment, are not subscribed and paid for at the time the original charter is granted, the amendment is filed, then when such remaining shares of stock are sold and issued, the company shall file with the State Board of Insurance, within ninety (90) days after the issuance of such shares, a certificate authenticated by a majority of the directors setting forth the number of shares so issued and the actual consideration received by the company for such shares.

"Art. 22.03. Application, Charter and Organization.

"Section 1. As a condition precedent to the granting of a charter of any such company, the corporators shall file with the State Board of Insurance the following:
"1. An application for charter on such form and including therein such information as may be prescribed by the Board;
"2. The articles of incorporation as provided in this Code;
“3. An affidavit made by two (2) or more of its incorporators that all of the stock has been subscribed in good faith and fully paid for, as required by law, in the amount of not less than Fifteen Thousand Dollars ($15,000.00) capital and that such company is possessed of at least Seven Thousand Five Hundred Dollars ($7,500.00) surplus, as required by law, in addition to its capital, which affidavit shall state that the facts set forth in the application and the articles of incorporation are true and correct and that the capital and surplus is the bona fide property of such company. The State Board of insurance may, in its discretion, at the expense of the incorporators, require other and additional satisfactory evidence of the matters required to be set forth in said affidavit before it shall be required to file the articles of incorporation, application for charter or follow the procedure hereinafter set forth;

“4. A charter fee of Twenty-Five Dollars ($25.00).

“Section 2. When such application for charter, articles of incorporation, affidavit, and charter fee are filed with the State Board of insurance, the Board may set a date for a public hearing of the same, which date shall be not less than ten (10) nor more than thirty (30) days after the date of notice thereof. The Board shall notify in writing the person or persons submitting such application of the date for such hearing and shall furnish a copy of such notice to the Attorney General of Texas and to all interested parties, including any parties who have theretofore requested a copy of such notice. The Board shall, at the expense of the incorporators, publish a copy of such notice in any newspaper of general circulation in the county of the proposed home office of said company. In all such public hearings on such applications, a record shall be made of such proceedings, and no such application shall be granted except when same is adequately supported by competent evidence. Any interested party shall have the right to oppose or support the granting or denial of such application and may intervene and participate fully and in all respects in any hearing or other proceeding had on any such application. Any such intervenor shall have and enjoy all the rights and privileges of a proper or necessary party in a civil suit in the courts of this State, including the right to be represented by counsel.

“Section 3. In considering any such application the Board shall, within thirty (30) days after public hearing, determine whether or not;

“(a) The minimum capital and surplus as required by law is the bona fide property of the company;

“(b) The proposed officers, directors and managing executives have sufficient insurance experience, ability and standing to render success of the proposed company probable;

“(c) The applicants are acting in good faith.

“Section 4. If the Board shall determine by an affirmative finding any of the above issues adversely to the applicants, it shall reject the application in writing, giving the reason therefor. Otherwise, the Board shall approve the application and submit such application, together with the articles of incorporation and the affidavit, to the Attorney General for certification. If the application, articles of incorporation, the affidavit and the procedure and action thereon shall be found by the Attorney General to be in accordance with the law of this State, he shall attach thereto his certificate to that effect, whereupon all such documents shall be deposited with the Board. Upon receipt by the Board of such documents so certified by the Attorney General, the Board shall record the same in a book kept for that purpose, and upon receipt of a fee of One Dollar ($1.00), it shall furnish a certified copy of the same to the incorporators upon which they shall become a body politic and corporate and may proceed to complete the organization of the company, for which purpose they shall forthwith call a meeting of the stockholders who shall adopt by-laws for the government of the company, and elect a board of Directors, not less than five (5), composed of stockholders; which board shall have full control and management of the affairs of the corporation, subject to the by-laws thereof.
as adopted or amended from time to time by the stockholders or directors, and to the laws of this State. The Board of Directors so elected shall serve until the second Tuesday in April thereafter, on which date, annually thereafter, there shall be held a meeting of the stockholders at the home office, and a Board of Directors elected for the ensuing year. If the stockholders fail to elect directors at such annual meeting, the directors may be elected at a special meeting of the stockholders called for that purpose. The directors shall choose a President from their own number, and all other officers shall be chosen in accordance with the by-laws of the company, and none of such officers need be either a director or a stockholder except as required by the by-laws of such company. The duties and compensation of officers of such company shall be in accordance with the by-laws of the company, or, to the extent of the absence of provisions governing the same in the by-laws, then the duties and compensation of officers shall be defined and fixed by the directors. The directors shall keep a full and correct record of their transactions to be open during business hours to the inspection of stockholders. The directors shall fill any vacancy which occurs in the Board or in any office of such company. A majority of the Board shall be a quorum for the transaction of such business. At all meetings of the stockholders, each stockholder shall be entitled to one vote for each share of stock fully paid up appearing in his name on the books of the company, which vote may be given in person or by written proxy. The majority of the paid up capital stock at any meeting of the stockholders shall be a quorum.

"Art. 22.04. Amendment of Charter."

"At any regular or called meeting of the stockholders, they, by resolution, provide for any lawful amendment to the charter or articles of incorporation; and such amendment, accompanied by a copy of such resolution duly certified by the President and Secretary of the company, shall be filed and recorded in the same manner as the original charter, and shall thereupon become effective. Stockholders representing a majority of the capital stock of any such company may in such manner also increase or reduce the amount of its capital stock. The capital stock shall in no case be reduced to less than the minimum amount of fully paid up capital stock required by applicable provisions of law. A statement of any such increase or reduction shall be signed and acknowledged by two officers of the company and filed and recorded along with the certified copy of the resolution of the stockholders provided therefor in the same manner as the charter amendment thereto. For any such increase or reduction, the company may require the return of the original certificates as other evidence of stock in exchange for new certificates issued in lieu thereof. The shares of stock of such company shall be transferable on its books, in accordance with law and the by-laws of the company, by the owner in person or his authorized agent. Every person becoming a stockholder by such transfer shall succeed to all rights of the former holder of the stock transferred, by reason of such ownership.

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of the original certificates as evidence of stock in exchange for new certificates transferable on its books, in accordance with this Chapter and the by-laws of the company, by the owner in person or his authorized agent. Every person becoming a stockholder by such transfer shall succeed to all rights of the former holder of the stock transferred, by reason of such ownership.

"Art. 22.05. Original Examination and Certificate.

"When the first meeting of the stockholders shall be held and the officers of the company elected, the President or Secretary shall notify the State Board of Insurance and such Board shall thereupon immediately make or cause to be made at the expense of the company a full and thorough examination thereof. If it finds that all of the capital stock of the company amounting to not less than the minimum amount required by law has been fully paid up and is in the custody of the officers either in cash or securities of the class such companies are authorized by this Chapter to invest or loan, it shall issue forthwith to such stipulated premium company a temporary certificate of authority limiting the activities of such stipulated premium company solely to the negotiating and obtaining of a direct reinsurance agreement with a company chartered and doing business under the provisions of Chapter 14 of the Insurance Code of Texas on the effective date of this Act. Such certificate of authority shall terminate twelve (12) months from its date, unless renewed by the State Board of Insurance for an additional period of twelve (12) months, provided that such stipulated premium company has not theretofore consummated a direct reinsurance agreement with such a company doing business under the provisions of Chapter 14 of the Insurance Code.

"Before such temporary certificate of authority is issued, not less than two (2) officers of each company shall execute and file with the State Board of Insurance an sworn schedule of all the assets of the company exhibited to the Board upon such examination showing the value thereof, together with a sworn statement that the same are bona fide, the unconditional and unencumbered property of the company, and are worth the amount stated in such schedule.

"In the event a direct reinsurance agreement be not so consummated within such twelve (12) months period, unless renewed by the State Board of Insurance for an additional period of twelve (12) months, the certificate of authority shall automatically terminate and the incorporators of such stipulated premium company shall forthwith surrender its charter to the State Board of Insurance for cancellation.

"In the event a direct reinsurance agreement as provided in this Chapter is consummated with such a company doing business under the provisions of Chapter 14 of this Code, the State Board of Insurance shall forthwith and in accordance with the provisions of Art. 22.15 of this Code issue to such a company a regular certificate of authority to transact business in the same territory as previously permitted by such Chapter 14 company whose policies have been directly reinsured by the stipulated premium company. Likewise, such certificate of authority shall provide for the type of insurance business which may be written by the stipulated premium company; if the Chapter 14 company was engaged in the life business or was a burial association, the stipulated premium company shall be authorized to write life insurance policies as regulated by the provisions of this Chapter, and if the Chapter 14 company was permitted by its charter to write accident insurance, or health and accident, or life, health and accident insurance, then the stipulated premium company shall be so permitted.

"As such stipulated premium company thereafter directly reinsures additional Chapter 14 companies chartered and doing business under the provisions of Chapter 14 of the Insurance Code of Texas on the effective date of this Act, its regular certificate of authority shall be amended to extend its territory to include the territory of any other such Chapter 14 company and it shall also have authority to write any type of insurance coverage of any such Chapter 14 company whose policies are so assumed by the stipulated premium company.
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"Art. 22.06. Shall File Annual Statement.
Each stipulated premium company shall after the first day of January of each year, and before the first day of April prepare under oath of two (2) of its officers, and deposit in the office of the State Board of Insurance a statement accompanied with the fee for filing annual statements of Twenty Dollars ($20) showing the condition of the stipulated premium company on the 31st day of December next preceding, which shall include a statement in detail showing the character of its assets and liabilities on that date, the amount and character of business transacted, monies received, and how expended during the year, and the number and amount of its policies in force on that date and the total amount of its policies in force, except that insured under family group policies as defined in Art. 22.11, Section 1(b) of this Code will be accounted for only if a reserve is required as to such insured under said Art. 22.11, Section 1(b). The form of such annual statement shall be prepared and determined by the State Board of Insurance.

Any stipulated premium company may reinsure on an individual indemnity policy basis with any legal reserve company authorized to write life, health and accident insurance in this State having a capital and surplus or surplus of at least Two Hundred Thousand Dollars ($200,000.00) any risk or part of a risk which the stipulated premium company may issue or assume, and upon such reinsurance proper credit therefor shall be taken against the aggregate reserves required by Art. 22.11 of this Chapter.

"Section 2. Until the surplus of any stipulated premium company is at least Fifty Thousand Dollars ($50,000.00), no such stipulated premium company shall insure any life for more than One Hundred Thousand Dollars ($100,000.00) in the event of death from natural causes, and for more than Two Hundred Dollars ($200.00) in the event of death from accidental causes, unless such stipulated premium company reinsures the amount of coverage above One Thousand Dollars ($1,000.00) in the event of natural death and the amount of coverage above Two Thousand Dollars ($2,000.00) in the event of accidental death with a legal reserve company authorized to write life, health and accident insurance in this State having a capital and surplus or surplus of at least Two Hundred Thousand Dollars ($200,000.00); provided, however, the provisions of this Section and Art. 22.07 shall not apply to policies of insurance assumed by a stipulated premium company pursuant to the provisions of Art. 22.15 of this Chapter.

"Art. 22.08. Dividends: How Paid.
(a) No stipulated premium company shall declare or pay any dividends to its stockholders except from the profits made by said company not including surplus arising from the sale of stock, and shall pay no dividends except stock dividends until:
(a) the capital of said stipulated premium company shall be at least One Hundred Thousand Dollars ($100,000.00); (b) the deficiency reserve as permitted by this Chapter has been retired; and (c) capital of said stipulated premium company is maintained at not less than One Hundred Thousand Dollars ($100,000.00). Thereafter, cash dividends may be paid in accordance with this Chapter.

(a) No stipulated premium company shall pay any salary, compensation or emolument to any officer, trustee, or director except as provided by a vote of the Board of Directors of such company, or by a committee of such Board charged with the duty of authorizing such payments. The limitation as to time contained herein shall not be continued as preventing any stipulated premium company from entering into contracts with its agents for the payment of renewal commissions.
(b) The stockholders of any such stipulated premium company may authorize the inauguration of a plan...
or plans for the payment of pensions, retirement benefits or group insurance to its officers and employees. The stockholders may delegate to the Board of Directors authority and responsibility for the preparation, inauguration, putting into effect, final approval and administration of any such plan or plans or any amendments thereof.

"Art. 22.10. To Deposit Funds in Name of Company.

"Any director, member of a committee, or officer, or any clerk of a stipulated premium company, who is charged with the duty of handling or investing its funds, shall not deposit or invest such funds, except in the corporate name of such company; shall not borrow the funds of such company; shall not be interested in any way in any loan, pledge, security or property of such company, except as stockholder; shall not take or receive to his own use any fee, brokerage, commission, gift or other consideration for, or on account of, a loan made by or on behalf of such company.

"Art. 22.11. Reserves.

"Section 1. (a) Each stipulated premium individual life policy shall be reserved and each stipulated premium company shall maintain reserves on such individual life policies in accordance with any reserve standards adopted by the company and approved by the State Board of Insurance, provided such reserves are at least equal, in the aggregate, to reserves based on the 1956 Chamberlain Reserve Table with interest not to exceed three and one-half per cent (3 1/2%) per annum.

Any stipulated premium company is hereby authorized to use the 1956 Chamberlain Reserve Table."

"(b) Family group life policies, upon which a group premium is charged and under which there is a varying benefit dependent upon the sequence of deaths, shall be reserved and each stipulated premium company shall, at the election of the stipulated premium company, maintain reserves on such family group policies in either of the following methods of calculation: (1) The reserves shall be equal to the reserves which would be required, in accordance with the provisions of this Section on individual life policies on the lives of the then living two (2) oldest members of such family group; the amount of insurance for such two (2) members shall be based on the assumption that the elder of such members will be the first to die; or (2) The reserves shall be equal to the reserves which would be required, in accordance with the provisions of this Section on individual life policies on the lives of the then living members of such family group; the amount of insurance for each such member of the family group shall be based on the assumption that each such member will be the first to die. Each such stipulated premium company shall be permitted to select the method it shall use to calculate such reserves.

"Section 2. All health, accident and sickness policies shall be reserved by the stipulated premium company and each stipulated premium company shall maintain reserves on such policies in the same manner as is required by the companies writing such coverage under the provisions of Chapter 3 of the Insurance Code of Texas, except that an unearned premium reserve shall not be required to be maintained during the first policy year.

"Section 3. (a) On all policies of a Chapter 14 company assumed under a direct reinsurance agreement by a stipulated premium company, such stipulated premium company shall at the effective date of such reinsurance agreement calculate the amount of the required reserves in accordance with the provisions of this Article and shall also calculate and determine the amount of the net assets transferred to the stipulated premium company under each reinsurance agreement. In the event the net assets of the Chapter 14 company are insufficient to equal the amount of the required reserve, the difference shall be designated and carried as a deficiency reserve. Such deficiency reserve shall be allowed without creating the insolvency of the stipulated premium company, but the stipulated premium company must reduce said deficiency so determined by at least ten per cent (10%) thereof during each year following the date of the reinsurance agreement, but commencing such reduc.
tion as to the next succeeding annual statement filing date after the effective date of said reinsurance agreement, the deficiency reserve will be fully paid and satisfied, together with the assumed rate of interest thereon; provided, however, that such required reduction in the deficiency reserve shall never exceed the cumulative aggregate amount of ten percent (10%) per annum.

(b) In the event the annual required reduction of the deficiency reserve is not accomplished as of December 31st of each year involved, the Board of Directors of the stipulated premium company shall by appropriate action increase rates by advancing the age of the insureds at issue date, or by some other equitable rate adjustment, so as to correct the failure to reduce the amount of the deficiency. In the event of the failure of the Board of Directors of the stipulated premium company to so act within thirty (30) days following the calculation of reserves as of the date in this Chapter provided, the stipulated premium company shall be dealt with in accordance with this Chapter as if it were insolvent.

4. The State Board of Insurance, as soon as practical, in each year, shall compute or cause to be computed the reserve liability of each stipulated premium company whose capital stock has outstanding policies of insurance. In making such computations, the said Board may use group methods and approximate averages for fractions of a year or otherwise. Such reserve liability shall be computed upon the net premium basis in accordance with the reserve table and interest rate adopted by the stipulated premium company which has insurance in this State, computing its liabilities in the manner provided for in this Chapter.

5. Having determined the required reserve on all policies in force, but excluding the permissible deficiency reserves authorized by this Chapter, the State Board of Insurance shall require that the stipulated premium company have in securities of the class and character required by the laws of this State the amount of said reserves less the permissible deficiency reserve, plus the minimum capital required by this Chapter have been provided.

Section 6. In the event the stipulated premium company does not have the required reserves, less any permissible deficiency reserve, plus the minimum capital required by this Chapter, the Board of Directors of the stipulated premium company shall by appropriate action increase rates on policies in force by advancing the age of the insured at issue date or by some other equitable rate adjustment so as to correct such reserve inadequacy. In the event of the failure of the Board of Directors of the stipulated premium company to so act within thirty (30) days following the calculation of reserves as of the date in this Chapter provided, the stipulated premium company shall be dealt with in accordance with this Chapter as if it were insolvent under the provisions of Art. 22.13 of this Chapter.

