The house met at 1:30 p.m. and was called to order by the speaker. The roll of the house was called and a quorum was announced present (Record 379).

Present — Mr. Speaker; Agnich; Armbrister; Arnold; Barrientos; Barton, B.; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Bush; Cain; Carriger; Cary; Cavazos; Ceverha; Clark; Clemons; Colbert; Collazo; Connelly; Coody; Craddick; Criss; Crockett; Danburg; Davis; DeLay; Delco; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Hellm; Hightower; Hilbert; Hill, A.; Hill, G.; Hill, P.; Hollowell; Horn; Hudson, D.; Hudson, S.; Hury; Jackson; Keller; Kemp; Khoury; Kubiak; Kuempel; Laney; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Messer; Millsap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patrick; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robinson; Robnett; Rudd; Russell; Salinas; Saunders; Schlueter; Schoolcraft; Shea; Short; Simpson; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stiles; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uher; Valles; Waldrop; Wallace; Watson; Whaley; Wieting; Willis; Wilson; Wolens; Word; Wright.

Absent, Excused — Green; Hernandez; Jones.

Absent — Hinojosa; Shaw; Vowell.

(English in the chair)

LEAVES OF ABSENCE GRANTED

On motion of Representative G. Hill, and by unanimous consent, all members who were granted leaves of absence on the previous legislative day were granted leaves for this legislative day.

(Shaw now present)

RULES SUSPENDED

Representative G. Hill moved to suspend all necessary rules in order to take up and consider at this time, on third reading and final passage, the bills on the local and consent calendars which were considered on the previous legislative day.

The motion prevailed without objection.

LOCAL AND CONSENT BILLS CALENDAR ON THIRD READING

The following bills which were considered on second reading on the previous legislative day on the local and consent bills calendar were laid before the house, read third time, and passed by a voice vote: (Members registering votes are shown following bill number)
LEAVES OF ABSENCE GRANTED
The following members were granted leaves of absence for today because of important business:
Green on motion of Leonard.
Jones on motion of Craddick.

HB 512 - VOTE RECONSIDERED
Representative T. Hall moved to reconsider the vote by which HB 512 was passed to engrossment today.
The motion to reconsider prevailed.

HB 512 - POSTPONED
Representative T. Hall moved that consideration of HB 512 be postponed until Tuesday, May 17, at 10 a.m.
The motion prevailed without objection.

HB 2227 - POSTPONED
Representative G. Hill moved that consideration of HB 2227 be postponed until Tuesday, May 17, at 10 a.m.
The motion prevailed without objection.

HB 1726 - POSTPONED
Representative G. Hill moved that consideration of HB 1726 be postponed until Tuesday, May 17, at 10 a.m.
The motion prevailed without objection.

HB 306 - POSTPONED
Representative Criss moved that consideration of HB 306 be postponed until Monday, May 16, at 2 p.m.
The motion prevailed without objection.

LOCAL AND CONSENT BILLS CALENDAR - (consideration continued)
SB 1029
SB 1030
SB 1031
SB 1032
HB 2013 (Fox, Heflin, P. Hill, and Shea - no)
HB 2323
HB 2348
HB 2367
HB 2370
HB 2371
HB 2372
HB 2379
SB 38
SB 59
SB 109 (Bush - no)
SB 274 (Laney, Uher, and Rudd - no)
SB 335
SB 379
SB 387 (Fox - no)
SB 436 (Bush - no)
SB 579 (Simpson, Laney, Uher, and Rudd - no)
SB 613
SB 973
SB 996 (Bush - no)
SB 1020
SB 1064
SB 1269
HB 21
HB 179
HB 500 (Bush - no)
HB 882
HB 1061
HB 1100
HB 1210
HB 1282
HB 1302 (Wieting, Finnell, and Staniswalis - no)
SB 732
HB 1420
HB 1421
HB 1451 (Fox - no)
HB 1502
HB 1575
HB 1585 (Bush - no)
HB 1599
HB 1603
HB 1655
HB 1706
HB 1733
HB 1831
HB 1867
HB 1875
HB 1876
HB 1981
HB 1986 (Bush - no)
HB 2150
HB 2156
HB 217
HB 2217
HB 2220
HB 2261
HB 2262
HB 2263
HB 2264
HB 2265
HB 2388
HB 2398

(Speaker in the chair)

The following bills which were considered on second reading on the previous legislative day on the local and consent bills calendar were laid before the house, read third time, and passed by (Record 380): (Members registering votes and the results of the vote are shown following bill number) 145 Yeas, 0 Nays, 1 Present, not voting.

Yea - Agnich; Armbrister; Arnold; Barrientos; Barton, B.; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Bush; Cain; Carniker, Cary; Cavazos; Overha; Clark; Clemmons; Colbert; Collazo; Connelly; Coody; Craddick; Criss; Crockett; Danburg; Davis; DeLay; DeLce; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Gelstweitd; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Heflin; Hightower; Hilbert; Hill, A.; Hill, G.; Hill, P.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hury; Jackson; Keller; Kemp; Kubiak; Kuempel; Laney; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Messer; Millsap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patrick; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robinson; Robnett; Rudd; Russell; Salinas; Saunders; Schlueter; Schoolcraft; Shaw; Shea; Short; Simpson; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stiles; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uher; Valles; Vowell; Waldrop; Wallace; Watson; Whaley; Wieting; Willis; Wilson; Wolens; Word; Wright.