Section 7. Premiums charged on all life policies issued by stipulated premium companies shall be at least equal to the renewal net premium calculated in accordance with the reserve standard adopted by the stipulated premium company and approved by the State Board of Insurance.

Any stipulated premium company transacting business within this State, whose capital stock may become impaired to the extent of thirty-three and one-third per cent (33 1/3%) thereof, computing its liabilities in the manner provided for in this Chapter, shall make good such impairment within sixty (60) days by: (a) a reduction of its capital stock (provided such capital stock shall in no case be less than the minimum amount required by this Chapter); or (b) by a rate adjustment where permitted by policy contract; or (c) by both such methods; and failing to make good such impairment within said time shall forfeit its right to write new business in this State until said impairment shall have been made good.
The State Board of Insurance may apply to any court of competent jurisdiction for the appointment of a receiver to wind up the affairs of such company when its capital stock shall become impaired to the extent of fifty per cent (50%) thereof, computing its reserve liability in the manner provided by this Chapter for the computation of such reserve liability. No stipulated premium company shall write new business unless it is possessed of the minimum capital required by this Chapter 22, except to the extent it may be otherwise expressly authorized by this Chapter of this Code.

"Art. 22.13. Policy Form Approval.

"Section 1. Life Policy Forms:

(a) Every policy of life insurance issued by a stipulated premium company shall state on the front page the amount of death benefit to be paid, and the circumstances or conditions under which it shall be paid. An application for each policy must be signed by the applicant, unless the applicant is a minor, in which event the application may be signed by a parent or guardian. The policy, or the policy and the application if a copy of the application is attached to the policy, shall constitute the entire contract. If the policy is to provide that misstatement as to the health or physical condition of the applicant may void the policy within the contestable period, the application shall so state in not less than ten (10) point type in language approved by the State Board of Insurance. All statements in the application shall in the absence of fraud be regarded as representations and not warranties. All conditions of the policy must be stated therein. Each policy must provide that it shall be incontestable, after having been in force during the lifetime of the insured for a period of two (2) years from date of issue, except for non-payment of premiums. It shall also provide that in case the age of the insured is misstated, the stipulated premium company shall be at the time of death of the insured. No policy nor the application therefor shall contain language or be in such form as to mislead the applicant or policyholder as to the type of insurance afforded nor as to his rights or benefits.

(b) It shall be unlawful for any stipulated premium company to assume liability on a life insurance risk on any one life in an amount in excess of Five Thousand Dollars ($5,000.00).

(c) Every life policy form must be approved by the State Board of Insurance as to form and language before it is used by the stipulated premium company.

(d) It shall be unlawful for any stipulated premium company to issue any paid up or endowment type policy.


(a) All health, accident, sickness and hospitalization policies shall be issued in accordance with the provisions of Art. 2.70 of Chapter 1 of this Code.

(b) All health, accident, sickness and hospitalization policies issued, reinsured or assumed by a stipulated premium company shall contain therein a premium redetermination clause so as to permit a rate readjustment by action of the Board of Directors of the stipulated premium company.

"Section 3. Readjustment of Premiums.

Each stipulated premium company shall provide in all policies of insurance issued, reinsured, or assumed by it for an increase or readjustment, not inconsistent with the provisions of this Chapter, of the rates of premium on any such insurance contracts, to be effective by resolution of its board of directors, whenever in their discretion such action becomes necessary. The board of directors shall have power in making any comprehensive readjustment of any class or classes of its policies, that any insured required to pay an increased premium may, at his option, in lieu thereof, or in combination therewith, consent to a reduction of the corresponding insurance benefits proportionate to the value of the increased premiums. Such requirement as to such policy provisions shall not apply to policy forms under which the premium for life insurance requires the payment of a premium for life insurance alone sufficient to maintain reserves at least equal to those

The rights or benefits.
computed on the basis of the 1958 Commissioners Standard Ordinary Table of Mortality with interest not to exceed three and one-half per cent (3 1/2 %) per annum and upon which the right to adjust rates has been relinquished by the stipulated premium company, provided that the stipulated premium company is possessed of free and unencumbered surplus in at least the amount of Fifty Thousand Dollars ($50,000.00) at the date of issuance of each such policy.

Section 4. Designation of Beneficiaries.

The designation of all beneficiaries under policies issued by stipulated premium companies shall comply with the provisions of Art. 3.49-1 and Art. 3.49-2 of Chapter 3 of this Code.

Section 5. Reductions.

Any policy may provide for reduced benefits when death or injury occurs while the insured is engaged in military, naval, aerial, or war service or in case of death of the insured by his own hand while insane; or while engaged in certain hazardous occupations to be named in the policy. Attention shall be called on the front page of the policy to any reduction or exclusion of benefits provided in any life policy, and the circumstances under which reduction or exclusion of benefits are applicable shall be plainly stated in the policy.

Section 6. Certain Words Prohibited from appearing on Policies.

No policy of insurance shall be approved for issuance of a stipulated premium company which shall contain thereon the words, 'Approved by the State Board of Insurance,' or words of a similar import or nature, and it shall be unlawful for any stipulated premium company to ever issue a policy containing such words or words of a similar import or nature.


All agents of stipulated premium companies shall be licensed in accordance with the provisions of Art. 21.07 of Chapter 21 of this Code.

Art. 22.15. Direct Reinsurance of Mutual Assessment Companies Regulated by Chapter Fourteen (14) of this Code.

Section 1. Any burial association, local mutual aid association, state-wide mutual assessment corporation, or any other similar concern by whatsoever name or class designated, that is regulated by the provisions of Chapter Fourteen (14) of this Code, may directly reinsure itself into a stipulated premium company licensed under the provisions of this Chapter.

Section 2. When it shall be determined by a majority vote of the Board of Directors of the company or association regulated by the provisions of Chapter Fourteen (14) of this Code, said Board of Directors shall prepare in detail plans for making such reinsurance, and such reinsurance agreement shall be submitted to the State Board of Insurance. The State Board of Insurance shall determine whether such reinsurance agreement complies with the provisions of this Chapter, and if such reinsurance agreement be in compliance with the provisions of this Chapter, the State Board of Insurance shall approve the same for submission to the members of the company or association regulated by the provisions of Chapter Fourteen (14) of this Code.

Section 3. After approval of the State Board of Insurance, the Board of Directors of the company or association regulated by the provisions of Chapter Fourteen (14) of this Code shall, in accordance with the by-laws, call a meeting of its membership to be held not earlier than fifteen (15) days after the date of mailing of the notice and reinsurance agreement.

Section 4. Such meeting of the membership shall be held for the purpose of ratification or rejection of the direct reinsurance agreement. Members may vote in person, by proxy to whoever the member may designate or by mail. All votes shall be cast by ballot. The Chairman of such meeting shall supervise and direct the method of procedure of said meeting and shall appoint an adequate number of inspectors to conduct the voting at said meeting. Said inspectors shall have full power and authority to determine all.
questions concerning the verification of the ballots, the qualifications of the voters, the canvassing of the ballots and the ascertainment of the validity thereof. At the conclusion of said meeting, the inspectors shall certify under oath the result thereof to the State Board of Insurance and to the assuming stipulated premium company. A two-thirds (2/3rd) majority vote cast by those participating in said meeting in person, by proxy, or by ballot shall be sufficient and adequate for the purpose of ratification of such reinsurance agreement. 

"Section 5. Provided such reinsurance agreement be approved by the members in accordance with the provisions of this Art. 22.15, the company or association regulated by the provisions of Chapter 14 of this Code shall cease to do business and all of its assets be transferred to the assuming stipulated premium company and thereafter become its sole and exclusive property. All policy liability will be assumed by the stipulated premium company in accordance with the provisions of said reinsurance agreement; all other liabilities shall be assumed by the stipulated premium company in accordance with the method and mode of payment thereof. The company or association regulated by the provisions of Chapter 14 of this Code shall thereafter forthwith surrender its certificate of authority and charter to the State Board of Insurance, which shall dissolve the same, and the company's or association's corporate existence shall cease. 

"Section 6. Such reinsurance agreement shall provide that the stipulated premium company will assume the policies of the company or association regulated by the provisions of Chapter 14 of this Act subject to the provisions of this Chapter. Immediately following approval by the membership of such reinsurance agreement, the stipulated premium company shall issue to each such policy a certificate of assumption setting forth terms of the assumption, and the reserve and interest under which such policy is assumed. The agreement shall also provide for the calculation at the effective date of such reinsurance agreement of the following: (a) The amount of the net assets, both mortality and expense funds, of the company or association regulated under the provisions of Chapter 14 of this Code, which are to be transferred to the stipulated premium company after the payment of all liabilities; and (b) The amount of the required reserves to be established under the reserve and interest table used in such reinsurance agreement; and (c) The amount of the deficiency reserve, if any, resulting from the calculations of items (a) and (b) of this Section 6. 

Such deficiency reserve shall be permitted in accordance with the provisions of Art. 22.11 of this Chapter, but must thereafter be reduced in compliance with said Art. 22.11. or said reinsurance agreement may provide for immediate rate adjustments, in accordance with accepted actuarial practices and standards, so as to eliminate said deficiency at the time of reinsurance or during the period allowed in Art. 22.11 for curing of the said reserve deficiency. The sum total of the net assets of the company or association regulated by the provisions of Chapter 14 of this Code shall be apportioned for reserve calculation purposes among the members assessed as follows: The percentage of the whole of the net assets allotted to any individual member shall be calculated by the amount of the required reserve for such individual insured under such reinsurance agreement as the numerator and the total of the required reserve for all the members under such reinsurance agreement as the denominator. 

"Each such reinsurance agreement shall also provide shall cease policyholder who is dissatisfied with such reinsurance agreement and who does not desire to accept the assumption certificate offered by the stipulated premium company, shall be entitled to receive, if he shall so request in writing to the stipulated premium company within sixty (60) days following the mailing of the assumption certificate, the amount of the reserve under his policy reduced by the deficiency reserve, if any, is applicable to such policy. 

"Section 7. Within ninety (90) days following such membership meeting, all facts in connection therewith, including the accounting thereof and the calculation of the required reserves, shall be submitted under oath to the State Board of Insurance. 

"Section 8. Such reinsurance contract shall become binding upon both
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companies parties hereto at the effective date thereof immediately following the ratification by the membership of the company or association regulated under the provisions of Chapter 14 of this Code.

"Section 9. In the event the premiums charged on any life policy assumed by the stipulated premium company shall be less than the renewal net premium calculated in accordance with such reserve standard adopted by such reinsurance agreement based upon the insured's age at issue by the Chapter 14 company.

"Section 10. The words 'net assets' as used in this chapter shall mean the funds of the company available for the payment of its obligations in this state, including uncollected premiums not more than three months past due after deduction from such funds all unpaid losses and claims and claims for losses and all other debts.


"Insofar as the same are not inconsistent with or contrary to any applicable provision of this Chapter or any other insurance law applicable to stipulated premium companies, or any amendments thereto, the provisions of the Texas Business Corporation Act shall apply to and govern stipulated premium companies, provided, however, that wherever said Texas Business Corporation Act imposes some duty, authority, responsibility, power or some act is vested in, required of, or is to be performed by the Secretary of State, such is hereby vested in, required of, or shall be performed by the State Board of Insurance.

"Art. 22.17. Limitation of Authority.

"No stipulated premium company may ever use in its advertising or representation of its policies the words: 'legal reserve company,' 'stock company,' 'old line legal reserve company,' or any other words of like import whereby the public might be led to believe that policies of stipulated premium companies provide non-forfeiture values. All stipulated premium company policies and application forms must contain on the face thereof and immediately after the name of the company, the following language: 'A Stipulated Premium Company.' Each stipulated premium company policy shall provide on the front thereof that the premium is subject to readjustment, unless such policy is not subject to a premium readjustment under the provisions of Section 3 of Art. 22.13 of this Chapter.

"Art. 22.18. Other Laws to Govern.

"Section 1. The following Articles of this Code, to-wit: Art. 1.14, Art. 1.15, Art. 1.16, Art. 1.17, Art. 1.19, Art. 1.24, Art. 3.13, Art. 3.39, Art. 3.40, Art. 3.61, Art. 3.63, Art. 3.67, Art. 3.71, Art. 3.75, Art. 3.79, Art. 3.81, and Art. 3.87 shall apply to and govern stipulated premium companies and each company shall comply with the provisions thereof.

"Section 2. Stipulated premium companies shall be regulated by the Texas Securities Act, same being Acts 1957, 55th Legislature, Pages 575 et seq., Chapter 269, and shall pay premium taxes in like manner, as a company chartered and doing business under the provisions of Chapter 3 of this Code.

"Section 3. Until such time as a stipulated premium company shall have and be possess of capital of at least One Hundred Thousand Dollars ($100,000.00) and free and unencumbered surplus in at least the amount of One Hundred Thousand Dollars ($100,000.00), it shall be unlawful for any stipulated premium company to make a public offering, as defined in the Texas Securities Act, of any of its capital stock.

"Art. 22.19. Total or Partial Direct Reinsurance Agreements.

"Section 1. Total or partial direct reinsurance agreements may be made and entered into between stipulated premium companies chartered under the provisions of this Chapter provided: (a) The assuming company is authorized to transact the kinds of insurance provided by the policies assumed, and (b) No total direct reinsurance agreement shall be made until the contract
therefor has been submitted to and approved by the State Board of Insurance as protecting fully the interests of all the policyholders assumed.

“Section 2. Any stipulated premium company may enter into total or partial direct reinsurance agreements with any legal reserve life insurance company lawfully doing business in this State upon compliance with the following terms and conditions:

“(a) Such reinsurance agreement must be approved by a majority vote of the respective Boards of Directors of the respective companies parties thereto.

“(b) In the event of the direct reinsurance of health, accident or sickness policies, the assuming company must assume the exact policy obligations of the stipulated premium policies; in the event the stipulated premium policy is non-cancellable or guaranteed renewable the assuming company may include in its assumption certificate a premium redetermination clause in lieu of the clause contained in the policy by reason of Art. 22.13 of this Chapter.

“(c) In the event of the direct reinsurance of life policies or a combination of life and health, accident or sickness, such reinsurance agreement shall contain provisions in compliance with the following:

“1) In the event the assuming legal reserve company issues an assumption certificate providing whole life protection for the life benefit, the policyholder shall not have the right to receive his individual reserve in cash by surrendering the assumption certificate;

“2) In the event the reserves and premium under the stipulated premium policy are inadequate to provide whole life coverage under the legal reserve assumption certificate and a term coverage assumption is afforded, the following options shall be afforded to each policyholder affected thereby so that he may select any one of the following: a) The amount of the individual reserves, reduced by the deficiency reserve, if any, shall be paid in cash to the legal owner and holder of the policy upon its surrender and if the same be requested within sixty (60) days following mailing of notice of the options afforded to the policyholder; b) An assumption certificate of another stipulated premium company chartered and doing business pursuant to the provisions of this Chapter; or c) The legal reserve company’s certificate of assumption predicated upon term coverage, but which term coverage shall be renewable for the life of the insured without evidence of insurability and the rate for which shall be based on the legal reserve table selected by the assuming company at the attained age of the insured at the date of the renewal increased by an appropriate expense factor. Each affected policyholder shall have the right to exercise his option within sixty (60) days following the date the assumption certificate of the legal reserve company is mailed to the policyholder.

“In the event the term coverage is afforded by the legal reserve company, the individual reserve, less the amount of the deficiency, if any, of each policy holder shall be used by the assuming company either: a) As a reserve credit to permit the legal reserve assumption certificate to be back dated as far as the reserve credit will permit; or b) As an annuity to reduce the required premium during the initial period of the term coverage.

“(d) Each such reinsurance agreement shall be submitted in advance to and approved by the State Board of Insurance as to compliance with the provisions of this Section of this Art. 22.19 prior to the same becoming effective.

“Section 3. In the event of a total direct reinsurance agreement under the provisions of Section 1 or Section 2 of this Art. 22.19, the reinsured stipulated premium company shall forthwith surrender its certificate of authority to the State Board of Insurance and proceed by action of its stockholders and Board of Directors to effect its dissolution.

“Section 4. All partial direct reinsurance agreements shall be filed with the State Board of Insurance prior to the effective date of said agreement and the assuming company shall furnish an assumption certificate to the policyholder to be attached to his policy.

“Art. 22.20. Conversion to Chapter Three Company.
The amendment by Mr. Chapman was adopted.

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

Amend Committee Amendment No. 1 to Senate Bill 131 by striking out the first three lines (same being lines 20, 21 and 22 on page three of the printed bill of Committee Amendment No. 1 and substituting in lieu thereof the following:

"Section 1. Amend Acts 1951, 52nd Legislature, Regular Session, Chapter 491, Page 868, as amended, codified as the Insurance Code, Vernon's Texas Civil Statutes, by adding a new chapter thereto designated as Chapter Twenty-Two', reading as follows:"

The amendment by Mr. Chapman was adopted.

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

Amend Committee Amendment No. 1 to S. B. 131 by adding a new Section 11 after line 46 on page 13 to read as follows:

"Section 11. Any section or provision of this act notwithstanding, no increase shall be made in the policy premium of any policyholder over the age of 65 years without approval of the State Board of Insurance given after application, notice to the policyholder and hearing on said proposed premium increase."

Mr. Chapman offered the following substitute amendment for the amendment by Mr. Spears:
Amend Committee Amendment No. 1 to S. B. No. 131 by adding a new section 11 after line 46 on page 13 to read as follows:

Section 11
Any Section or provision of this act notwithstanding, no life insurance rates may be adjusted without the advance approval of the State Board of Insurance, or notice to the policyholder.

The substitute amendment by Mr. Chapman was adopted.

The amendment by Mr. Spears, as substituted, was adopted.

Committee Amendment No. 1, as amended, was adopted.

S. B. No. 131 was passed to third reading.

SENATE BILL NO. 414 ON SECOND READING

The bill was read second time and was passed to third reading.

SENATE BILL NO. 414 ON SECOND READING

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

S. B. No. 414, Authorizing counties to acquire a fresh water supply for courthouses, etc., and declaring an emergency.

The bill was read second time.

Mr. Ehrle offered the following amendment to the bill:

Amend Section 2 of S. B. 414 by changing the period at the end of Section 2 to a semicolon and adding the following words: “provided, however, that no project or projects adopted by any one county under the provisions of this Act shall exceed the total cost of Two Hundred Fifty Thousand Dollars ($250,0000), exclusive of interest.”

The amendment was adopted.

Mr. Ehrle offered the following amendment to the bill:

Amend Section 1 of S. B. 414 by adding the word “only” after the phrase “within this state.”

The amendment was adopted.

Mr. Ehrle offered the following amendment to the bill:

Amend Section 3 of S. B. 414 by deleting said section and substituting therefor the following:

Section 3. The commissioners court of any county is hereby authorized and empowered to sell, contract to sell, deliver and distribute any or all water of the project which is not needed for county purposes to any municipal corporation or political subdivision of this State now created or existing or hereafter established under the laws of the State of Texas, or to any individual, corporation or company under such terms and conditions as the court may determine to be in the best interests of the county, but in no event may the county sell water under the terms of this section if a public water supply is available to such municipal corporation, politi-
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cal subdivision, individual, corporation or company at the time the provisions of this Act are adopted by the county, nor shall the county sell water under this Act for irrigation purposes. The cost of supplying the water, including any increase in the cost of acquisition, storage, treatment and distribution facilities shall be considered a part of the cost of the project as such term is used in the preceding and following sections.

The amendment was adopted.

Senate Bill No. 414 was then passed to third reading.

SENATE BILL NO. 427 ON SECOND READING

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

S. B. No. 427, Validating, ratifying Home Rule city bonds; and declaring an emergency.

The bill was read second time and was passed to third reading.

HOUSE BILL NO. 112 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 112, A bill to be entitled "An Act authorizing establishment of special school districts to provide education, training, special services and guidance for handicapped persons; providing for its financing and administration; and declaring an emergency.

The bill was read second time.

Mr. Pipkin offered the following amendment to the bill:

Amendment No. 1

Amend House Bill No. 112 by striking out all below the enacting clause and substituting in lieu thereof the following:

Section 1. Definitions. As used in this Act:

(a) "Handicapped person" means a person whose educational or vocational opportunities are limited as the result of physical or mental limitations.

(b) "Physically handicapped person" means any person six (6) years of age or over, not including blind, of reasonably normal educable mentality, whose body functions or members are so impaired that they cannot be safely or adequately educated or trained for gainful employment in regular classes of normal persons or without special training and special services not usually available in public schools.

(c) "Mentally retarded person" means any person six (6) years of age or older, not including blind or deaf, who, because of retarded intellectual development cannot be educated safely and adequately in the public schools with normal children or in readily accessible training institutions in the home environs of such person, but who may be expected to benefit from special education or training facilities designed to make him economically useful and socially adjusted.

(d) "District" (unless otherwise indicated by the context) means any Rehabilitation district created under this Act.

(e) "Trainee" means any handicapped person who is or has been enrolled in a District.

(f) "Board of Directors" means Board of Directors of any District.

Section 2. Training of Handicapped Persons. Rehabilitation districts may be created to provide education, training, special services, and guidance for handicapped persons; providing for its financing and administration; and declaring an emergency.

Section 3. Authority to Provide Group Residence Centers. Each district may, by itself, or in conjunction with service clubs, women's clubs, or other organizations interested in serving the disabled, cities or counties, or any organization or person deemed equipped by the Board of Directors, provide for group residence rehabilitation centers within the Rehabilitation district. Such group residence centers shall be used as living units, with or without board, for those students or trainees of the Rehabilitation district, who have become gainfully employable and/or employed, and who, in the opinion of the Board of
Directors, would benefit from group living while adjusting to work and to general society.

Section 4. Employment of Trainees. Rehabilitation districts shall cooperate with the Texas Employment Commission and the Vocational Rehabilitation Division of the Texas Education Agency in finding employment for those of its trainees who have become employable.

Section 5. Additional Powers. All powers relating to the acquisition of land, the construction or acquisition of facilities, except the issuance of bonds, and to taxation, vested by law in independent school districts, shall be applicable to any Rehabilitation district, subject to a tax limitation of five cents ($0.05) on each One Hundred Dollars ($100.00) valuation.

Section 6. Entrance Requirements. Any handicapped person six (6) years of age or older not subject to the exceptions in the subsections of this section may be admitted into a District for education and training.

(a) No handicapped person shall be admitted into a Rehabilitation district whose parent or guardian, or who himself, if without a parent or guardian, has not lived within the district at least one year next before application for admission unless full remuneration be received from his home county, family or other sources.

(b) No handicapped person in attendance at a regular public school between the ages of six (6) and seventeen (17) shall be admitted to a Rehabilitation district without having been referred or assigned to it by the independent school district in which he resides, or by the county school superintendent. If a handicapped person applying to a Rehabilitation district for admission is over sixteen (16) years of age and in attendance at a regular public school, he shall not be admitted to the Rehabilitation district for education and training without having been referred to it for that purpose by the county superintendent, if such public school be situated without an independent school district, or by an independent school district if such public school is within such independent school district.

(c) No handicapped person shall be admitted into a District for education or training as such, without application having been made therefor and until he has been found acceptable for education and training by the Entrance Committee of the District which shall set admission standards, such standards having been approved by the Board of Directors. The finding of the Entrance Committee to be created by the Board of Directors, as to the eligibility or ineligibility of an applicant shall be final except that appeal may be made therefrom to the Board of Directors according to an appellate procedure prescribed by the Board of Directors. The decision of the Board of Directors shall be final and nonappealable.

(d) To provide for the continuation of an educational program for handicapped persons between the ages of six (6) and seventeen (17) inclusive, the training facility operated by and within the District shall be assigned special education teachers (units) through the public school district in which said training facility is located; the basis for establishing, operating, and the formula to be used for determining allocation of each type of special education unit shall be the same as required by the Texas Education Agency of any school district.

(e) All handicapped persons of school age enrolled and in training in a district shall be credited to the regular school district from which they were referred to said District, or in which they resided at the time they entered for training at said District, and such District shall be entitled to receive all State aid and benefits for each referred trainee that said regular school districts from which said trainees were so referred to said District or in which they so resided at the time of their enrollment at the District would have been entitled based on the attendance of said trainees within said school ages.

Section 7. Board of Directors.

(a) Composition. The Board of Directors of a district shall be composed of one (1) director from each county commissioner's precinct i-
located in the district, and one (1) director at large for each county, and, in addition, one (1) director at large for each fifty thousand (50,000) inhabitants, or major fraction of such number of inhabitants, in each county in the district.

(b) Initial Selection. Within thirty (30) days after the election creating the district:
(1) Each county commissioner from each precinct in the district must recommend to the County Judge of his county, one (1) director, and the County Judge must appoint the recommended person director; and
(2) The County Judge must appoint the directors-at-large for each county by Subsection (a) of this section.

(c) Term of Office for Initial Directors.
(1) The four (4) directors selected from the commissioners' precincts of each county must determine by lot, in a manner to be prescribed by the Board of Directors, which two (2) shall hold office for a long term and which two (2) for a short term.
(2) If there is more than one (1) director-at-large from any county, half of them must serve a long term and half a short term, as also determined by lot. If there is an even number of directors-at-large from any county, the majority of them must serve for the long term and the minority of them for the short term. If there is only one (1) director-at-large from any county, he shall serve a short term.
(2) The term of office for those directors serving a short term runs until the first Saturday in April of the second calendar year after the calendar year in which they were appointed. The term of office for those directors serving a long term runs until the first Saturday in April of the fourth calendar year after the calendar year in which they were appointed. The term of office for an initial director from an annexed county must be shortened one (1) year, if necessary to make elections to his office coincide with the elections for directors in the other counties in the district.
(4) The determination by lot in Subsection (c) (1) and (2) of this section must be accomplished at the first meeting of the Initial Board of Directors of the first meeting after an annexation, or as soon thereafter as is practicable.
(5) The Board of Directors must cause a permanent record to be made and preserved of the terms of office of each appointed director determined by lot as herein provided.

(d) Subsequent Selection of Directors.
(1) At the expiration of the term of office of each director from a commissioner's precinct, his successor must be elected at an election held in that commissioner's precinct at the same time, in the same manner, at the same polling places, and by the same election officers as provided for the election of county school trustees of that county, provided that all such elections must be called by the Board of Directors, who must give public notice of elections in advance thereof, to a manner to be determined by the Board of Directors, to call the attention of the voting public thereto. The forms of ballots to be used, counterfeit to general law, may also be determined by the Board of Directors, and, at the discretion of the Board of Directors, the same ballot for the election of county trustees may be used for the election of directors.
(2) At the expiration of the term of office of each director-at-large, the County Judge of the county from which the director was appointed must appoint his successor.

(e) Vacancies in the offices of directors must be filled by appoint-
ment by the original appointing powers that appointed the initial directors, for the unexpired term.

(e) Term of Office for Elected Directors. The terms of office of all directors after those initially appointed shall be for four (4) years.

(f) Oath of Office. Every director and every officer, whether appointed or elected, must, before assuming the duties of his office, qualify by taking the official oath prescribed for State officers.

(g) Officers. At the first meeting of the Initial Board of Directors, it must select from among its members, a president and vice-president, and must also select a secretary and a treasurer, who need not be directors. The secretary and treasurer may be the same person. The secretary and treasurer shall have and perform duties and powers as are usually incident to their offices, in the case of private corporations, and such other duties and powers as may be provided by the Board of Directors.

(h) Treasurer. The treasurer must execute a bond, with good and sufficient surety or sureties, in an amount to be determined by the Board of Directors, payable to the President of the Board of Directors, or his successors in office conditioned that the treasurer will faithfully perform the duties of his office, and faithfully account for all sums of money or other property belonging to the district coming into his hands as treasurer. The amount of the bond may, at any time, be increased or decreased by the Board of Directors, according as they may deem necessary for the protection of the property and funds of the district for which the treasurer is accountable. The premiums, if any, for such bond or bonds shall be payable out of funds of the district.

(i) Secretary. At the first meeting following each election or appointment of directors, the president and vice-president's terms of office shall end, and the Board of Directors must again select a president and vice-president.

(j) Secretary and Treasurer. The secretary and the treasurer shall hold office at the will and pleasure of the Board of Directors.

(k) Board of Directors. The Board of Directors may appoint assistant secretaries as it may deem necessary for the proper conduct of the duties of that office.

(l) Compensation. The Board of Directors may authorize the payment of actual expenses of directors (including travel expenses) incurred by directors in attending regular or special meetings, or otherwise rendering services for the district on the authority and at the direction of the Board of Directors. The treasurer and secretary, and any assistant secretaries shall receive such compensation, if any, as may be determined by the Board of Directors.

(m) Powers of the Board of Directors. In addition to other powers granted herein, the Board of Directors is empowered and required to:

1. Govern the District;
2. Fix such fees and tuition rates as are deemed necessary to supplement other sources of funds for maintaining and operating the district in carrying out its functions, with authority, however, to reduce fees and tuition, or waive them altogether, in cases where the parents or guardians of trainees are able to pay a portion only or none of such tuition or fees, in the judgment of the Board of Directors, or in the judgment of an agency created by the Board of Directors to determine such matters;
3. Levy taxes and make distribution of such taxes as it may deem necessary for providing needed buildings and facilities, and for the support of the Rehabilitation program, except that the total annual tax for all District purposes shall not exceed the rate of five cents ($0.05) on each $100.00 of assessed valuation of taxable property located in such district;
4. In behalf of the district, accept donations, gifts, and endowments for the district, to be taken in trust and administered by the Board of Directors for such purposes, and under such directions, limitations, and provisions, if any, as may be prescribed in writing by the donor, not inconsistent with the proper management and objects of the Rehabilitation District;
5. Conduct the business affairs of the district with the same powers and duties provided by law for the Board of Trustees of independent school districts;
6. Adopt an official seal and name for the Rehabilitation district;
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(7) Plan the residential program and the curriculum of the district, or have them planned under its direction; but in any event, plans must be approved by the Board of Directors, and also by the State Commissioner of Education and by the Executive Director of the State Board for Hospitals and Special Schools.

(8) Make reasonable limitation on the duration of residence and attendance by trainees, according to standards adopted by it, and

(9) itself, or through an agency established by it for attending to such matters, terminate the training of any trainee who proves to be unadaptable to the training program of the district, or who is so disturbing in conduct to the other trainees as to be detrimental to the district. The exercise of the termination power is unreviewable.

(10) Meetings. The first meeting of the initial Board of Directors shall be within twenty-one (21) days of the time the directors are appointed, at a time and place appointed by the County Judge of the County of the district containing the greatest population according to the most recent officially proclaimed Federal Census. Thereafter, meetings must be held at such times as may be provided in the rules and by-laws of the Board of Directors. Special meetings may be called by the president, or by any five (5) members of the Board.

2. Rules of Procedure; Quorum. The Board of Directors may adopt its own rules of procedure, but a majority of the directors shall constitute a quorum, and a majority of those in attendance may transact any business.

3. Regular Office. The Board of Directors must select and maintain within the district a regular office for its meetings and the transaction of business, at such place within the district as it may determine.

Section 8. Procedure for Establishment of Rehabilitation District.

A Rehabilitation district may be established by voters of a county, or a combination of contiguous counties, by a petition of taxable property, the total assessed valuation of which must be not less than Two Hundred Million Dollars ($200,000,000), according to the most recent tax rolls of the county or combination of counties making up the proposed district, in the following manner:

(a) Petition. A petition signed by a number of qualified property taxpayers in the county in the proposed Rehabilitation district equal to not less than one per cent (1%) of the total number of votes cast for governor in such county at the most recent election for governor held therein, must be filed with the commissioners' courts of the respective counties. The signatures on the petition must be segregated according to the counties in which the signers reside, under appropriate headings indicating the county of residence. If there is more than one (1) county in the proposed district, the petition must be in two (2) or more parts, one (1) part for each county to be included in the district. The name of the proposed district must be set forth in the petition, and must include the words, "Rehabilitation District for Handicapped Persons." The petition must be dated, and must pray for an election to be held not less than thirty (30) nor more than sixty (60) days after the date of the petition, to determine whether or not there shall be created a Rehabilitation district for handicapped persons, with power to levy taxes to acquire or construct residence centers and such other facilities, if any, as the Board of Directors may deem necessary or proper for the election, and to maintain and operate said district.

(b) Election. Promptly on receipt of a petition, each commissioners' court must order an election to be held in its county on the date prayed for in the petition. The order must designate polling places, appoint election officers, provide supplies for the election, and set forth the name of the proposed Rehabilitation district as specified in the petition. The election precincts must conform to the regular election precincts of each county. Each commissioners' court must cause notice of election to be published once each week for two (2) alternate weeks in one (1) or more newspapers having general circulation in its county, the first publication to be at least twenty-one (21) days before the election, and such notice to be posted in a public place in each commissioners' precinct, its
(1) If the election does not create a Rehabilitation district, no subsequent election for the creation of a Rehabilitation district may be held in the affected counties within one year of the date of the election.

(2) Proposition to be Voted Upon. The proposition to be voted upon in an election held under subsection (c), and to be printed on the ballots, must be:

"FOR annexation to the Rehabilitation district in the county in which annexation is desired, and must pray for an election to determine whether or not the county shall be annexed to the Rehabilitation district.

(3) The commissioners' court election order in Subsection (b) of this section, must set forth the name of the Rehabilitation district to which annexation is proposed, and.