Present, not voting — Mr. Speaker(C).
Absent, Excused — Green; Hernandez; Jones.
Absent — Khoury.
SB 1275 (145-0-5)
SB 1285 (145-0-5)
SB 471 (Bush - no) (144-1-5)
HB 2189 (145-0-5)
HB 2302 (145-0-5)
HB 2305 (145-0-5)
HB 2322 (145-0-5)
HB 2335 (145-0-5)
HB 2382 (145-0-5)
HB 2386 (145-0-5)
HB 2392 (145-0-5)
HB 2395 (145-0-5)
SB 91 (145-0-5)
SB 162 (Bush - no) (144-1-5)
SB 280 (P. Hill and Heflin - no) (143-2-5)
SB 284 (145-0-5)
SB 353 (Bush - no) (144-1-5)
SB 541 (Bush - no) (144-1-5)
SB 544 (145-0-5)
SB 781 (Ceverha, Craddick, Messer, Hanna, Saunders, and Eikenburg - no) (139-6-5)
SB 786 (Ceverha, Craddick, Messer, Hanna, Saunders, and Eikenburg - no) (139-6-5)
SB 967 (145-0-5)
SB 971 (145-0-5)
SB 1018 (145-0-5)
SB 1198 (145-0-5)
SB 1207 (Bush - no) (144-1-5)
SB 1222 (145-0-5)
SB 1270 (145-0-5)
HB 775 (Bush - no) (144-1-5)
HB 895 (Bush - no) (144-1-5)
HB 908 (145-0-5)
HB 949 (145-0-5)
HB 1106 (145-0-5)
HB 1108 (Bush - no) (144-1-5)
HB 1118 (145-0-5)
HB 1322 (145-0-5)
HB 1367 (Simpson - no) (144-1-5)
HB 1408 (145-0-5)
HB 1415 (145-0-5)
HB 1454 (145-0-5)
HB 1481 (145-0-5)
HB 1608 (Bush, Laney, Uher, and Rudd - no) (141-4-5)
HB 1685 (Ceverha, Craddick, Messer, Hanna, Saunders, and Eikenburg - no) (139-6-5)
HB 1704 (145-0-5)
HB 1710 (Bush - no) (144-1-5)
HB 1712 (145-0-5)
HB 1719 (145-0-5)
HB 1858 (145-0-5)
SB 1096 (Heflin, P. Hill, and Shea - no) (142-3-5)
HB 1933 (145-0-5)
HB 1934 (Bush - no) (144-1-5)
HB 1966 (Bush - no) (144-1-5)
HB 1980 (145-0-5)
HB 2015 (145-0-5)
HB 2016 (145-0-5)
HB 2046 (145-0-5)
HB 2066 (145-0-5)
HB 2067 (145-0-5)
HB 2068 (145-0-5)
HB 2084 (145-0-5)
HB 2085 (145-0-5)
HB 2134 (145-0-5)
HB 2188 (145-0-5)
HB 2204 (145-0-5)
HB 2218 (145-0-5)
HB 2244 (Heflin, P. Hill, and Shea - no) (142-3-5)
SB 809 (145-0-5)
On motion of Representative G. Hill, and by unanimous consent, the captions of all senate bills passed on the local and consent calendars, were ordered amended to conform with the body of the bills.

HR 397 - ADOPTED

Representative L. Hall moved that all necessary rules be suspended to take up and consider at this time HR 397.

The motion prevailed without objection.

The speaker laid before the house the following resolution:

By L. Hall:

HR 397, Congratulating Mrs. Byrtie Baker Adams.

The resolution was adopted without objection.

LEAVES OF ABSENCE GRANTED

The following members were granted leaves of absence for the remainder of today because of important business:

Robinson on motion of Wieting.

A. Hill on motion of Blanton.

SB 1152 ON SECOND READING

(Keller - House Sponsor)

The speaker laid before the house, in lieu of HB 2186, on its second reading and passage to third reading.

SB 1152, A bill to be entitled An Act relating to the use of firearms by private security officers; amending Subdivisions (18) and (23), Section 2; Subsections (a) and (d), Section 3; the heading and Subsections (a) and (l), Section 19; and Subsections (5), (e), and (g), Section 20, Private Investigators and Private Security Agencies Act, as amended (Article 4413(29bb), Vernon's Texas Civil Statutes).

The bill was read second time.

Representative Keller offered the following amendment to the bill:

Amend SB 1152 on page 7 by adding after line 7 a new subsection as follows:

(4) he has satisfied his firearm training instructor that he has complied with the standards of marksmanship set by the board for minimum marksmanship competency with a shotgun.

The amendment was adopted without objection.

Representative Keller offered the following amendment to the bill:

Amend SB 1152 on page 7 line 2 by inserting between the words “attained” and “a” the phrase “with a handgun”.

The amendment was adopted without objection.

SB 1152, as amended, was passed to third reading.

HB 2186 - LAID ON THE TABLE SUBJECT TO CALL

Representative Keller moved that HB 2186 be laid on the table subject to call.

The motion prevailed without objection.

HJR 65 ON SECOND READING

The speaker laid before the house on its second reading and passage to engrossment,

HJR 65, A joint resolution proposing a constitutional amendment relating to the payment of assistance to the surviving dependent parents, brothers, and sisters of certain public servants killed while on duty.

A record vote was requested.

The resolution was read second time and was adopted by (Record 381):

133 Yeas, 8 Nays, I Present, not voting.

Yeas — Aglich; Armbrister; Arnold; Barrrientos; Barton, B.; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Bush; Cain; Carriker; Cary; Cavazos; Ceverha; Clark; Clemens; Colbert; Collazo; Connelly; Coody; Craddick; Criss; Crockett; Danburg; Davis; Delco; Denton; Eckels; Edwards; Eikenburg; English; Evans, C.; Evans, L.; Finnell; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Hightower; Hilbert; Hill, G.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hury; Jackson; Keller; Kemp; Khoury; Kubak; Kuempel; Lane; Lee, D.; Lee, E. F.; Leonard; Luna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Millsap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patrick; Patronella; Patterson; Peveto; Pierce; Polk; Polumbo; Presnall; Price; Ragsdale; Rangel; Robnett; Rudd; Russell; Salinas; Saunders; Schoorcraft; Shaw; Short; Simpson; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stines; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uher; Valles; Vowell; Waldrop; Wallace; Watson; Whaley; Wieting; Willis; Wilson; Wolens; Word; Wright.