(4) Within ten days after the election, the commissioners' court of each county in which there was an election, must cause the returns and declare the results of the election in that county, and shall forthwith certify the results of such election to the Board of Directors of the Rehabilitation district in question, by which it passes, if any, in which a majority of those voting at the election vote for the proposition, the annexation of such county to said Rehabilitation district shall be thereby affected.

(5) The provisions of this Act prescribing the qualifications of electors to vote in elections to create
such Rehabilitation districts shall apply to elections for the annexation of counties to such Rehabilitation districts; and all of the provisions of this Act relating to the number and classes of directors of said Rehabilitation district in each county; the manger of their initial and subsequent selection; the manner of determining the initial terms of office, and fixing the regular terms of office, of directors, as hereinafter concerning the original district, shall be applicable to each annexed county.

Section 9. Tax Collection. The tax assessors and collectors of each county in a Rehabilitation district must assess and collect taxes on taxable property in the county on levies made and rates fixed by the Board of Directors of that district, not exceeding the rate of five cents on each $100.00 of valuation. The valuations assessed on property for State and County taxes must be used as the valuations for district taxes. Each tax collector must collect district taxes at the same time that he collects State and County taxes. All taxes collected for a Rehabilitation district must be accounted for and paid over to the treasurer of that district and the tax collector must receive the same compensation for assessing and collecting Rehabilitation district taxes as is provided by law for like services rendered for junior college districts.

Section 18. Suits. A Rehabilitation district may sue and be sued in its name. In any suit against such district, process may be served on the president and vice-president.

Section 11. Severability Clause. If any provision of this Act is held unconstitutional or invalid, the same shall not operate to defeat the whole Act, but all other parts shall stand and remain in full force.

Section 12. Emergency Clause. The fact that there is now no local manner in which the people of a local area in the State can establish local and defined districts for furnishing adequate training and guidance in the habilitation or rehabilitation of physically and mentally handicapped persons in such areas to enable them to become whole or in part self-supporting to the extent of their ability and prevent them from becoming public charges or depending upon private or public charity and that such districts would be of great human and public benefit, 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 that this Act take effect and be in force from and after its passage, and said Rule is hereby suspended, and it is so enacted.

The amendment was adopted.

H. B. No. 112 was passed to engrossment.

HOUSE BILL NO. 124 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 124, A bill to be entitled "An Act to amend Section 6 of Chapter 282, Page 421, Acts of the 40th Legislature, Regular Session, 1957, as last amended by Section 1 of Chapter 287, page 732, Acts of the 53rd Legislature, Regular Session, 1953, (recompiled as Article 1011f of Vernon's Texas Civil Statutes) relating to Municipal Zoning Commissions, to provide that the Legislative body of a city or town may hold joint public hearings with the Zoning Commission; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 221 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 221, A bill to be entitled "An Act amending Acts 1955, Fifty-fourth Legislature, page 88, Chapter 55, Section 326, the Texas Probate Code, so as to permit Probate and County Courts to approve expenditures by guardians from the corpus of ward's estates for support, maintenance and education under certain circumstances; and declaring an emergency."

The bill was read second time.

Mr. Bartram offered the following Committee Amendment to the bill:
Committee Amendment No. 1
Amend Section 1, Sub-section (a) by inserting after the word otherwise in the third line of said bill the following: "without such court direction."

The amendment was adopted.

House Bill No. 221 was then passed to engrossment.

HOUSE BILL NO. 221 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment, House Bill No. 221, A bill to be entitled "An Act amending Article 1016 of the Code of Criminal Procedure of Texas, 1925, to require the sheriff of each county to report to the district or county attorney each month as to all prisoners in his custody and the authority by which he detains them; and declaring an emergency."

The bill was read second time.

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

Committee Amendment No. 1

Amend House Bill 221 by striking all matter below the enacting clause and inserting in lieu thereof the following:

Section 1, Art. 1016 of the Revised Civil Statutes of Texas of 1925 is amended to read as follows:

"Article 1016. Any city or town incorporated under the general laws of this State shall have the exclusive control and power over the streets, alleys, and public grounds and highways of the city or town, and to abate and remove encroachments or obstructions thereon; to open, alter, widen, extend, establish, regulate, grade, clean and otherwise improve said streets; to put drains or sewers therein, and prevent encumbering thereof in any manner, and to protect same from encroachment or injury; and to regulate and alter the grade of premises; to require the filling up and raising of same; and, upon petition of all of the owners of real property abutting a street or alley, the governing body of any such city or town shall also have the power, by ordinance, to vacate and abandon and close any such street or alley."

The amendment was adopted.

House Bill No. 221 was then passed to engrossment.

HOUSE BILL NO. 284 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment, House Bill No. 284, A bill to be entitled "An Act amending Article 1016 and Article 1019 of the Revised Civil Statutes of Texas of 1925 to make the provisions thereof applicable to any city or town incorporated under the general laws of this State and to authorize the governing body of any such city or town to vacate, abandon, and close streets and alleys within such city or town; and declaring an emergency."

The bill was read second time.

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

Committee Amendment No. 1

Amend House Bill 284 by striking all matter below the enacting clause and inserting in lieu thereof the following:

Section 1. Article 1016 of the Revised Civil Statutes of Texas of 1925 is amended to read as follows:

"Article 1016. Any city or town incorporated under the general laws of this State shall have the exclusive control and power over the streets, alleys, and public grounds and highways of the city or town, and to abate and remove encroachments or obstructions thereon; to open, alter, widen, extend, establish, regulate, grade, clean and otherwise improve said streets; to put drains or sewers therein, and prevent encumbering thereof in any manner, and to protect same from encroachment or injury; and to regulate and alter the grade of premises; to require the filling up and raising of same; and, upon petition of all of the owners of real property abutting a street or alley, the governing body of any such city or town shall also have the power, by ordinance, to vacate and abandon and close any such street or alley."

Section 2. Article 1019 of the Revised Civil Statutes of Texas of 1925 is amended to read as follows:

"Article 1019. No public square or park shall be sold until the question of such sale has been submitted to a vote of the qualified voters of the city or town, and approved by a majority of the votes cast at such election."

Section 3. The importance of this legislation and the crowded condition of the calendar in both Houses 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 this rule is hereby suspended, and this
Act shall take effect and be in force from and after its passage, and it is so enacted.

The amendment was adopted.

House Bill No. 284 was then passed to engrossment.

House Bill No. 295 ON SECOND READING

The amendment was adopted.

House Bill No. 295 was then passed to engrossment.

House Bill No. 348 ON SECOND READING

The amendment was adopted.

House Bill No. 295 was then passed to engrossment.

Senate Bill No. 137 ON SECOND READING

The amendment was adopted.

House Bill No. 295 was then passed to engrossment.

Senate Bill No. 137 was then passed to third reading.

RELATIVE TO H. B. NO. 405

Mr. Sandahl moved that House Bill No. 405 be laid on the table subject to call.

There was no objection and it was so ordered.

MESSAGE FROM THE SENATE

Austin, Texas, April 27, 1961

Hon. James A. Turman, Speaker of the House of Representatives:

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

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Act shall take effect and be in force from and after its passage, and it is so enacted. 

The amendment was adopted.

House Bill No. 284 was then passed to engrossment.

House Bill No. 295 ON SECOND READING

The amendment was adopted.

House Bill No. 295 was then passed to engrossment.

House Bill No. 348 ON SECOND READING

The amendment was adopted.

House Bill No. 295 was then passed to engrossment.

Senate Bill No. 137 ON SECOND READING

The amendment was adopted.

House Bill No. 295 was then passed to engrossment.

Senate Bill No. 137 was then passed to third reading.

RELATIVE TO H. B. NO. 405

Mr. Sandahl moved that House Bill No. 405 be laid on the table subject to call.

There was no objection and it was so ordered.

MESSAGE FROM THE SENATE

Austin, Texas, April 27, 1961

Hon. James A. Turman, 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. 102, Amending Article 14.23, Insurance Code, to require Board approval of any increase in assessments and increase mortality fund participation in assessments; and declaring an emergency.

Respectfully,
CHARLES A. SCHNABEL,
Secretary of the Senate.

HOUSE BILL NO. 442
ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 442, A bill to be entitled "An Act amending Section 3 of Acts of 1925, 39th Legislature, page 7 Chapter 5, same being Section 3 of Article 8263h of Vernon's Texas Civil Statutes, changing the composition of the Navigation Board in navigation districts which include a city or cities or parts thereof acting under special charter granted by the legislature and in which the City Council or City Board of Commissioners exceeds in number the County Commissioners' Court, providing for severability and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 445
ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 445, A bill to be entitled "An Act amending Section 6 of Chapter 370, Acts of the 55th Legislature, Regular Session, 1957, to provide that deer tags bear the date and place of kill of the deer to which attached; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 482
ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 482, A bill to be entitled "An Act amending Article 3.16 of Chapter 3 of the Insurance Code (Acts of the 1951, 52nd Legislature, Chapter 344, Section 2) relating to deposits of securities or lawful money of the United States or conveyance of real estate in trust in an amount equal to the legal reserve of all of the outstanding policies in force of any life insurance company; amending Article 3.17 of Chapter 3 of the Insurance Code (Acts of the 1951, 52nd Legislature, Chapter 491) relating to what deposits made under Article 3.16 of
Chapter 3 of the Insurance Code may include; amending Article 3.19 of Chapter 3 of the Insurance Code (Acts of the 1951, 52nd Legislature, Chapter 491), relating to the extent of such conflict; containing a savings clause; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 491 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 491. A bill to be entitled "An Act amending Article 3.19 of the Insurance Code of Texas, Acts of 1951, 52nd Legislature, Page 688. Chapter 491 as amended by redefining the term 'net assets' and providing for certain data processing systems to be considered as admitted assets of a life insurance company; providing for severability of the different parts of said Article so that the constitutionality of one or more shall not affect the remainder of the Act, repealing all laws in conflict herewith; providing a saving clause; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 498 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 498. A bill to be entitled "An Act amending Chapter 467, House Bill No. 477, Acts, Second Called Session, Forty-Fourth Legislature, as such has been heretofore amended, being the Texas Liquor Control Act, and being the Act carried in Vernon's Penal Code as Articles 666 and 667, so as to provide for the issuance of Agents' and Employee's Licenses to certain agents, representatives, and employees of manufacturers and distributors; fixing authority under such licenses; providing a penalty for violations of the Texas Liquor Control Act by the holders of such licenses; fixing a fee for such licenses and fixing a period during which they shall be valid; repealing laws in conflict herewith; providing a saving clause; and declaring an emergency."

The bill was read second time.

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

Committee Amendment No. 1

Amend House Bill No. 498 by striking out all below the enacting clause and inserting in lieu thereof the following:

Section 1. Section 3 of Article II of the Texas Liquor Control Act is hereby amended by the addition of a new provision to be added at the end of said Section, to be identified as paragraph (k) and reading as follows:

"(k) (1). Agent's Beer License. Agents, representatives and employees of beer manufacturers located within or without the State, which agents, representatives and employees engage in selling, offering to sell, soliciting, displaying, advertising or otherwise promoting sales of beer by personal contact with licensed retailers of beer, their agents, servants or employees, and/or consumers of beer, and whose compensation for employment is based mainly on such activities by such personal contact as opposed to similar activities by personal contact with licensed distributors of beer, and agents, representatives and employees of licensed distributors of beer who engage in selling, offering to sell, soliciting, displaying, advertising or otherwise promoting sales of beer by personal contact with licensed retailers of beer, their agents, servants or employees, and/or consumers of beer, and whose compensation for employment is based mainly on such activities by such personal contact, are hereby required to have a license issued by the Board and designated 'Agent's Beer License.'"

"(2). It shall be unlawful for any person to engage in the activities set out in paragraph (1) hereof unless he is the holder of a valid
Agent's Beer License, and upon conviction of any person for violation of this Section he shall be punished as is provided in Section 41 of Article 1 of this Act. A period of grace of five (5) days, which shall be the first five (5) days of his activities set out in paragraph (1) hereof, is hereby extended to such person, during which period he shall procure an Agent's Beer License from the Texas Liquor Control Board. No such license shall be granted to any person until it shall be shown to the satisfaction of the Board that he is employed or has good prospects of being employed to act as agent or a representative for the holder of a Manufacturer's or Distributor's License.

"(3). It shall be unlawful except during the five (5) day grace period set out in paragraph (1) hereof for any Manufacturer or Distributor to use or be the beneficiary of the services of any person to carry on the activities set out in paragraph (1) hereof unless such person is the holder of a valid Agent's Beer License.

"(4). It shall be unlawful for any Manufacturer located within or without the State or any Distributor to employ in any capacity or to continue in his employ a person who has been issued an Agent's Beer License during a time when such license is under a suspension order of the Board or within one (1) year from the date of cancellation for cause of such license by the Board.

"(5). The Board is given authority to promulgate and enforce reasonable rules and regulations defining the qualifications and regulating the conduct of any such licensed agent.

"(6). All applications for such licenses shall be filed with the Board or any designated employee of the Board, on such form and including therein such required information as may be prescribed by the Board. Such application shall be acted upon exclusively by the Board or the Administrator, or a designated employee of the Board, and the County Judge shall not receive such applications nor shall he have jurisdiction over the approval or issuance of such license.

"(7). All such licenses shall be issued on an annual basis and shall expire one (1) year from the date of issue. Applications for renewal of such licenses shall be filed with the Board not more than thirty (30) days prior to the expiration date thereof on forms requiring such information as may be prescribed by the Board.

"(8). Any Agent's Beer License may be suspended or cancelled by the Board for violation of any of the rules or regulations of the Board, or for any of the reasons the license of a Manufacturer or Distributor may be suspended or cancelled, and the same procedure applicable to the suspension or cancellation of the Manufacturer's or Distributor's license shall be followed in the suspension or cancellation of such Agent's Beer License.

"(9). The annual fee for an Agent's Beer License shall be Three Dollars ($3.00), and cities and counties shall not have the authority to assess a fee for the issuance of such licenses. It is hereby declared to be a violation of the Texas Liquor Control Act for any Manufacturer or Distributor to pay the license fee for any person licensed hereunder, or to reimburse any person for such payment. The Board shall not refund any part of the fee collected hereunder to any person for any reason.

Section 2. All laws and parts of laws in conflict herewith are hereby repealed to the extent of such conflict.

Section 3. If any section, sub-section, paragraph, sentence, clause, or provision of this Act is for any reason held invalid, such invalidity shall not affect any other portion of this Act, but this Act shall be construed and enforced as if such invalid provision had not been contained therein.

Section 4. The fact that there is great need to license certain persons who sell or promote the sale of beer 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 is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

The amendment was adopted.
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House Bill No. 498 was then passed to engrossment.

HOUSE BILL NO. 511 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,
H. B. No. 511. A bill to be entitled "An Act authorizing the Governor upon recommendation of the State Highway Commission, to convey certain of the State's interests in certain lands when such interests are necessary for the maintenance of any Federally owned or operated Military Installation or Facility, ratifying and validating certain previous conveyances; providing severability; and declaring an emergency."

The bill was read second time and was passed to engrossment.

COMMITTEE MEETING

Mr. Sandahl asked unanimous consent of the House that the Committee on Constitutional Amendments be permitted to meet at this time.

There was no objection offered.

HOUSE BILL NO. 574 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,
H. B. No. 524. A bill to be entitled "An Act amending Article 5435, Revised Civil Statutes of Texas, to provide the State Librarian shall be the executive and administrative officer of the Texas Library and Historical Commission; and declaring an emergency."

The bill was read second time and was passed to engrossment.

SENATE BILL NO. 237 ON SECOND READING

The Chair laid before the House, in lieu of H. B. No. 594, on its second reading and passage to third reading,
S. B. No. 237, Authorizing the Board of Regents of U. of T. to exchange lands with county hospital District of Dallas; providing for construction site of Children's Medical Center; and declaring an emergency.

The bill was read second time and was passed to third reading.

RELATIVE TO H. B. NO. 594

Mr. Atwell moved that House Bill No. 594 be laid on the table subject to call.

There was no objection offered and it was so ordered.

HOUSE BILL NO. 512 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,
H. B. No. 512. A bill to be entitled "An Act authorizing the Governor upon recommendation of the State Highway Commission, to convey certain of the State's interests in certain lands when such interests are necessary for the construction, operation or maintenance of flood control, river and harbor improvements, water conservation, or other civil works projects of the United States, ratifying and validating certain previous conveyances; providing severability; and declaring an emergency."

The bill was read second time and was passed to engrossment.

SENATE BILL NO. 237 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,
S. B. No. 237, Authorizing the Board of Regents of U. of T. to exchange lands with county hospital District of Dallas; providing for construction site of Children's Medical Center; and declaring an emergency.

The bill was read second time and was passed to third reading.

RELATIVE TO H. B. NO. 594

Mr. Atwell moved that House Bill No. 594 be laid on the table subject to call.

There was no objection offered and it was so ordered.

HOUSE BILL NO. 596 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,
H. B. No. 596. A bill to be entitled "An Act authorizing the County of Goliad to convey title to certain lands to the State Parks Board of
the State of Texas, aggregating two acres of land, more or less, and being the area surrounding and adjoining the site of the birthplace of General Ignacio Zaragoza in La Bahia Townsite in the County of Goliad, as a State park and historical site; authorizing the State Parks Board to construct, maintain and repair historical and recreational structures and facilities; repealing all laws and parts of laws in conflict herewith; providing a saving clause; and declaring an emergency.

The bill was read second time.

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

Committee Amendment No. 1
Amend S. B. No. 268 by adding the following sentence at the end of Section 8 of the bill, to-wit:

"Provided however, that the District shall not have the right to acquire land and easements without Comanche, Coryell, Eastland, Erath, and Hamilton Counties by condemnation."

The amendment was adopted.

Mr. Hale offered the following amendment to the bill:

Amend S. B. 268, Section 8 on page 5 of the printed bill, by striking the following language commencing on line 43 and ending on line 46:

"In the alternative, within the discretion of the Board the District may acquire such properties by condemnation in the manner provided by law for Water Control and Improvement Districts."

The amendment was adopted.

Senate Bill No. 268 was then passed to third reading.

On motion of Mr. Leaverton and by unanimous consent of the House, the caption of Senate Bill No. 268 was ordered amended to conform with the body of the bill.

RELATIVE TO HOUSE BILL NO. 634

Mr. Leaverton moved that House Bill No. 634 be laid on the table subject to call.

There was no objection offered and it was so ordered.

HOUSE BILL NO. 638 ON SECOND READING

The Chair laid before the House, on its second reading and passage to third reading,
H. B. No. 638, A bill to be entitled
"An Act to amend Section (2) Brokers and Factors, of Article 19.01 of Title 122A, Taxation-General, of the Revised Civil Statutes of Texas, enacted by Chapter 1, Acts 1959, 56th Legislature, 3rd Called Session, by deleting therefrom real estate as an object or subject matter with reference to which said Article 19.01 levies an occupation tax; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 654 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 654, A bill to be entitled
"An Act amending Senate Bill No. 36, Page 544, General and Special Laws of the State of Texas, Forty-sixth Legislature, Regular Session, 1939, as amended by House Bill No. 611, Page 914, General and Special Laws of the State of Texas, Forty-seventh Legislature, Regular Session, 1941, as amended, which is codified as Article 695c, Vernon's Texas Civil Statutes, by amending Section 14 of said Article; exempting from consideration in determining need earned income of recipients of aid to the blind within limitations and restrictions as herein provided; providing a repealing clause; a savings clause; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 682 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 682, A bill to be entitled
"An Act to be known as "The Vocational Rehabilitation Act of Texas"; providing for vocational rehabilitation of the mentally and physically handicapped, except the legally blind; establishing a Texas Vocational Rehabilitation Council to administer vocational rehabilitation services and prescribing its powers and duties; providing for appointment of a Director of Vocational Rehabilitation and prescribing his duties; designating the State Treasurer to receive and disburse Federal funds available for vocational rehabilitation services and authorizing him to disburse such funds on the order of the Texas Vocational Rehabilitation Council, except those for rehabilitation of the legally blind; authorizing the acceptance of gifts and donations for vocational rehabilitation purposes; providing for confidentiality of records concerning recipients of vocational rehabilitation services; etc., and declaring an emergency."

The bill was read second time.

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

Committee Amendment No. 1

Amend House Bill No. 682 by striking out all below the enacting clause and substituting in lieu thereof the following:

"Section 1. It is hereby declared to be the policy of the State of Texas to provide rehabilitation services to the extent needed and feasible to eligible handicapped individuals throughout the State to the end that they may engage in useful and remunerative occupations or that they may achieve independence living to the extent of their capabilities, thereby increasing their social and economic well-being and that of their families as well as the productive capacity of this State and nation and reducing the burden of dependency on families and taxpayers. Pursuant to such policy, rehabilitation services shall be provided to eligible persons throughout the State under the rehabilitation plan adopted pursuant to this Act.

Sec. 2. (a) This Act shall be cited as "The Rehabilitation Act of Texas."

(b) For the purposes of this Act:
(1) The term "Agency" means the Texas Rehabilitation Agency established by this Act.
(2) The term "Council" means the Texas Rehabilitation Council within the Texas Rehabilitation Agency.
(3) The term "Director" means the Director of Rehabilitation appointed by the Council, who shall serve as executive officer of the
Agency and secretary of the Council.

(4) The term "rehabilitation services" means diagnostic and related services (including transportation) incidental to the determination of eligibility for, and the nature and scope of, services to be provided; training, guidance, and placement services for handicapped individuals; and, in the case of any such individual found to require financial assistance with respect thereto, after full consideration of his eligibility for any similar benefit by way of pension, compensation, and insurance, any other goods and services necessary to render such individual fit to engage in a remunerative occupation (including remunerative homebound work) or to achieve his rehabilitation to independent living, including the following physical restoration and other goods and services:

(a) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment or independent living, but is of such a nature that a correction or modification may be expected to eliminate or substantially reduce such handicap within a reasonable length of time;

(b) necessary hospitalisation in connection with surgery or treatment specified in paragraph (a) above;

(c) such prosthetic or mobility or other devices as are essential to obtaining or retaining employment or rehabilitation to independent living;

(d) maintenance, not exceeding the estimated cost of subsistence during rehabilitation;

(e) tools, equipment, initial stocks and supplies (including equipment and initial stocks and supplies for business enterprises to be conducted by severely disabled individuals (other than the blind), books and training materials, to any or all of which the State may retain legal title;

(f) transportation (except where necessary in connection with determination of eligibility or nature and scope of services) and occupational licenses;

(g) the acquisition of other equipment and initial stocks and supplies for use by severely disabled individuals in any type of small business, the operation of which will be improved through management and supervision by the State Agency; and

(h) the establishment of public and other non-profit rehabilitation facilities to provide services for handicapped individuals and the establishment of public and other non-profit workshops for the severely handicapped.

(5) The term "handicapped individual" means any individual who is under a physical or mental disability, except one who is legally blind, which constitutes a substantial handicap to employment but which is of such a nature that rehabilitation services may reasonably be expected to render him fit to engage in a remunerative occupation or to achieve his rehabilitation to independent living.

(6) The term "remunerative occupation" includes employment, either as an employee or self-employed; practice of a profession; homemaking, farm or family work for which payment is in kind rather than in cash; sheltered employment; and home industry or other homebound work of a remunerative nature.

(7) The term "rehabilitation facility" means a facility operated for the primary purpose of assisting in the rehabilitation of handicapped individuals:

(a) which provides for one or more of the following types of services:

(1) testing, fitting or training in the use of prosthetic appliances;

(2) pre-vocational or conditional training;

(3) physical or occupational therapy;

(4) adjustment training; or

(5) evaluation or control of special disabilities; or

(b) through which is provided an integrated program of medical, psychological, social and vocational evaluation and services under competent professional supervision; provided that the major portion of such evaluation and services is furnished within the facility and that all medical and related health services are prescribed by or are under the for-
nal supervision of persons licensed to practice medicine or surgery in this State.

8. The term "workshop" means a place where any manufacturing or handiwork is carried on and which is operated for the primary purpose of providing remunerative employment to severely handicapped individuals who cannot be readily absorbed into the competitive labor market.

9. The term "nonprofit," when used with respect to a rehabilitation facility or workshop, means such an establishment owned and operated by a corporation or association, no part of the net earnings of which inure to the benefit of any private shareholder or individual and the income of which is exempt from taxation under Section 501, (c) (3) of the Internal Revenue Code of 1954.

10. The term "rehabilitation to independent living" means the rehabilitation of an individual who is under such physical or mental disability as to be unable to perform his care.

11. Establishment of a workshop or rehabilitation facility means:
(a) in the case of a workshop, the construction, expansion, remodeling, or alteration of existing buildings necessary to adapt such building to the workshop purposes or to increase the employment opportunities in workshops, the acquisition of initial equipment and initial staffing thereof; and
(b) in the case of a rehabilitation facility, the construction, expansion, remodeling, or alteration of existing buildings and initial staffing thereof.

12. The term "eligible handicapped individual," when used with respect to diagnostic and related services, training, guidance, and placement, means any handicapped person, except one who is legally blind, whose rehabilitation is determined feasible by the Director, and when used with respect to other rehabilitation services means an individual meeting the above requirement who is also found by the Director to require financial assistance with respect thereto, after full consideration of his eligibility by way of pension, compensation and insurance.

Sec. 3. There is hereby established a State Rehabilitation Agency to be known as the Texas Rehabilitation Agency. The State Agency shall consist of the Council, the Director and all other employees of the State Agency. It shall be primarily concerned with the rehabilitation of the handicapped and to the end that they may attain their maximum potential in employment and independent living. It shall be the sole State agency to administer the programs authorized by this Act, except to the extent that such programs may be administered by a single local agency or political subdivision of the State, in which case the State Agency shall be the sole State agency to supervise the administration of such programs by such local agencies.

The State Agency shall manage, control and supervise all rehabilitation programs hereinafter provided, including:
1. All duties and functions now assigned to the Division of Vocational Rehabilitation under the State Board for Vocational Education.
2. Other duties and functions assigned by this Act.
3. All duties and functions which may be legally assigned to the State Agency in the future.

Sec. 4. There shall be a State Rehabilitation Council, known as the Texas Rehabilitation Council, composed of nine (9) members who shall be citizens of the State, appointed by the Governor with the advice and consent of the Senate for overlapping terms of six (6) years, except that for the original appointments the Governor shall designate three (3) members to serve for two (2) years, three (3) members to serve for four (4) years, and three (3) members to serve for six (6) years. The Council shall be composed of one (1) person representing each of the following fields: Education, Medicine, Welfare, Labor, Management, Workmen's Compensation Insurance Companies, Hospital Administration, State-wide Voluntary Association Serving the Handicapped, and a physically impaired individual representing the handicapped at large. Each member appointed shall have demonstrated
an interest in problems relating to the rehabilitation of the handicapped. Members shall be eligible for reappointment.

The Governor shall appoint all members of the Council as soon after the effective date of this Act as is practicable for respective terms of office beginning on September 1, 1961. The Governor shall also fill by interim appointment for the unexpired term of any vacancy on the Council caused by death, resignation or inability to serve for any reason. As soon as members have been appointed and qualified, they shall meet and organize for the transaction of business. They shall elect from among the membership a chairman who shall serve as such for a period of two (2) years. They shall appoint a Director of Rehabilitation, who shall serve at the pleasure of the Council as secretary of the Council and executive officer of the State Agency. The Council shall meet four (4) times a year in regular session. It may meet at such other times as may be necessary on call by the chairman, or Director, for the transaction of Agency business. Council members shall be compensated for actual and necessary expenses incurred in the discharge of their official duties.

Sec. 5. This Act shall be administered under the general supervision and direction of the Council by the Director, who shall be appointed by the Council in accordance with established personnel standards on the basis of education, training, experience and demonstrated ability.

The Director shall receive such compensation as the Council shall determine. He shall be reimbursed for all necessary traveling and other expenses incurred by him in the discharge of his official duties.

Sec. 6. In carrying out his duties under this Act, the Director:

(a) shall, with the approval of the Council, make regulations governing personnel standards; the protection of records and confidential information; the manner and form of filing applications, eligibility, investigation and determination thereof, for rehabilitation and other services; procedures for hearings; and such other regulations as he finds necessary to carry out the purposes of this Act;

(b) shall, with the approval of the Council, establish appropriate administrative units;

(c) shall, with the approval of the Council, appoint such personnel as he deems necessary for the efficient performance of the functions of the Agency;

(d) shall prepare and submit to the Council annual reports of activities and expenditures and, prior to each Regular Session of the Legislature, estimates of sums required for carrying out the purposes of this Act;

(e) shall make certification for disbursement, in accordance with regulations, of funds available for carrying out the purposes of this Act;

(f) shall, with the approval of the Council, take such other action as he deems necessary for appropriate to carry out the purposes of this Act;

(g) may, with the approval of the Council, delegate to any officer or employee of the Agency such of his powers and duties, except the making of regulations and the appointment of personnel, as he finds necessary to carry out the purposes of this Act.

Sec. 7. The Agency shall provide the rehabilitation services authorized by this Act to every physically and mentally handicapped individual determined by the Director to be eligible therefor, and in carrying out the purposes of this Act the Agency is authorized, among other things:

(a) to cooperate with other departments, agencies and institutions, both public and private, in providing the services authorized by this Act to disabled individuals, in studying the problems involved therein, and in establishing, developing and providing in conformity with the purposes of this Act such programs, facilities and services as may be necessary or desirable;

(b) to enter into reciprocal agreements with other states;

(c) to conduct research and compile statistics relating to the provision of services to or the need for services by disabled individuals;

(d) to enter into contractual arrangements with agencies of the Federal Government and other authorized public agencies for the per-
performance of services relating to rehabilitation:

(a) to contract with schools, hospitals, and other agencies and with doctors, nurses, technicians, and other persons for training, physical restoration, transportation, and other services;

(f) to establish and operate rehabilitation facilities and workshops and make grants to public and other non-profit organizations for such purposes;

(g) to supervise the operation of such facilities and workshops and make grants to public and other non-profit organizations for such purposes;

(b) to establish, maintain, and operate rehabilitation houses or similar facilities needed for the rehabilitation of handicapped individuals;

Sec. 9. (a) The Treasurer of the State of Texas is hereby authorized and empowered to receive the funds appropriated under an Act of Congress passed June 2, 1926, and as subsequently amended, entitled "An Act to provide for the promotion of Vocational Rehabilitation of persons disabled in industry and otherwise, and their return to civil employment" and to make disbursements therefrom upon the order of the Texas Rehabilitation Council. The Texas Rehabilitation Council is empowered and instructed to cooperate with the terms and conditions expressed in the Act of Congress aforesaid. The Texas Rehabilitation Council, through the Director of Rehabilitation, is authorized to receive gifts and donations for rehabilitation work, said gifts and donations to be deposited by the Director of Rehabilitation in the State Treasury, subject to the matching or other provisions of Federal funds up to such amount as the Federal Government may allocate per bencium to the State for said work, and which has not already been met with State appropriations for said bencium.

(b) The Agency shall be financed by all moneys appropriated by the Legislature of this State and all moneys received from the United States or any other source for rehabilitation, other than for vocational rehabilitation of the legally blind. Federal grants and donations for rehabilitation services, except those for the legally blind, and those otherwise restricted, shall be available for all rehabilitation services provided under the State plan pursuant to this Act, and for the purpose, whenever Federal funds are made available to the State under Section 3 of the Federal Vocational Rehabilitation Amendments of 1964, for the extension and improvement of vocational rehabilitation services, or under Section 4 of such Act for projects for research, demonstration, training and internships, and for the planning for and initiating expansion of rehabilitation services under the State plan.

(c) The Legislature shall appropriate for rehabilitation such sums as are necessary, along with available Federal and other funds, to carry out the purposes of this Act. The acceptance of such Federal funds and other funds and their use for rehabilitation subject to such restrictions as may be imposed by the donor and not inconsistent with this Act is hereby authorized.

Any funds received from the Federal Government in the adjustment of the Federal-State account shall not lapse at any time but shall be continuously available to the Agency for expenditures consistent with this Act.

All moneys available to the Agency shall be deposited, administered, and disbursed in the same manner as are necessary, along the same conditions and requirements as provided by law for other public funds in the State Treasury.

Sec. 10. It shall be unlawful, except for purposes directly connected with the administration of the rehabilitation programs in accordance with regulations, for any person or persons to solicit, disclose, receive, or make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of any list of, or names of, or any information concerning persons receiving rehabilitation, directly or indirectly derived from the records.

Sec. 11. All functions of the Division of Vocational Rehabilitation...
of the Central Education Agency, together with all personnel, property, records, and unexpended balance of appropriations, allocations, and other funds available or to be made available are hereby transferred to the Agency, as of the effective date of this Act. Wherever under existing statutes duties, obligations and responsibilities are placed upon the Division of Vocational Rehabilitation of the Central Education Agency or duties, obligations and responsibilities relating to vocational rehabilitation of the physically and mentally handicapped are imposed upon the State Board for Vocational Education, such duties, obligations and responsibilities shall hereafter be assumed and carried out by the Texas Rehabilitation Council.

Sec. 12. No officer or employee engaged in the administration of the programs authorized by this Act shall use his official authority or influence or permit the use of the programs authorized by this Act for the purpose of interfering with an election or affecting the results thereof or for any partisan political purpose. No such officer or employee shall take any active part in the management of political campaigns or participate in any political activity, except that he shall retain the right to vote as he may please and to express his opinion as a citizen on all subjects. No such officer or employee shall solicit or receive, nor shall any such officer or employee be obliged to contribute or render, any service, assistance, subscriptions, assessment, evaluation, or contribution for any political purpose. Any officer or employee violating this provision shall be subject to discharge or suspension.