Nays — DeLay; Fox; Geistweidt; Hefflin; Hill, P.; McKenna; Pennington; Shea.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Green; Hernandez; Hill, A.; Jones; Robinson.

Absent — Emmett; Messer; Schlueter.

HB 1769 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 1769, A bill to be entitled An Act relating to imposition of a fee by the Texas Department of Water Resources to be used to pay expenses of inspection of waste treatment facilities.

The bill was read third time and was passed. (C. Smith, Russell, and Craddick recorded voting no)
HB 487 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 487, A bill to be entitled An Act relating to rules governing solid waste, including hazardous waste and Class I industrial solid waste.

The bill was read third time and was passed.

HB 2427 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 2427, A bill to be entitled An Act relating to creation, administration, powers, duties, operations, and financing of the Montgomery County Flood Control District; providing a civil penalty.

The bill was read third time.

Representative Tow offered the following amendment to the bill:

Amend the floor substitute of HB 2427 by striking the words “At the first meeting of the board,” line 21, page 9.

The amendment was adopted without objection.

Representative Tow offered the following amendment to the bill:

Amend HB 2427, by amending Section 42 to read as follows:

SECTION 42. EXEMPTIONS. After notice and hearing, the board may adopt a rule or issue an order that exempts any specified activity from the requirements of Sections 38 through 41 of this Act if the board consults with the district engineer and finds that that activity will have a minimal impact or no impact on flood control and drainage as provided by the plan.

The amendment was adopted without objection.

Representative Tow offered the following amendment to the bill:

Amend HB 2427 as follows:

(1) Amend Subsection F of Section 4 by adding a sentence at the end of that subsection to read as follows: The commissioners court of Montgomery County shall appoint one person to serve as a non-voting director until the second first Saturday in April following the creation of the district.

(2) Amend Section 5 to read as follows:

SECTION 5. BOARD OF DIRECTORS. The district shall be governed by a board of directors composed of six members, who are appointed as provided by this Act.

(3) Amend Section 8 to read as follows:

SECTION 8. APPOINTMENT OF DIRECTORS. (a) Not more than 30 days before the first Saturday in April in each year, the authority board shall appoint the appropriate number of persons to serve as members of the board.

(b) On the expiration of the term of the initial non-voting member under Section 4(f) of this Act and on the first Saturday in April every three years after that time, the commissioners court of Montgomery County shall appoint a person as a non-voting member of the board.

(4) Amend Section 15 to read as follows:

SECTION 15. QUORUM; VOTE. (a) A majority of the voting members of the board constitutes a quorum for the transaction of business of the district, and no official action of the board is valid without the affirmative vote of a majority of the voting members of the board.
(b) The member of the board appointed by the county commissioners is not entitled to vote on matters before the board.

The amendment was adopted without objection.

Representative Tow offered the following amendment to the bill:

Amend HB 2427, by amending Subsection (a) of Section 31 to read as follows:

(a) On receiving the plan, the board shall schedule a public hearing to consider the adoption of the plan. Notice of the hearing must be published at least one time in a newspaper with general circulation in the district not less than 30 days before the date set for the hearing.

The amendment was adopted without objection.

Representative Tow offered the following amendment to the bill:

Amend HB 2427 as follows:

1) Amend Subsection (a), Section 30, to read as follows:

(a) At the first meeting of the board, the board shall direct the district engineer to prepare a district flood control and drainage plan that will provide for control and abatement of flood water and other excess water and reclamation and proper drainage of land in the district and, on completion, to file the plan with the board and with the county commissioners of Montgomery County.

2) Amend Subsection (d), Section 32 to read as follows:

(d) After the hearing under Section 31 of this Act, if the board finds that no changes are required in the plan or after the district engineer has made all necessary changes in the plan under Subsections (b) and (c) of this section, the board shall submit the plan to the commissioners court of Montgomery County. The commissioners court may consider the plan and may recommend to the board changes to be made in the plan. If the board and the commissioners court cannot agree on changes to the plan, the provisions in the plan that are in dispute shall be submitted to the district engineer, and he shall determine the dispute. The decision of the district engineer in a dispute is final. Not earlier than 30 days after the plan is submitted to the commissioners court, the board shall approve the plan incorporating all agreed changes between the board and the commissioners court and decisions of the district engineer made under this subsection.

The amendment was adopted without objection.

Representative Tow offered the following amendment to the bill:

Amend HB 2427, by amending Section 52 to read as follows:

SECTION 52. CHANGES, ADDITIONS, AND IMPROVEMENTS. If the board determines that a necessity exists, it may make changes in, additions to, and improvements in the flood control and drainage system of the district. At least five days before the district makes any such changes, additions, or improvements, the board shall post notice of those changes, additions, and improvements at the courthouse door in Montgomery County and shall give written notice to the district engineer.

The amendment was adopted without objection.

HB 2427, as amended, was passed. (Schlueter, C. Smith, and Craddick recorded voting no)

HB 956 ON THIRD READING

The speaker laid before the house on its third reading and final passage,
HB 956, A bill to be entitled An Act relating to certification requirements for law enforcement officers elected under the Texas Constitution.

The bill was read third time.

Representative D. Hudson offered the following amendment to the bill:

Amend HB 956 on page 1, line 2, by striking “certification” and substituting “licensing”.

The amendment was adopted without objection.