Sec. 13. Any individual applying for or receiving rehabilitation who is aggrieved by any action or decision of the State Agency shall be entitled, in accordance with regulations, to a fair hearing by the Council.

Sec. 14. The right of a handicapped individual to benefits under this Act shall not be transferable or assignable at law or in equity.

Sec. 15. The State Agency shall cooperate, pursuant to agreements, with the Federal Government in carrying out the purposes of any Federal statute pertaining to the purposes of this Act and is hereby authorized to adopt such methods of administration as are found necessary for the proper and efficient operation of such agreements and to comply with such conditions as may be necessary to secure the full benefits of such Federal statutes. The State Agency shall also perform other related functions and services for the Federal Government, including making determinations of eligibility under Title II of the Federal Social Security Act.

Sec. 16. Personnel of the Division of Vocational Rehabilitation of the Central Education Agency hereby transferred to the Texas Rehabilitation Agency shall have the option of retaining membership in the Teacher Retirement System of Texas or becoming members of the Employees Retirement System of Texas under the provisions of Chapter 17, Acts of the 54th Legislature, Regular Session, 1955, as amended by Chapter 239, Acts of the 56th Legislature, Regular Session, 1959.

Sec. 17. Nothing contained in this Act shall be construed to affect or alter in any way the Federal-State programs provided for the rehabilitation of the legally blind administered by the Texas Commissioner for the blind or for the physical restoration of crippled children administered by the Crippled Children's Division of the Texas State Department of Health.

Sec. 18. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 19. Sections 2, 2-a, and 5 of Chapter 29, Acts of the 41st Legislature, First Called Session, 1929, as amended by Chapter 99, Acts of the 43rd Legislature, First Called Session, 1933, and all other laws and parts of laws in conflict with this Act are hereby repealed to the extent of such conflict.

Sec. 20. This Act shall take effect on September 1, 1961.

Sec. 21. The urgent need for a separate State agency to devote its entire attention to an effective re-
habilitation program for the physically and mentally handicapped citizens 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 is hereby suspended.

The amendment was adopted.

House Bill No. 682 was then passed to engrossment.

**HOUSE BILL NO. 716 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 716, A bill to be entitled "An Act amending Article 7897, Revised Civil Statutes of Texas, 1925, to provide alternate days to hold the election of certain water district officials in the event of certain holidays; and declaring an emergency."

The bill was read second time and was passed to engrossment.

**HOUSE BILL NO. 729 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 729, A bill to be entitled "An Act amending Section 3, D. of Chapter 382, Acts of the 56th Legislature, Regular Session, 1959, to provide that none of the provisions of the Liquefied Petroleum Gas Code shall apply to any pipeline company; and declaring an emergency."

The bill was read second time and was passed to engrossment.

**HOUSE BILL NO. 733 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 733, A bill to be entitled "An Act authorising the Texas National Guard Armory Board to convey certain lands in Wood County, Texas; describing the manner of sale and disposition of proceeds; and declaring an emergency."

The bill was read second time.

Mr. Dungan offered the following amendment to the bill:

Amendment No. 1

Amend H. B. 731 by striking out the word "by" in the second line of Section 3, and substituting the word "to" in lieu thereof.

The amendment was adopted.

Mr. Lewis offered the following Committee amendment to the bill:

Committee Amendment No. 1

Amend H. B. No. 731 by adding new Section "No. 3a," to read as follows:

The National Guard Armory Board hereby reserves a one half (1/2) undivided interest in all the mineral estate in and under said land. Any and all monies received from the leasing of said mineral estate shall be used for the use and benefit of the National Guard Armory Board.

The amendment was adopted.

House Bill No. 731 was then passed to engrossment.

**HOUSE BILL NO. 733 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 733, A bill to be entitled "An Act amending Article 901, Vernon's Texas Penal Code, so as to permit certain incapacitated persons to hunt from vehicles upon certain conditions; and declaring an emergency."

The bill was read second time.

Mr. Dungan offered the following amendment to the bill:

Amend H. B. 733 as follows: Delete the words "unduly wearisome, if not impossible" from Article 901, Line 7, and substitute the following "hazardous to his health."

The amendment was adopted.

House Bill No. 733 was then passed to engrossment.
COMMITTEE MEETING

On motion of Mr. Watson, and by unanimous consent of the House, the Committee on Insurance was granted permission to meet at this time.

HOUSE BILL NO. 755 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 755, A bill to be entitled "An Act providing for the sale of certain land to the City of Texas City, upon payment of a stated sum: reserving all oil, gas and other minerals; enacting other provisions relating to the subject matter; and declaring an emergency."

The bill was read second time.

Mr. Price offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend House Bill 755 by striking Section 1 and substituting in lieu thereof the following, together with a new section to be numbered Section 1a.

"Section 1. The Commissioner of the General Land Office is hereby authorized and directed to sell to the City of Texas City, for a consideration of $20,000 to be paid by the City of Texas City in cash and deposited in the appropriate State funds, the area in Galveston Bay, Galveston County, Texas, known as "Snake Island" and adjacent submerged lands, described by metes and bounds as follows:

Beginning at a point in the East line of the Texas City Turning Basin, said point being South 647.68 varas of Point "E" in the harbor line and 836.62 varas East of the southerly extension of the center line of Bay Street, Texas City, Texas (Point "E" is shown in the map of the Texas City Harbor prepared by the Corps of Engineers of the United States Army under date of December 1958, Corps of Engineers File No. — Gal. 308-213, said Point "E" being located 576.00 varas South of the Center line of Texas Avenue and 470.52 varas East of the center line of Bay Street extended);

Thence North 266.40 varas along the East line of said Turning Basin to its intersection with the South line of the Texas City Channel on a curve to the right (I=69° 50', R= 935.2 varas);

Thence in a northeasterly direction along the South line of said channel, same being the arc of a circular curve to the right, the long chord of which is N. 70° 19' E. 556.93 varas, to the PT of the curve;

Thence S. 71° 46' E. 46.40 varas with the South line of the Texas City Channel to a point in same, said point being East a distance of 1755.62 varas from the southerly extension of the center line of Bay Street;

Thence South 1990.86 varas to a point for corner, said point being North a distance of 302.40 varas from the easterly extension of the South line of the Texas City Terminal Railway barge canal property, same being the North line of property owned by the University of Texas;

Thence West 657.00 varas to a point for corner;

Thence South 900.00 varas to a point for corner;

Thence West 64.00 varas to a point for corner in the line of mean higher high tide of Galveston Bay;

Thence N. 6° 51' E. 181.29 varas with the line of mean higher high tide to a point for corner, said point being South 417.60 varas from the South line of the Texas City Terminal Railway Company's barge canal property;

Thence East 554.40 varas to a point for corner;

Thence North 2044.58 varas to the point of beginning and containing 375.75 acres of land.

It is expressly agreed and understood that all the oil, gas, and other minerals are hereby reserved by the State of Texas for the benefit of the Permanent Free School Fund, along with the right to explore for and develop the area for production of oil, gas, and other minerals, and to select and use any site or sites for drilling or mining operations.

The Commissioner of the General Land Office and the Governor of Texas are authorized to do any and all things necessary to carry out the purpose and provisions of this Act.
Section 1a. Upon payment of the said consideration and the issuance of a patent to the City of Texas City to the said land shall become absolute; subject to the reservation herein made, provided, however, that in the event the City of Texas shall at any time convey or attempt to convey title to all or any part of the above described real property, title to the same shall revert to the State of Texas.

The amendment was adopted.

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

Amend Committee Amendment No. 1 of House Bill 755 by striking out the first paragraph of Section 1, and placing in lieu thereof the following:

"Sec. 1. The Commissioner of the General Land Office is hereby authorized and directed to lease to the City of Texas City, Texas, for as many years as said city may desire, so long as it is not for more than one-hundred (100) years, for a consideration of $200.00 per annum, to be paid annually by the City of Texas City in cash, to a date to be agreed upon by the City of Texas City and the Commissioner of the General Land Office and deposited in the appropriate State Funds, the area in Galveston Bay, Galveston County, Texas, known as "Snake Island" and adjacent submerged lands, described herein and bounds as follows:

Mr. LaValle moved to table the amendment by Mr. Price.

The motion to table prevailed.

Mr. Hale offered the following amendment to the bill:

Amend House Bill No. 755 by inserting a new section between Section 1a and Section 2, to be numbered Section 1b, to follow Section 1a:

"Section 1b. It is specifically provided that the conveyance herein authorized to the City of Texas City, shall be for so long as said property is maintained by the City for public uses: and whenever such public uses shall cease to be carried on upon such premises, then and thereupon the conveyance under this act shall be null and void and the said land shall automatically revert to the State of Texas."

The amendment was adopted.

House Bill No. 755 was then passed to engrossment.

HOUSE BILL NO. 744 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 744, A bill to be entitled "An Act providing for the regulation of motor vehicle driving schools, setting forth procedures therefor; providing for certain penalties; and declaring an emergency."

The bill was read second time.

Mr. Burgess offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend House Bill No. 744 by striking out all below the enacting clause and substituting the following:

"Section 1. Definitions. All words and terms as used herein, unless specified otherwise, shall have the meaning ascribed to them by Chapter 421, Acts of the 54th Legislature, Regular Session, 1947. In addition to these definitions, in this Act, unless the context otherwise requires:

(a) "person" shall mean every natural person, firm, partnership, association or corporation;

(b) "Department" shall mean the Texas Department of Public Safety;

(c) "driving school" shall mean a school maintained, classes conducted or instruction offered by any individual, for the consideration, profit or tuition, the purpose of which is to educate or train any individual, either by classroom instruction or practical driving instruction, or both, to operate a motor vehicle; provided that nothing herein shall apply to driver education programs approved by the Texas Education Agency;

(d) "place of business" shall mean a designated location at which the business of a driving school is transacted and its records are kept;

(e) "instructors" shall mean any natural person offering instructions..."
for a consideration, profit, tuition or other compensation, the purpose of which is to educate or train any individual or individuals either in classroom instruction or practical driving, or both, to operate or drive a motor vehicle.

(f) "classroom instruction" shall mean subject matter relating to rules and regulations of the road, safe driving practice, pedestrian safety and the driver's responsibility.

(g) "practice driving instructions" shall mean the demonstration of and actual instruction in stopping, starting, shifting, turning, backing, parking and steering a motor vehicle by the student, while receiving actual practice driving instruction.

Sec. 2. (a) Administration of Act.

The Department shall administer the provisions of this Act and may promulgate necessary rules and regulations, including the instructions to be offered, text and material used, and the minimum number of classroom hours to be given students learning to drive, preceding the practice driving instruction, and the type of classroom facilities to be provided by the driving schools for students receiving classroom instructions. An appeal from any action or ruling of the Department shall be to a court of competent jurisdiction and shall be a trial de novo.

There is hereby created a Professional Driver Training Advisory Board composed of one (1) member representing each of the groups listed below. It shall be the duty of each agency, department, board, association or council to select a member to represent them on the Board within thirty (30) days from effective date of this Bill.

(1) Texas Educational Agency.
(2) Texas Department of Public Safety.
(3) State Board of Insurance.
(5) The driving school profession (selected by the Executive Committee of the Texas Traffic Safety Council).

The Chairman of the Advisory Board shall be the member representing the Department and he shall preside at all meetings. Such Board shall assist the Department at its request in providing professional advice to assist the Department in carrying out its duties herein.

Sec. 3. Driving School License.

(a) No person shall conduct classes or offer instruction for a fee, tuition, consideration or other compensation, the purpose of which is to educate or train any individual or individuals either in classroom instruction or practical driving, or both, to operate or drive a motor vehicle unless they are the holder of a valid driving school or instructor's license as prescribed in this Act. No person shall be issued a driving school license unless: (1) applicant is a citizen of the United States, at least twenty-five (25) years of age, (2) applicant can furnish proof of having satisfactorily completed a forty (40) hour course in driver education as approved by the Texas Board of Education and the Department, School owners presently engaged in the operation of a professional driving school have one (1) year from date of passage of this Bill to comply with this requirement, (3) applicant must have a place of business as described in this Act, said place of business or telephone can not be the same as used or located in a residence, (4) Applicant must be the holder of a valid instructor's license as required in this Act. (b) An application for a driving school license shall be made in writing to the Department on a form prepared and furnished by the Department and shall contain such information as the Department may prescribe. (1) Every such application shall be accompanied by a fee of Fifty Dollars ($50) payable to the Department which in no event shall be refunded. (2) Upon investigation and approval by the Department an additional fee of Fifty Dollars ($50) shall be paid to the Department, and the applicant shall be issued a driving school license. Such license shall expire one (1) year from the date of issuance. (2) The driving school license shall be conspicuously displayed in the place of business of the licensee. In case of loss, mutilation or destruction of a license or certificate, the Department shall issue a duplicate thereof upon proof of the facts and payment of a fee of One Dollar ($1). (4) The annual fee for a renewal of a driving school license
shall be
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issued to any person.

All fees and charges collected by the Department hereunder shall be deposited in the Operators and Chauffeurs License Fund and may be used by the Department for such purposes as are authorized by law and appropriations. The Department may employ such additional personnel and make such expenditures as are necessary to carry out the provisions of this Act, which shall be in addition to any amounts otherwise appropriated but which shall be governed by the applicable general provisions of the appropriations bill. All employees shall be compensated at such salaries as are provided for persons performing similar services as provided in the State Employee Classification Act.

(c) A driving school owner desiring to open a branch office in a different location in the same city or the owner or operator of a branch office at the present time, using same trade name, shall make application on the usual form set forth in these rules and regulations and accompanied by a fee of Twenty-five Dollars ($25) which in no event shall be refunded. Such owners shall not be required to pass another test for a branch office license. The annual renewal fee for a branch office license shall be Twenty-five Dollars ($25). A driving school owner operating another place of business, using a different name, shall comply with all the provisions of this Act as an owner or operator, provided that after satisfactorily passing the required written test, such owner or operator shall not be required to pass another such test or examination for the purpose of operating another place of business using a different trade name.

(d) Every licensee shall maintain the following records: (1) a permanent bound book or a card file, setting forth the name, address, number of hours of instruction and amount of payment, with respect to every person receiving lessons, lectures, tutoring, or instructions of any kind, relating to the operation of a motor vehicle. Such forms must be approved by the Department. (2) The book or card file shall also contain records showing the date, type and duration of all lessons, lectures, tutoring and instructions including the name of the instructor giving such lessons, and the vehicle used. Such records must be kept on file for a period of two years.

(e) Licenses issued under this Act shall not be transferable. In the event of change of ownership, application for a new license shall be made and the old license must be surrendered to the Department before a license will be issued to the new owner. The fee for the new license is One Hundred Dollars ($100) payable as set forth herein and shall accompany the application for the new license.

Sec. 4. Instructor's Qualifications.

(a) Every applicant for an instructor's license in a driving school shall be a citizen of the United States, at least twenty-three (23) years of age, and a person of good moral character.

(b) Every applicant for an instructor's license shall have a valid chauffeur's license issued by the Department before making application for an instructor's license.

(c) Every applicant for an instructor's license must pass (1) a written test, (2) vision test and (3) road rules test, prepared and administered by the Department, to include State and Federal laws governing the operation of motor vehicles, (4) driving test demonstrating the applicant's ability to safely operate the motor vehicle, and (5) such other requirements as determined by the Department.

(d) Tests for instructor's license shall be given at time and place designated by the Department.

(e) Every applicant for an instructor's license must show proof of at least three (3) years licensed driving experience of a motor vehicle prior to the date of the application.

(f) Past driving record must be approved by the Department.

(g) If an applicant fails the test for an instructor's license, such applicant shall not be eligible for another such test until the thirty (30) days from the date of the previous test.

Sec. 5. Application for Instructor's License.
(a) An application for an instructor's license shall be made in writing to the Department on a form furnished by the Department and shall be accompanied by a fee of Twenty Dollars ($20) which in no event shall be refunded. After investigation, examination and approval of the applicant, the Department shall issue an instructor's license which shall expire one (1) year on the thirty-first day of August of each year and shall be renewable on or after the first day of July of each year. The instructor's license must be carried by the instructor at all times while giving driving instruction or when accompanying an applicant for a driver's license test. The annual renewal fee for an instructor's license shall be Twenty Dollars ($20). In case of loss or mutilation or destruction of a license or certificate the Department shall issue a duplicate of said license or certificate upon proof of the facts and a fee of One Dollar ($1). No person shall perform any instructional duties in any driving school, unless such person is licensed as an instructor as herein provided.

(b) After receiving application, a 30-day temporary permit may be issued at the discretion of the Department to the applicant so he or she may instruct, pending further investigation. Such temporary permit shall not be extended beyond the 30-day period.

Sec. 6. Dual Brake Control. Each motor vehicle owned, leased, rented or operated by a driving school or instructor for the purpose of giving practical training upon the streets or highways, shall be equipped with an operable brake for the instructor while being operated for such purpose.

Sec. 7. Insurance. No driving school license shall be issued unless and until such time as the applicant has filed, with the Department, proof of liability insurance for each motor vehicle owned, leased, rented or operated by the school for practical training of student-drivers upon the streets and highways of the State of Texas. Such insurance policies shall be in the following amounts: (a) $10,000 bodily injury to one (1) person or (b) $20,000 bodily injury to two (2) or more persons, and (c) $10,000 property damage.

(d) Medical coverage in the amount of $2,500 for each person.

The applicant shall furnish evidence of such insurance coverage in the form of a certificate from the insurance carrier.

Sec. 8. Revocation of Licenses. The Department may deny an application or cancel, revoke or suspend the license or permit of any applicant or licensee for a length of time to be determined by the Department, if it is determined that:
(a) Such applicant or licensee has made a material false statement or concealed a material fact in connection with his application, or renewal thereof.
(b) Such applicant or licensee, or any officer, stockholder, or partner or any other person directly or indirectly interested in the business has been convicted of a felony, or of any crime involving violence, dishonesty, deceit, indecency, decency or moral turpitude.
(c) Such applicant or licensee does not have or maintain a place of business meeting the standards for licensing.
(d) Such applicant or licensee is not qualified under any of the other conditions stated in this Act.
(e) That the applicant or licensee is addicted to the use of alcoholic liquors, morphine, cocaine, or other drugs having similar effect, or shall be incompetent.

(f) That the owner or licensee has failed or refused to permit the Department to inspect the driving school for compliance with established standards.

(g) That a licensed instructor or owner has failed or refused to produce his license when requested to do so, either by prospective students or officials of the Department.

(1) That the owner is employing instructors who have not been ill
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Amend the Committee Amendment No. 1 of H. B. 764 by adding a new section to be numbered Section 10 and re-numbering the remaining sections accordingly:

"Section 10: The provisions of this act shall not apply to schools operated in towns or cities of ten thousand (10,000) population or less according to the last preceding federal census."

The amendment by Mr. Adams of Titus to Committee Amendment No. 1 was lost.

Mr. Cotten raised a point of order that there is not a quorum present.

The Chair overruled the point of order, stating that the last record vote showed a quorum present.

A record vote was requested on Committee Amendment No. 1. Committee Amendment No. 1 was adopted by the following vote:

Year—99

Allen
Andrews
Bailey
Banfield, Mrs.
Barnes
Buttram
Bass
Beel
Boyson
Bridges
Burgess
Califeso
Carriker
Chapman
Cole of Harris
Cole of Hunt
Collins
Connell
Cory
Cotten
Cowles
Crews de la Garza
Dewey
Dewf, Miss
Dungan
Eckhardt
Ehrle
Fletcher
Foreman
Giaddeo
Glasing
Green
Grover
Gufer
Harding
Harrington
Hays
Hillson
Hollowell
Hussey
Hughes of Grayson
Hughes of Dallas
Jamison
Johnson of Bexar
Jones of Travis
Kennard
Kilpatrick
Koliba
Korich
Lack
LaLner
LaValle
Leaverton
Lewis
Longoria
McLennan
McGregor
McMahan
McPherson
McWhirter
Martin
Mellace
Murray
Metscher
Niemeyer
Pearcy
Petier
Petty
Pieratt

Yeas—99

Noes—0

Yeas—99

Mr. Adams of Titus offered the following amendment to Committee Amendment No. 1:

AMENDMENT TO COMMITTEE AMENDMENT NO. 1

TO H. B. 764

Amend the Committee Amendment No. 1 of H. B. 764 by adding

Sec. 10. Severability Clause. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications to the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 11. The fact that the present law does not adequately protect the public from incompetent driving instructors 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 that this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted:

Mr. Adams of Titus offered the following amendment to Committee Amendment No. 1:

SEC. 10. That the provisions of this Act shall not apply to schools operated in towns or cities of ten thousand (10,000) population or less according to the last preceding federal census.
A verification of the vote was requested, and was not granted.

House Bill No. 764 was then passed to engrossment.

HOUSE BILL NO. 846 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 846, A bill to be entitled "An Act providing for the trapping and transporting of wild white-tailed deer from overpopulated areas to areas of 5,000 acres or more in which such deer population is in surplus; providing that the trapping, transporting and transplanting of white-tailed deer shall be accomplished at no expense to the State; and providing for the issuance of permits by the Game and Fish Commission for trapping, transporting, and transplanting wild white-tailed deer; limiting the hunting of transplanted wild white-tailed deer to the established season of the county to which they are transplanted; and declaring an emergency."

The bill was read second time.

Mr. Glusing offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend H. B. 846 by striking all below the enacting clause and substituting the following therefor:

Section 1. The purpose of this Act is to prevent the wasting of surpluses of wild white-tailed deer in areas where present methods of harvest are inadequate for the maintenance of a balanced supply of this wildlife resource. In order to assure better utilization of surpluses of wild white-tailed deer, which have increased in some areas to such densities as to become a threat to the livestock and agricultural industries, and which, in other areas, are below carrying capacity, it is deemed for the public welfare that this Legislature enact legislation adaptable to changing conditions so that the supply of this important wildlife resource may be kept more constantly adequate and that waste will be reduced.

Section 2. It shall be the duty of the Game and Fish Commission to issue to any person or persons qualifying under the terms of this Act a permit or permits for the trapping of wild white-tailed deer in overpopulated areas, where harvest provisions are inadequate for maintaining a balanced supply of this wildlife resource, and for transporting and transplanting such wild white-tailed deer into other areas of adaptable habitat for appropriate harvest.
Section 3. The trapping, transporting, and transplanting of wild white-tailed deer under permit issued by the Game and Fish Commission shall be accomplished at no expense to the State, with all costs to be borne by the person or persons obtaining the permit.

Section 4. Under provisions of this Act, the Game and Fish Commission shall issue such permit for the trapping, transporting, and transplanting of wild white-tailed deer upon satisfactory proof that the area to which the deer are to be transplanted has sufficient carrying capacity to support the wild white-tailed deer which are to be transplanted. Further, the Game and Fish Commission shall make an investigation to verify that the area in which the wild white-tailed deer are to be trapped is overpopulated.

Section 5. It shall be unlawful to hunt, take, or kill wild white-tailed deer transplanted under terms of this Act except as provided by law for the hunting, taking, or killing of native wild white-tailed deer in the county to which such deer are transplanted.

Section 6. The fact that many areas of the State are overpopulated with wild white-tailed deer thus constituting a threat to agricultural and livestock industries, and the further fact that such deer may be more adequately harvested in other areas of the State, and the crowded condition of the calendars in both houses create 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 is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

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

Amend H. B. No. 846 Committee Amendment No. 1 at line 24 page 1, add immediately after “this wildlife resource,” the following:

“Such permits shall not entitle anyone to take, trap or reduce to possession wild white-tailed deer on any privately owned land without the landowner’s express written permission.”

A record vote was requested on the amendment by Mr. Nugent.

The amendment by Mr. Nugent to Committee Amendment No. 1 was adopted by the following vote:

Yeas—116

Adams of Lubbock  Johnson of Bexar
Adams of Titus  Jones of Travis
Allen  Jones of Travis
Atwell  Kenneth
Bailey  Kilpatrick
Banchfield, Mrs.  Koliba
Barlow  Kohls
Barram  Lack
Bass  Latimer
Bell  LaVelle
Bone  Leaverton
Boyle  Lewis
Boyden  Longoria
Bridges  McGregor
Buchanan  McGregor
Butler  of El Paso
Caldwell  McElroy
Cannon  Markgraf
Carriker  Martin
Cole of Harris  Miller
Cole of Hunt  Moore
Collins  Nollen
Connell  Murray
Cook  Mutchner
Cory  Nunn
Cowen  Oliver
Cox  Peeler
Cowles  Pettigrew
Craw  Piersall
Crawford  Pipkin
Curtis  Preston
Darrow  Price
Dawes  Rapp
Dewey  Ratliff
Dungan  Richards
Fairchild  Richardson
Fletcher  Roberts of Hill
Frazier  Roberts of Dawson
Garrison  Roberts of Lamar
Giddens  Robertson
Glass  Roberts of Wichita
Glassing  Roddy
Grover  Robison
Guffey  Rosenberg
Harding  Ruark
Haring  Rusk
Harrington  Ryan
Hays  Sadler
Hauser  Sanchor
Hawkins  Sanchon
Haworth  Sheehy
Hazzard  Shelly
Haynes  Sherman
Hedberg  Shepard
Helfer  Shepard
Henderson  Sibert
Hughes of Grayson  Smith
Hughes of Dallas  Springer
Imahara  Stewart
Johnson of El Paso  of Galveston
Johnson of Wichita  Steward
Johnson of Wichita  Townend
Starkweather  Townsend
Committee Amendment No. 1 as amended was adopted.

House Bill No. 846 was then passed to engrossment.

HOUSE BILL NO. 852 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 852, A bill to be entitled "An Act relating to Water Supply or Sewer Service Corporations amending Sections 3, 5, 6, and 8 of Chapter 76, Acts of the 43rd Legislature, First Called Session, 1933, as amended, to provide for increasing the number of directors by amendment to the by-laws; for making the requirement of a bond of the officers discretionary with the board of directors; for making the handling of the business by a manager discretionary with the board of directors; for selecting as a depository a bank which is insured with the Federal Deposit Insurance Corporation; adding a new section exempting the corporation from the Texas Securities Act; and declaring an emergency."

The bill was read second time and was passed to engrossment.

HOUSE BILL NO. 873 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. B. No. 873, A bill to be entitled "An Act amending Subsection (c) of Section 4, Chapter 356, Acts of the Fifty-second Legislature, Regular Session, 1951, as amended, relating to State property account- ability and responsibility; and declaring an emergency."

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

Committee Amendment No. 1

Amend Section 1 of H. B. No. 873 by striking from line 2, page 3 the words "National Bank" and substituting in lieu thereof the words "bank within the State of Texas which is insured with the Federal Deposit Insurance Corporation."

The amendment was adopted.
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House Bill No. 873 was then passed to engrossment.

**HOUSE BILL NO. 878 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment.

H. B. No. 878, A bill to be entitled “An Act amending Article 4584 of the Revised Civil Statutes of Texas, 1925, as amended, so as to repeal that portion of the law allowing procedures that lead to diversion of bodies which would otherwise become available for the advancement of medical science; and with the purpose of eliminating the shortage of bodies that can be used for medical teaching and research; and declaring an emergency.”

The bill was read second time and was passed to engrossment.

**HOUSE BILL NO. 879 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment.

H. B. No. 879, A bill to be entitled “An Act amending Section 2, House Bill 264, 56th Legislature, 1959, so as to repeal that portion of the law which is not correlated with the Anatomical Law (Article 4584, R.C.S., 1925), permits indiscriminate distribution of bodies, and does not provide for keeping records; and with the purpose of unifying the laws dealing with human bodies used for the advancement of medical science, providing for recording their distribution, and giving a uniform method of handling all such bodies through the activity of the Anatomical Board of the State of Texas; and declaring an emergency.”

The bill was read second time and was passed to engrossment.

**HOUSE BILL NO. 897 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment.

H. B. No. 897, A bill to be entitled “An Act amending a portion of the Texas Liquor Control Act; amending Subsection 1 of Article 667-24a of the Texas Liquor Control Act, Acts of the Forty-Fourth Legislature Second Called Session, as amended, to more clearly define ‘outdoor advertising’; and declaring an emergency.”

The bill was read second time and was passed to engrossment.

**REASON FOR VOTE**

I wish to be recorded as voting no on H. B. 877.

JERRY BUTLER, CARRIKER.

**HOUSE BILL NO. 1044 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment.

H. B. No. 1044, A bill to be entitled “An Act amending Article 1.09-3 of the Insurance Code to provide that members and employees of the State Board of Insurance shall be subject to the same code of ethics and standards of conduct as members and employees of other state regulatory agencies; and declaring an emergency.”

The bill was read second time and was passed to engrossment.

**HOUSE BILL NO. 1046 ON SECOND READING**

The Chair laid before the House, on its second reading and passage to engrossment.

H. B. No. 1046, A bill to be entitled “An Act applying to Incorporated cities and towns having a population of more than 100,000 inhabitants according to the Federal Census last preceding the taking of action hereunder (referred to hereafter as ‘city’); authorizing such city to purchase, build, construct, acquire, improve, enlarge, extend, maintain, repair, and replace any and all properties, improvements and facilities which the governing body thereof deems to be necessary for the elimination of grade-level crossings by railroad lines of the streets of such city and for the relocation of railroad lines within said city (said properties, improvements and facilities being hereafter referred to as the ‘Facilities’); providing certain
things that said Facilities shall include, etc., and declaring an emergency."

The bill was read second time.

Mr. Jones of Travis offered the following committee amendment to the bill:

Committee Amendment No. 2

Amend House Bill No. 1046 by striking out all of Page 13 and 14 of the original bill and inserting in lieu thereof the following:

quailifications of, negotiable instruments under the Negotiable Instruments Law of the State of Texas, and all such bonds shall be, and are hereby declared to be, legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians, and for the sinking funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas. Such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas, and such bonds shall be lawful and sufficient security for said deposits to the extent of their face value when accompanied by all unmatured interest coupons appertaining thereto.

Sec. 14. The right of eminent domain is hereby expressly conferred upon any city operating under the provisions of this Act, for the purpose of enabling such city to acquire the fee simple title, easement or right of way to, over and through any and all lands, water, lands under water, or any other property or properties of any nature whatsoever, private or public (except land and property used for cemetery purposes), which the governing body of the city deems to be necessary for the accomplishment of any of the purposes provided in Section 1 hereof. In the event of the condemnation, or the taking, damaging or destroying of any property for such purposes, the city shall pay to the owner thereof adequate compensation for the property taken, damaged, or destroyed. Compensation and damages adjudicated in any condemnation proceedings, and damages which may be done to the property of any person or corporation in the accomplishment of such purposes may be paid out of funds derived from the sale of any bonds (tax bonds or revenue bonds) issued pursuant to this Act or from any other available funds of the city. All procedures with reference to condemnation, the assessment of damages, payment, appeal, the entering upon the property pending the appeal, etc., shall be in conformity with the procedure prescribed in Title 52, Articles 3264 to 3271, both inclusive, Revised Civil Statutes of Texas, 1925, and any amendments thereto.

Sec. 15. This Act is cumulative of all existing laws of the State of Texas that are applicable, but when a city acts under the provisions of this Act, to the extent that such existing laws may be in conflict or inconsistent with the provisions of this Act, the provisions of this Act shall govern and prevail. Moreover, the provisions of this Act shall take precedence over any and all conflicting or inconsistent city charter provisions.

Sec. 16. All proceedings heretofore had and all actions, suits, etc., and all contracts heretofore entered into by any city relating to any of the matters covered by, or power or authority granted by, the provisions of this Act are hereby, in all things, validated. It is provided, however, that the validation provisions of this Section 16 shall have no application to litigation pending upon the effective date hereof questioning the validity of any of the matters here.

Sec. 17. The provisions of this Act are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Act, or the application thereof to any person or circumstance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Act and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Act to other persons or circum-
stances shall not be affected there­

by.

Sec. 18. The fact that the cities
covered by this Act are in urgent
need of the powers granted hereby
so that the hazards to life and prop.
erty in said cities will be decreased,
public safety will be promoted,
traffic conditions will be improved,
and the orderly development of such
cities may be effected, creates an
emergency and an imperative pub­
lc necessity that the Constitutional
Rule requiring bills to be read on
three several days in each House be
suspended, and said Rule is hereby
suspended, and this Act shall take
effect and be in force from and
after its passage, and it is so en­
tacted.

Committee Amendment No. 2 was
adopted.

House Bill No. 1046 was then
passed to engrossment.

HOUSE BILL NO. 1049 ON
SECOND READING

The Chair laid before the House,
on its second reading and passage
to engrossment.

H. B. No. 1049. A bill to be entitled
"An Act providing for the convey­
ance and patenting of certain
State­
owned free public school land in
El Paso County to the County of El
Paso for park purposes in exchange
for certain lands now owned by the
County of El Paso, reserving all the
oil, gas, and other minerals, en­
tailing other provisions relating to the
subject matter; and declaring an
emergency."

The bill was read second time and
was passed to engrossment.

HOUSE BILL NO. 495 ON
SECOND READING

The Chair laid before the House,
on its second reading and passage
to engrossment.

H. B. No. 495. A bill to be entitled
"An Act to amend Article 3.40 of
the Insurance Code (Acts of 1951,
52nd Legislature, as amended by the
Acts of 1955, 54th Legislature, Page
916. Chapter 363, Section 13, as
further amended by Acts of 1960),
54th Legislature, Page 890. Chapter
411. Section 4) pertaining to invest­
ments by life, health or accident in­
surance companies in real estate by
adding to said Article a paragraph
permitting such companies to ac­
quire, secure, retain, hold and convey
production payments subject to re­
strictions and limitations, repealing
conflicting laws and parts of laws
to the extent of such conflict; and
declaring an emergency."