Representative Armbrister offered the following amendment to the bill:

Amend HB 956, second reading engrossment, as follows:
(1) In added Subsection (t) of Section 1 of the bill, strike “certification” and substitute “the licensing”.
(2) In added Subsection (l) of Section 3 of the bill, strike “certified” both times it appears and substitute “licensed”.

The amendment was adopted without objection.

HB 956, as amended, was passed.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Salinas on motion of Coody.

HB 718 ON THIRD READING

The speaker laid before the house on its third reading and final passage, HB 718, A bill to be entitled An Act relating to the class of persons not qualified to vote.

The bill was read third time and was passed. (Pennington, Toomey, Eckels, Geistweidt, DeLay, Hilbert, Heflin, C. Smith, Fox, Craddick, Hanna, Horn, and Agnich recorded voting no)

HB 2076 ON THIRD READING

The speaker laid before the house on its third reading and final passage, HB 2076, A bill to be entitled An Act relating to certain school district property tax revenues to be used by a junior college district operated by the school district.

A record vote was requested.

The bill was read third time and was passed by (Record 382): 137 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Agnich; Armbrister; Arnold; Barrientos; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Bush; Cain; Carriker; Cary; Cavazos; Ceverína; Clark; Clemens; Colbert; Collazo; Connelly; Coody; Craddick; Criss; Crockett; Danburg; Davis; DeLay; Delco; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Heflin; Hightower; Hilbert; Hill, G.; Hill, P.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hury; Jackson; Keller;
HB 1760 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 1760, A bill to be entitled An Act relating to evidence admissible at a punishment hearing.

The bill was read third time and was passed. (Oliver recorded voting no)

HB 310 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 310, A bill to be entitled An Act relating to the expenditure of the proceeds from airport revenue bonds by certain cities.

A record vote was requested.

The bill was read third time and was passed by (Record 383): 140 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Agnich; Armbrister; Arnold; Barrientos; Barton, B.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Bush; Carriker; Cary; Cavazos; Ceverha; Clark; Clemons; Colbert; Collazo; Connelly; Coody; Craddock; Criss; Crockett; Darby; Davis; Delay; Delco; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Hefflin; Hightower; Hilbert; Hill, G.; Hill, P.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hury; Jackson; Keller; Kemp; Khoury; Kuempel; Laney; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madia; Mankins; Martinez, R.; Martinez, W.; Messer; Millsap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patrick; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett; Russell; Saunders; Schlueter; Schoolcraft; Shaw; Shea; Short; Simpson; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stiles; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uber; Valles; Vowell; Waldrop; Wallace; Watson; Whaley; Wieting; Willis; Wilson; Wolens; Word; Wright.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Green; Hernandez; Hill, A.; Jones; Robinson; Salinas.

Absent — Barton, B.; Cain; Kubiak.
LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Coody on motion of W. Hall.

HB 848 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 848, A bill to be entitled An Act relating to the authority of the boards of regents of certain institutions of higher education to provide malpractice insurance to veterinary staff members and veterinary students.

A record vote was requested.

The bill was read third time and was passed by (Record 384): 137 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Agnich; Armbrister; Arnold; Barrientos; Barton, B.; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Cain; Cary; Cavazos; Ceverha; Clark; Clemmons; Colbert; Collazo; Connelly; Craddick; Criss; Crockett; Danburg; Davis; DeLay; Delco; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Heflin; Hightower; Hibbert; Hill, G.; Hill, P.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hury; Jackson; Keller; Kemp; Khouyr; Kubiak; Kuykendall; Lay; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Messer; Millsap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patrck; Patrnetalla; Patterson; Pennington; Peveo; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett; Rudd; Russell; Saunders; Schluetter; Schoolcraft; Shaw; Shea; Short; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stiles; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uher; Valles; Vowell; Waldrop; Wallace; Watson; Whaley; Wieting; Willis; Wolen; Word; Wright.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Coody; Green; Hernandez; Hill, A.; Jones; Robinson; Salinas.

Absent — Bush; Carricker; Fox; Simpson; Wilson.

HB 1914 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 1914, A bill to be entitled An Act relating to penalties for tampering with oil and gas wells and certain associated equipment and for making certain false reports relating to certain oil and gas wells.

The bill was read third time and was passed.

HB 42 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 42, A bill to be entitled An Act relating to small claims court procedure in justice courts.

The bill was read third time and was passed.
The speaker laid before the house on its third reading and final passage.

HB 223, A bill to be entitled An Act relating to the joinder of offenses occurring in the same criminal episode.

The bill was read third time and was passed.

HB 1750 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 1750, A bill to be entitled An Act relating to the minimum salary for a fireman, policeman, or member of a sheriff's department in certain cities and counties; providing a penalty.

The bill was read third time and was passed. (Schlueter, Geistweidt, and DeLay recorded voting no)

HB 1186 - POSTPONED

Representative Messer moved that consideration of HB 1186 be postponed until Monday, May 16, at 3 p.m.

The motion prevailed without objection.

HB 178 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 178, A bill to be entitled An Act relating to the location of and acquisition of land and facilities by the Texas State Technical Institute and to the administration of the Hidalgo County campus.

The bill was read third time.

Representative Hinojosa offered the following amendment to the bill:

Amend the caption of HB 178 by adding after the word institute the following: , and the administration of the Hidalgo County campus.

The amendment was adopted without objection.

HB 178, as amended, was passed. (Ceverha, Blanton, Pennington, Toomey, and Eckels recorded voting no)

HB 1191 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 1191, A bill to be entitled An Act relating to the revision, recodification, and reenactment of substantive and procedural laws (including, but not limited to, administrative and enforcement provisions) concerning the manufacture, distribution, dispensing, possession, and delivery of marihuana, controlled substances, and drug paraphernalia; providing penalties; amending, recodifying, and reenacting Sections 1.02, 3.08, 4.01, 4.011, 4.012, 4.03, 4.031, 4.032, 4.04, 4.041, 4.042, 4.043, 4.05, 4.051, 4.052, 4.12, 5.03, 5.05, 5.06, 5.07, 5.08, and 5.081 of the Texas Controlled Substances Act, as amended (Article 4476-15, Vernon's Texas Civil Statutes); adding a new Section 4.053 to Subchapter 4 of the Texas Controlled Substances Act, as amended (Article 4476-15, Vernon's Texas Civil Statutes); amending and reenacting Section 3f(c), Article 42.12, Code of Criminal Procedure, 1965, as amended; amending and reenacting Articles 44.04(b) and (c), Code of Criminal Procedure, 1965, as amended; repealing Sections 4.01(c) and (d),
Texas Controlled Substances Act, as amended (Article 4476-15, Vernon's Texas Civil Statutes); including a saving clause; providing for expiration of certain provisions of the Texas Controlled Substances Act if not reenacted on or before December 31, 1985; and declaring an emergency.

The bill was read third time and was passed.

HB 1085 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 1085, A bill to be entitled An Act relating to the creation of the office of budget officer in certain counties.

The bill was read third time and was passed. (T. Smith recorded voting no)

HB 1947 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 1947, A bill to be entitled An Act relating to the incarceration of persons up to age 21 by the Texas Youth Commission.

The bill was read third time and was passed.

HB 742 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 742, A bill to be entitled An Act relating to reports by the division heads of the Department of Public Safety regarding the efficiency of its employees.

The bill was read third time and was passed.

HB 855 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 855, A bill to be entitled An Act relating to the discretion of the court to allow certain persons convicted of crimes to serve their sentences during off-work hours or on weekends.

The bill was read third time and was passed. (Schlueter recorded voting no)

HB 30 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 30, A bill to be entitled An Act relating to certain fees for foreign judgments.

The bill was read third time and was passed.

HB 2087 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 2087, A bill to be entitled An Act relating to the application of the Health Facilities Development Act to certain types of health facilities for adults, and to costs incurred by a health facility.

A record vote was requested.

The bill was read third time and was passed by (Record 385): 141 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Agneich; Armbrister; Arnold; Barrientos; Barton, B.; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Cain; Carriker; Cary; Cavazos;
Ceverha; Clark; Clemons; Colbert; Collazo; Connelly; Craddick; Criss; Crockett; Danburg; Davis; DeLaY; Delco; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Heflin; Hightower; Hilbert; Hill, G.; Hill, P.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hurley; Jackson; Keller; Kemp; Khoury; Kubiak; Kuempel; Laney; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Messer; Millsap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patrick; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett; Rudd; Russell; Saunders; Schluter; Schoelcraft; Shaw, Shea; Short; Simpson; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stiles; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uhler; Vallés; Vowell; Waldrop; Wallace; Watson; Whaley; Wieting; Willis; Wilson; Wolens; Word; Wright.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Coody; Green; Hernandez; Hill, A.; Jones; Robinson; Salinas.

Absent — Bush.

HB 1745 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 1745, A bill to be entitled An Act relating to mandatory joint elections held by political subdivisions and to the use of county election precincts and polling places.

The bill was read third time and was passed.

HB 413 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 413, A bill to be entitled An Act relating to the authority of a probation office in a judicial district to develop and administer programs for the supervision and rehabilitation of persons in pretrial diversion programs.

The bill was read third time and was passed.

HB 1372 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 1372, A bill to be entitled An Act relating to exemption of officers, directors, and employees of certain bank holding companies from registration and licensing under the Texas Securities Act.

The bill was read third time and was passed. (Bush recorded voting no)

HB 1316 ON THIRD READING

The speaker laid before the house on its third reading and final passage.

HB 1316, A bill to be entitled An Act relating to the notification of certain landowners of agricultural use and open-space appraisal provisions.

The bill was read third time and was passed.
HB 224 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 224, A bill to be entitled An Act relating to the definition of serious bodily injury for purposes of certain criminal laws.

The bill was read third time and was passed.

HB 1208 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 1208, A bill to be entitled An Act relating to offenses involving explosive and chemical dispensing weapons and the forfeiture of certain items seized pursuant to an arrest for a weapons violation.

The bill was read third time and was passed.

HB 788 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 788, A bill to be entitled An Act relating to work credit for determining salary or retirement benefits of a vocational teacher.

The bill was read third time and was passed.

HB 1701 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 1701, A bill to be entitled An Act relating to the management and investment of certain state funds.

The bill was read third time and was passed.

HB 2160 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 2160, A bill to be entitled An Act relating to the pay grade of superintendents of certain school districts.

The bill was read third time and was passed. (Geistweit and Hefflin recorded voting no)

HB 576 ON THIRD READING
The speaker laid before the house on its third reading and final passage,

HB 576, A bill to be entitled An Act relating to the period for which a student may be suspended from school.

The bill was read third time and was passed. (Delco recorded voting no)

HB 725 ON THIRD READING
The speaker laid before the house on its third reading and final passage.

HB 725, A bill to be entitled An Act relating to certain defenses to charges of failure to maintain financial responsibility for certain vehicles.

The bill was read third time and was passed.

HB 1378 ON THIRD READING
The speaker laid before the house on its third reading and final passage.
HB 1378, A bill to be entitled An Act relating to the construction of community-based facilities for the purpose of providing mental health and mental retardation services.

The bill was read third time and was passed. (Bush recorded voting no)

HB 1291 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 1291, A bill to be entitled An Act relating to the interception of wire or oral communications.