The bill was read second time and
was passed to engrossment.

SENATE BILL NO. 192 ON
SECOND READING

Mr. Watson moved that the con­
stitutional rule requiring bills to be
read on three several days be sus­
pended and that Senate Bill No. 192
be placed on its second reading and
passage to third reading and on its
third reading and final passage.

The motion prevailed by the fol­
lowing vote:

Yeas—119
Adams of Lubbock
Adams of Titus
Allen
Atwell
Ballman
Bantfield, Mrs.
Barlow
Barnes
Barthram
Bates
Bell
Berry
Blaine
Bridges
Buchanan
Burgess
Butler
Caldwell
Carrillo
Carrillo

The bill was read second time and
was passed to engrossment.
The bill was read second time.

Mr. Struve offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend Senate Bill 102 by striking out the first four lines immediately after the enacting clause, and substituting in lieu thereof the following:

"Section 1. Section 14.23 of Chapter 491, Acts of the 52nd Legislature, Regular Session 1951, as amended, codified as Article 14.23, Insurance Code, Vernon's Texas Civil Statutes, is amended to hereafter read as follows:"

The amendment was adopted.

S. B. No. 102 was passed to third reading.

H. B. NO. 114 LAID ON TABLE SUBJECT TO CALL

Mr. Struve moved that House Bill No. 114 be laid on the table subject to call.

There was no objection offered and it was so ordered.

CAPTIONS ORDERED AMENDED

On motion of Mr. Hinson, and by unanimous consent of the House, the captions of all Senate Bills passed on the Local and Uncontested Bill Calendar today were ordered amended to conform with the body of the bills, where necessary.

MESSAGE FROM THE SENATE

Austin, Texas, April 27, 1961

Hon. James A. Turman, Speaker of the House of Representatives.
Sir: I am directed by the Senate to inform the House that the Senate has reconsidered the vote by which the Senate concurred in House Amendments to S. B. 368 and refuses to concur in House Amendments to S. B. 368 and requests the appointment of a Conference Committee to adjust the differences between the two Houses.

The following have been appointed on the part of the Senate:

Senators: Aikin, Martin, Roberts, Hardeman, Dies.

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

H. B. No. 461, Authorizing the County Judge and the Commissioners Court to convey certain lands for the construction or maintenance of flood control, river and harbor improvement, water conservation projects of the United States; and declaring an emergency.

H. B. No. 546, Closing deer season in Chambers County for four years; and declaring an emergency.

H. B. No. 515, Abolishing the Naturopathic Re-registration fund (No. 210); providing for the transfer of funds therein to the General Revenue Fund; and declaring an emergency.

H. B. No. 520, Amending the Uniform Act Regulating Traffic on Highways, to provide for the deposit of certain fees in the General Revenue Fund; abolishing the Highway Light Test Fund; and declaring an emergency.

H. B. No. 521, Providing for the deposit of certain General Revenue Fund; abolishing the Employment Agency Fund; and declaring an emergency.

H. B. No. 517, Relating to the tax on coin-operated machines; abolishing the Vending Machine and other Occupational Tax Enforcement Fund; and declaring an emergency.

H. B. No. 516, Relating to the deposit of revenues collected by the Commissioner of the Bureau of Labor Statistics; and declaring an emergency.

H. B. No. 559, Amending Chapter 142, 55th Legislature, relating to the territorial area of the Athens Municipal Water Authority; and declaring an emergency.

H. B. No. 560, Authorizing the County Judge and the Commissioners Court to convey certain lands for the maintenance of any Federally operated military facility; and declaring an emergency.

H. B. No. 689, Providing that Houston County Water Control and Improvement District No. 1 shall contain all of the territory contained in Houston County; and declaring an emergency.

H. B. No. 582, Relating to the hunting, taking or killing of deer in Hopkins, Delta, and Franklin Counties; and declaring an emergency.

H. B. No. 259, Authorizing Chairman of Board of Regents of State Teachers Colleges to exchange a certain tract of State-owned land for another tract of privately-owned land of similar size; and declaring an emergency. (with amendments)

H. B. No. 789, Creating Jasper County Road District No. 8 of Jasper County; and declaring an emergency. (with amendments)

H. B. No. 791, Relating to cooperation between State and Federal agencies in the destruction of predatory animals; and declaring an emergency.

H. B. No. 411, Enlarging the territorial limits of Donna Irrigation District Hidalgo County No. 1; and declaring an emergency.

H. B. No. 393, Providing that revenues collected for the Highway Motor Fuel Audit Fund for audits and examinations be deposited to the General Revenue Fund; and declaring an emergency.

H. B. No. 394, To provide that revenues collected for the Cigarette Tax Audit Fund for audits and examinations be deposited to the General Revenue Fund; and declaring an emergency.

H. B. No. 392, Providing that revenues collected for the Natural and Casinghead Gas Audit Fund
for audits and examinations be deposited to the General Revenue Fund; and declaring an emergency.

H. B. No. 200, To authorize water improvement districts to sell lands belonging to such districts; and declaring an emergency. (with amendments)

H. B. No. 749, Changing the name of State School Farm Colony to Travis State School and defining its purpose and use; and declaring an emergency.

H. B. No. 522, Validating Coleman County Water Control Improvement District No. 1; and declaring an emergency.

H. B. No. 576, Relating to terms of office of School Trustees in certain school districts; and declaring an emergency.

H. B. No. 695, Amending Article 6965 and Article 6967, Revised Civil Statutes, by increasing the impounding fee of swine; and declaring an emergency.

H. B. No. 645, Relating to the change in name of North Texas State College to "The University of North Texas" and declaring an emergency. (with amendments)

H. B. No. 431, Providing for County Juvenile Boards in each county comprising the 36th Judicial District and the 156th Judicial District; and declaring an emergency.

H. B. No. 547, Authorizing the Commissioners Court of Dimmit County to supplement the salary of the District Judge of the 49th Judicial District; and declaring an emergency.

H. B. No. 412, Providing that the Eclote Creek Watershed Improvement District may call an election for the authorization of a tax for maintenance purposes; and declaring an emergency.

H. B. No. 432, Abolishing the office of County Superintendent in certain counties of this State in which there are no common school districts; and declaring an emergency.

H. B. No. 226, Providing that certain corporations may transfer and assign to a State bank or trust company fiduciary business without resort to judicial action; and declaring an emergency.

H. B. No. 750, Fixing minimum and maximum salaries of certain officials in certain counties; and declaring an emergency. (Committee Substitute)

H. B. No. 681, Constituting a local law for the maintenance of public roads and highways in McMullen County; and declaring an emergency.

H. B. No. 670, Specifically providing any husband and his wife with the power of creating out of their community property, joint estates, real, personal, or mixed, with rights of survivorship; and declaring an emergency.

H. B. No. 507, Relating to manufacture and sale of bedding; and declaring an emergency.

H. B. No. 417, To reorganize the Thirty-second and the One Hundred Fourth Judicial District; and declaring an emergency. (with amendments)

H. B. No. 370, Providing that in certain counties, a biennial audit shall be made of all county books, records, and accounts of district, county, and precinct officials; and declaring an emergency. (with amendments)

H. B. No. 313, Prohibiting the use of dogs in the taking of any deer in Brazoria County, Matagorda County, Fort Bend County or Wharton County; and declaring an emergency.

S. B. No. 439, Authorizing eligible counties to acquire a supply of natural gas for the courthouse and other county purposes and providing
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for the acquisition of such distribution facilities as may be required; and declaring an emergency.

S. B. No. 442. Giving Game and Fish Commission regulatory authority over taking of antlerless deer in San Saba County; and declaring an emergency.

S. B. No. 445. Limiting effectiveness of assumed name certificates to ten years; and declaring an emergency.

S. B. No. 447. Relating to filing and docketing of cases in County Criminal Court of Tarrant County and County Criminal Court No. 1 of Tarrant County; and declaring an emergency.

S. B. No. 424. Authorizing Midwesterners University at Wichita Falls to issue revenue bonds; and declaring an emergency.

S. B. No. 46. Regarding allocation of fees collected by State Health Dept. for registration of livestock remedies; and declaring an emergency.

S. B. No. 497. Authorizing use of voting machine for absentee voting for school trustees in counties where voting machines have been adopted; and declaring an emergency.

S. B. No. 406. Authorizing State Soil Conservation Board to contract for work plans for watershed protection and flood protection; and declaring an emergency.

S. B. No. 225. Regarding exemption from taxation of property owned by a church and used as a dwelling place for the ministry; and declaring an emergency.

Respectfully,

CHARLES A. SCHNABEL,
Secretary of the Senate.

ADJOURNMENT

Mr. Oliver moved that the House adjourn until 5:10 o'clock p.m. today.

The motion prevailed.

The Benediction was offered by the Reverend Clinton Kersey, Chaplain.

In accordance with the motion to adjourn the House at 5:09 o'clock p.m., adjourned until 5:10 o'clock p.m. today.

APPENDIX

STANDING COMMITTEE REPORTS

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


Education: H. B. No. 938, H. B. No. 1071.

Examination of Comptroller's and Treasurer's Accounts: H. B. No. 397.

Insurance: S. B. No. 102.

Labor: H. B. No. 500 and H. B. No. 691.

Revenue and Taxation: H. B. No. 871 and H. C. R. No. 68.


The Committee on State Affairs has filed an adverse report on H. B. No. 844, with a minority favorable report.

REPORTS OF THE COMMITTEE ON ENGROSSED BILLS

Austin, Texas, April 25, 1961
Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills to whom was referred

H. B. No. 794, A bill to be entitled "An Act creating a Conservation District under Article XVI, Section 59, of the Constitution, comprising certain territory lying within the County of Lamar, Texas, for the purpose of flood control and preservation of land and soil and the fertility thereof, and to construct, acquire, improve, carry out, maintain, repair and operate dams, structures, projects, and works of improvement for flood prevention (including structural and land treatment measures), and for agricultural phases of the conservation, development, utilization and disposal of water within the District, and to purchase or acquire other facilities and equipment necessary or useful in connection therewith and for other purposes for soil conservation and preservation and related matters, and to purchase or acquire land, easements or rights-of-way, and to cooperate with county, State and Federal Governments in carrying out the purposes of this Act; providing for a Board of Directors for the government of said District, authorizing the District to do all things necessary to prevent floods and conserve and preserve the land and soil and the fertility thereof within the District; making applicable to the District, Title 52, Revised Civil Statutes of Texas, as amended, relating to eminent domain; authorizing said District to have all the powers, rights, privileges and duties of a local organization within the purview and meaning of Public Law 566, 83rd Congress, Chapter 656, 2nd Session, H. R. 8785; authorizing the District to issue negotiable bonds and to levy taxes for payment of interest and principal thereof and providing for an election to authorize said bonds; authorizing the District to issue funding bonds; providing for the approval by the Attorney General and registration by the Comptroller of Public Accounts of said bonds and

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

Austin, Texas, April 25, 1961
Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills to whom was referred

H. B. No. 893, A bill to be entitled "An Act creating a Conservation District under Article XVI, Section 59, of the Constitution, comprising certain territory lying within the County of Lamar, Texas, for the purpose of flood control and preservation of land and soil and the fertility thereof, and to construct, acquire, improve, carry out, maintain, repair and operate dams, structures, projects, and works of improvement for flood prevention (including structural and land treatment measures), and for agricultural phases of the conservation, development, utilization and disposal of water within the District, and to purchase or acquire other facilities and equipment necessary or useful in connection therewith and for other purposes for soil conservation and preservation and related matters, and to purchase or acquire land, easements or rights-of-way, and to cooperate with county, State and Federal Governments in carrying out the purposes of this Act; providing for a Board of Directors for the government of said District, authorizing the District to do all things necessary to prevent floods and conserve and preserve the land and soil and the fertility thereof within the District; making applicable to the District, Title 52, Revised Civil Statutes of Texas, as amended, relating to eminent domain; authorizing said District to have all the powers, rights, privileges and duties of a local organization within the purview and meaning of Public Law 566, 83rd Congress, Chapter 656, 2nd Session, H. R. 8785; authorizing the District to issue negotiable bonds and to levy taxes for payment of interest and principal thereof and providing for an election to authorize said bonds; authorizing the District to issue funding bonds; providing for the approval by the Attorney General and registration by the Comptroller of Public Accounts of said bonds and
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refunding bonds; providing bonds and refunding bonds to be incontestable; providing for depositories; providing for bonds and refunding bonds to be legal investments; providing bonds and refunding bonds to be free from State taxation; authorizing the District to acquire water appropriation permits and other permits; providing for levying and collecting, and other powers, rights and duties pertaining to taxes and taxation; prescribing other powers of the District; finding a benefit; providing a saving clause; and declaring an emergency.1

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

Austin, Texas, April 25, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir:

Your Committee on Engrossed Bills to whom was referred H. B. No. 995, A bill to be entitled "An Act relating to the establishment of a hospital district conterminous to the West Columbia, Brazoria, and Damon Independent School Districts and another hospital district to be conterminous to the Sweeny Independent School District, providing that subsequent to the organization of each hospital district the qualified electorate of each district may elect to consolidate the districts; providing funding, administration, and procedure; and declaring an emergency."

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

Austin, Texas, April 26, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills to whom was referred H. B. No. 985, A bill to be entitled "An Act relating to the establishment of hospital districts conterminous to the West Columbia, Brazoria, and Damon Independent School Districts and another hospital district to be conterminous to the Sweeny Independent School District, providing that subsequent to the organization of each hospital district the qualified electorate of each district may elect to consolidate the districts; providing funding, administration, and procedure; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

JAMES V. ADAMS, Chairman.

Austin, Texas, April 26, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir:

Your Committee on Enrolled Bills to whom was referred H. B. No. 239, An Act relating to filing applications for nomination by candidates of political parties making nominations by convention, and filing affidavits of intent to run by independent candidates; amending the Election Code of Texas, 1951, by adding a new Article thereto; and declaring an emergency.

Has carefully compared same and finds it correctly enrolled.

JAMES V. ADAMS, Chairman.

Austin, Texas, April 26, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills to whom was referred H. C. R. No. 79, Granting W. S. Whitmire permission to sue the State of Texas and the Veterans Land Board.

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

Austin, Texas, April 26, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills to whom was referred H. C. R. No. 79, Granting W. S. Whitmire permission to sue the State of Texas and the Veterans Land Board.

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

Austin, Texas, April 25, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir:

Your Committee on Engrossed Bills to whom was referred H. B. No. 554, An Act limiting the provisions of this Act to Borden County; making it unlawful, except under the provisions of this Act, for any person to hunt, take, kill or possess any game bird or game animal in said County at any time; to take, kill or trap any fur-bearing
animal in said County; to take or attempt to take any fresh-water fish or other aquatic life in public waters of said County by any means or method; prescribing the legislative policy with respect to the wildlife resources in said County; conferring upon the Game and Fish Commission authority to regulate by proclamation, order, rule or regulation, the taking of the wildlife resources of said County; requiring the Game and Fish Commission to make investigation with respect to the depletion and waste of the wildlife resources of said County; providing for the issuance of antlerless deer permits; providing for the adoption of proclamations, rules, regulations or orders of the Game and Fish Commission and the effective period thereof; providing for the publication of the regulation; providing venue for suits to test the validity of this Act and of the proclamations, rules, regulations or orders of the Commission; providing penalties; providing for the forfeiture of licenses; defining wildlife resources; repealing certain laws; prescribing a period of time within which the Game and Fish Commission may conclude its investigations, hold its hearings, and promulgate its proclamations, rules, regulations and orders; providing a saving clause; and declaring an emergency.

Has carefully compared same and finds it correctly enrolled.

JAMES V. ADAMS, Chairman.

Austin, Texas, April 26, 1961

Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills to whom was referred H. C. R. No. 84, expressing appreciation and thanks to the Texas Junior Chamber of Commerce for its efforts in gaining annual salaries for Legislators.

Has carefully compared same and finds it correctly enrolled.

JAMES V. ADAMS, Chairman.

SENT TO GOVERNOR

April 26, 1961

H. B. No. 180.
H. B. No. 339.
H. B. No. 564.

FIFTY-FOURTH DAY

(Thursday, April 27, 1961)

The House met at 5:10 o'clock p.m., pursuant to adjournment, and was called to order by the Honorable L. DeWitt Hale.

The roll of the House was called and the following Members were present:

Adams of Lubbock
Garrison
Adams of Titus
Allen of Glass
Atwell
Bailey
Ballman
Bancroft, Mrs.
Barlow
Barrows
Bartham
Bass
Bell
Berry
Blaine
Boyse
Bridges
Buchanan
Burges
Butler
Caldwell
Cole of Harris
Cole of Hunt
Collins
Cook
Corley
Cotten
Cowen
Cowles
Craun
Crowe
Cushing
de la Garza
Dewey
Dungan
Ehret
Fairchild
Fletcher
Foreman

H. C. R. No. 84.