A record vote was requested.

The bill was read third time and was passed by (Record 386): 140 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Agnich; Armbister; Arnold; Barrientos; Barton, B.; Barton, E.; Berlanga; Blanton; Bomer; Buchanan; Burnett; Cain; Carricker; Cary; Cavazos; Ceverha; Clark; Clemors; Colbert; Collazo; Connolley; Craddock; Criss; Crockett; Danburg; Davis; DeLay; Delco; Denton; Eckels; Edwards; Eikenburg; Emmett; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gavin; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley; Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Helin; Hightower; Hilbert; Hill, G.; Hill, P.; Hinojosa; Hollowell; Horn; Hudson, D.; Hudson, S.; Hurty; Jackson; Keller; Kemp; Khoury; Kubiak; Kuempel; Laney; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Messer; Milhap; Moreno, A.; Moreno, P.; Oliveira; Oliver; Parker; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett; Rudd; Russell; Saunders; Schlueter; Schoolcraft; Shaw; Shea; Short; Simpson; Smith, A.; Smith, C.; Smith, T.; Staniswalis; Stiles; Sutton; Tejeda; Thompson, G.; Thompson, S.; Toomey; Tow; Turner; Uher; Valles; Vowell; Waldrop; Wallace; Watson; Whaley; Wiesting; Willis; Wilson; Wolens; Wor; Wright.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Coody; Green; Hernandez; Hill, A.; Jones; Robinson; Salinas.

Absent — Bush; Patrick.

HB 1269 ON THIRD READING

The speaker laid before the house on its third reading and final passage,

HB 1269, A bill to be entitled An Act relating to the maximum population for a county election precinct in which voting machines or electronic voting systems are used.

The bill was read third time.

Representative Leonard offered the following amendment to the bill:

Amend HB 1269 as follows:

(1) On page 1, line 22, strike "5000".

(2) On page 1, line 23, strike "[3000]" and substitute "3000, except that in counties of less than 700,000 population the maximum number of voters shall be 5000".
The amendment was adopted without objection.

**HB 1269**, as amended, was passed. (Bush, Eikenburg, Leonard, Emmett, Craddick, and Heflin recorded voting no)

**LEAVE OF ABSENCE GRANTED**

The following member was granted leave of absence for the remainder of today because of important business:

Vowell on motion of Wieting.

**HB 1444 ON THIRD READING**

The speaker laid before the house on its third reading and final passage,

**HB 1444**, A bill to be entitled An Act relating to the assignment of judges by the presiding judges of administrative judicial districts.

The bill was read third time.

Representative T. Smith offered the following amendment to the bill:

Amend **HB 1444**, Third Reading Engrossed by making the following changes:

1. On page 1, line 24, strike “who is not”
2. On page 2, line 1, strike “more than 70 years of age”

The amendment was adopted without objection.

**HB 1444**, as amended, was passed.

**HB 1274 ON SECOND READING**

The speaker laid before the house on its second reading and passage to engrossment,

**HB 1274**, A bill to be entitled An Act relating to the authorization of the manufacture, distribution, sale, prescription, regulation, and use of ethylene diamine tetracetic acid (EDTA) and chelation therapy.

The bill was read second time.

Representative E. Barton offered the following committee amendment to the bill:

**COMMITTEE AMENDMENT NO. 1**

Amend **HB 1274** in Section 1, on page 1, line 23, by adding to subsection (c) the following language:

“IT is not the intent of this subsection to circumvent regular hospital or health care facility oversight and staff review and monitoring of medical procedures.”

Committee Amendment No. 1 was adopted without objection.

Representative Clemens offered the following committee amendment to the bill:

**COMMITTEE AMENDMENT NO. 2**

Amend **HB 1274** in Section 1, on page 2, line 7, by striking the period and adding after the word “harmful”, the following language: “as prescribed or administered by the physician.”

Committee Amendment No. 2 was adopted without objection.
Representative L. Evans offered the following committee amendment to the bill:

**COMMITTEE AMENDMENT NO. 3**

Amend HB 1274, Section 3, page 3, line 23 to read as follows:

"members. Except as expressly provided in this chapter under Article 21.53."

Committee Amendment No. 3 was adopted without objection.

**LEAVE OF ABSENCE GRANTED**

The following member was granted leave of absence for the remainder of today because of important business:

DeLay on motion of Geistweidt.

**HB 1274 - (consideration continued)**

Representative Ceverha offered the following amendment to the bill:

Amend HB 1274, Section 2, page 3, by striking the words "when such health insurance policy provides treatment for any disease or disorder, mental or physical" and substituting the following:

"when EDTA in chelation therapy is prescribed in conformance with the Federal Food and Drug Administration labeling requirements."

Representative S. Thompson moved to table the Ceverha amendment.

A record vote was requested.

The motion to table was lost by (Record 387): 59 Yeas, 71 Nays, 1 Present, not voting.

Yeas — Barrientos; Barton, B.; Bomer; Buchanan; Carriker; Cary; Cavazos; Collazo; Criss; Crockett; Denburg; Delco; Denton; Eckels; Edwards; Evans, C.; Evans, L.; Gamez; Gandy; Garcia, A.; Garcia, M.; Geistweidt; Glossbrenner; Granoff; Hackney; Hale; Hall, T.; Harrison, D.; Hinojosa; Hudson, S.; Kubisch; Lane; Lee, E. F.; Luna; Madla; Martinez, R.; Martinez, W.; Moreno, A.; Moreno, P.; Oliveira; Oliver; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robinett; Schlueter; Schoolcraft; Sutton; Tejeda; Thompson, S.; Uher; Valles; Watson; Willis; Wilson.

Nays — Agnich; Armbrister; Arnold; Barton, E.; Blanton; Burnett; Bush; Cain; Ceverha; Clark; Clemons; Colbert; Connelly; Craddick; Davis; Ekenburg; Emmett; English; Finnell; Fox; Gavin; Gibson, B.; Gilley; Grisham; Hall, L.; Hall, W.; Hammond; Hanna; Harrison, W.; Hellin; Hightower; Hilbert; Hill, G.; Hill, P.; Hudson, D.; Hur; Kemp; Kuempel; Lee, D.; Leonard; McKenna; McWilliams; Mankins; Messer; Millsap; Parker; Patrick; Patronella; Patterson; Pennington; Rudd; Russell; Saunders; Shaw; Shea; Short; Simpson; Smith, A.; Smith, T.; Stanislawski; Stiles; Thompson, G.; Toomey; Tow; Turner; Waldrop; Whaley; Wieting; Wolens; Word; Wright.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Coody; DeLay; Green; Hernandez; Hill, A.; Jones; Robinson; Salinas; Vowell.

Absent — Berlanga; Gibson, J.; Hollowell; Horn; Jackson; Keller; Khoury; Peveto; Smith, C.; Wallace.

(Haley in the chair)
LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Hinojosa on motion of Wieting.

HB 1274 - (consideration continued)

The Ceverha amendment was adopted.

Representative Simpson offered the following amendment to the bill:

Amend HB 1274 by inserting before the word “Payment” in line 3, page 3 of said HB 1274 the following:

“Except for surgical benefits or benefits that condition payment on hospital confinement” and by striking the first sentence of Section 2 of the bill.

Representative Uher moved to table the Simpson amendment.

The motion to table was lost.

The Simpson amendment was adopted.

LEAVES OF ABSENCE GRANTED

The following members were granted leaves of absence for the remainder of today because of important business:

Staniswalis on motion of Bomer.

Shaw on motion of Luna.

HB 1274 - (consideration continued)

Representative Wilson offered the following amendment to the bill:

Amend HB 1274 as follows:

Add a new sentence to line 5, on page 3 before the word “Any” to read as follows: “If the Federal Food and Drug Administration has made no final determination on labeling requirements within one year from the effective date of this Act Federal Food and Drug Administration approval is not required.”

Representative Ceverha moved to table the Wilson amendment.

The motion to table prevailed.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of illness:

Willis on motion of T. Smith.

HB 1274 - (consideration continued)

A record vote was requested.

HB 1274, as amended, failed to pass to engrossment by (Record 388):

49 Yeas, 81 Nays, 1 Present, not voting.

Yeas — Barrientos; Bomer; Buchanan; Cary; Collazo; Criss; Crockett; Danburg; Delco; Eckels; Edwards; Evans, C.; Evans, L.; Garcia, A.; Garcia, M.; Geistweidt; Glossbrenner; Granoff; Hackney; Hall, T.; Harrison, D.; Heflin; Horn; Hudson, S.; Laney; Lec, E. F.; Luna; McWilliams; Madia; Martinez, W.; Moreno, P.; Parker; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett;
Nays — Agnich; Armbrister; Arnold; Barton, B.; Barton, E.; Berlanga; Blanton; Burnett; Bush; Cain; Carriker; Cavazos; Ceverha; Clark; Clemmons; Colbert; Connelly; Craddick; Davis; Denton; Eikenburg; Emmett; English; Finnell; Fox; Gamez; Gandy; Gavin; Gibson, B.; Gilley; Grisham; Haley(C); Hall, L.; Hall, W.; Hammond; Hanna; Harrison, W.; Hightower; Hilbert; Hill, G.; Hill, P.; Hollowell; Hudson, D.; Hurty; Jackson; Keller; Kemp; Kubiak; Kuempel; Lee, D.; Leonard; McKenna; Mankins; Menez; Millsap; Moreno, A.; Oliveira; Patrick; Patronella; Patterson; Pennington; Pierce; Rudd; Russell; Saunders; Schoolcraft; Shea; Short; Simpson; Smith, A.; Smith, T.; Stiles; Thompson, G.; Tow; Turner; Waldrop; Whaley; Wieting; Wolens; Word; Wright.

Present, not voting — Mr. Speaker.

Absent, Excused — Coody; DeLay; Green; Hernandez; Hill, A.; Hinojosa; Jones; Robinson; Salinas; Shaw; Staniswalis; Vowell; Willis.

Absent — Gibson, J.; Khoury; Martinez, R.; Oliver; Peveto; Schlueter.

STATEMENT BY REPRESENTATIVE PARKER

My machine was mistakenly voted yes on HB 1274. My vote was no.

Parker

HB 1969 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 1969.

CSHB 1969

A BILL TO BE ENTITLED
AN ACT
relating to investment securities.

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

SECTION 1. Chapter 8, Business & Commerce Code, is amended to read as follows:

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SUBCHAPTER A. SHORT TITLE AND GENERAL MATTERS

Sec. 8.101. SHORT TITLE. This chapter may be cited as Uniform Commercial Code—Investment Securities.

Sec. 8.102. DEFINITIONS AND INDEX OF DEFINITIONS. (a) In this chapter, unless the context otherwise requires,

(1) A “certificated security” is a share, participation, or other interest in property of or an enterprise of the issuer or an obligation of the issuer which is:

(A) represented by an instrument issued in bearer or registered form;

(B) of a type commonly dealt in on securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and

(C) either one of a class or series or by its terms divisible into a class or series of shares, participations, interests, or obligations.

(2) An “uncertificated security” is a share, participation, or other interest in property or an enterprise of the issuer or an obligation of the issuer which is:

(A) not represented by an instrument and the transfer of which is registered upon books maintained for that purpose by or on behalf of the issuer;

(B) of a type commonly dealt in on securities exchanges or markets; and

(C) either one of a class or series or by its terms divisible into a class or series of shares, participations, interests, or obligations.

(3) A “security” is either a certificated or an uncertificated security.

If a security is certificated, the terms “security” and “certificated security” may mean either the intangible interest, the instrument representing that interest, or both, as the context requires. A writing that is a certificated security is governed by this chapter and not by Chapter 3, even though it also meets the requirements of that chapter. This chapter does not apply to money. If a certificated security has been retained by or surrendered to the issuer or its transfer agent for reasons other than registration of transfer, other temporary purpose, payment, exchange, or acquisition by the issuer, that security shall be treated as an uncertificated security for purposes of this chapter. “Security” is an instrument which

(A) is issued in bearer or registered form; and

(B) is of a type commonly dealt in on securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and

(C) is either one of a class or series or by its terms is divisible into a class or series of instruments; and

(D) evidences a share, participation or other interest in property of or in an enterprise or evidences an obligation of the issuer.
(2) A writing which is a security is governed by this chapter and not by Uniform Commercial Code—Commercial Paper even though it also meets the requirements of that chapter. This chapter does not apply to money.

(4) [(3) A certificated security is in "registered form" if [when] it specifies a person entitled to the security or to the rights it represents; and

B) [evidences and when] its transfer may be registered upon books maintained for that purpose by or on behalf of an issuer or the security so states.

(5) [(4)] A certificated security is in "bearer form" if [when] it runs to bearer according to its terms and not by reason of any indorsement.

(b) A "subsequent purchaser" is a person who takes other than by original issue.

(c) A "clearing corporation" is a corporation registered as a "clearing agency" under the federal securities laws or a corporation:

1) at least 90 percent of whose capital stock is held by or for one or more organizations, none of which, other than a national securities exchange or association, holds in excess of 20 percent of the capital stock of the corporation, and each of which is:

(A) subject to supervision or regulation pursuant to the provisions of federal or state banking laws or state insurance laws;

(B) a broker or dealer or investment company registered under the federal securities laws; or

(C) a national securities exchange or association registered under the federal securities laws; and

2) any remaining capital stock of which is held by individuals who have purchased it at or prior to the time of their taking office as directors of the corporation and who have purchased only so much of the capital stock as is necessary to permit them to qualify as directors.

[(1) at least ninety percent of the capital stock of which is held by or for one or more persons (other than individuals); each of whom

(A) is subject to supervision or regulation pursuant to the provisions of federal or state banking laws or state insurance laws; or

(B) is a broker or dealer or investment company registered under the Securities Exchange Act of 1934 or the Investment Company Act of 1940, or

(C) is a national securities exchange or association registered under a statute of the United States such as the Securities Exchange Act of 1934, and none of whom, other than a national securities exchange or association, holds in excess of 20 percent of the capital stock of such corporation; and

(2) any remaining capital stock of which is held by individuals who have purchased such capital stock at or prior to the time of their taking office as directors of such corporation and who have purchased only so much of such capital stock as may be necessary to permit them to qualify as such directors;]

(d) A "custodian bank" is any bank or trust company which is supervised and examined by state or federal authority having supervision over banks and which is acting as custodian for a clearing corporation.

(e) Other definitions applying to this chapter or to specified subchapters thereof and the sections in which they appear are:

"Adverse claim". Section 8.302 [8:301].

"Bona fide purchaser". Section 8.302.

"Broker". Section 8.303.

"Debtor". Section 9.105.
"Financial intermediary". Section 8.313.
"Guarantee of the signature". Section 8.402.
"Initial transaction statement". Section 8.408.
"Instruction". Section 8.308.
"Intermediary bank". Section 4.105.
"Issuer". Section 8.201.
"Overissue". Section 8.104.
"Secured party". Section 9.105.
"Security agreement". Section 9.105.

(f) In addition, Chapter 1 contains general definitions and principles of construction and interpretation applicable throughout this chapter.

Sec. 8.103. ISSUER'S LIEN. A lien upon a security in favor of an issuer thereof is valid against a purchaser only if:

(1) the security is certificated and the right of the issuer to the [such] lien is noted conspicuously thereon; or

(2) the security is uncertificated and a notation of the right of the issuer to the lien is contained in the initial transaction statement sent to the purchaser or, if his interest is transferred to him other than by registration of transfer, pledge, or release, the initial transaction statement sent to the registered owner or the registered pledgee [on the security].

Sec. 8.104. EFFECT OF OVERISSUE; "OVERISSUE". (a) The provisions of this chapter which validate a security or compel its issue or reissue do not apply to the extent that validation, issue, or reissue would result in overissue; but if:

(1) if an identical security which does not constitute an overissue is reasonably available for purchase, the person entitled to issue or validation may compel the issuer to purchase the security for him and to either deliver a certificated security or register the transfer of an uncertificated security to him, against surrender of any certificated security he holds [and deliver such a security to him against surrender of the security, if any, which he holds]; or

(2) if a security is not so available for purchase, the person entitled to issue or validation may recover from the issuer the price he or the last purchaser for value paid for it with interest from the date of his demand.

(b) "Overissue" means the issue of securities in excess of the amount [which] the issuer has corporate power to issue.

Sec. 8.105. CERTIFICATED SECURITIES NEGOTIABLE; STATEMENTS AND INSTRUCTIONS NOT NEGOTIABLE; PRESUMPTIONS. (a) Certificated securities [Securities] governed by this chapter are negotiable instruments.

(b) Statements (Section 8.408), notices, or the like, sent by the issuer of uncertificated securities and instructions (Section 8.308) are neither negotiable instruments nor certificated securities.

(c) In any action on a security;

(1) unless specifically denied in the pleadings, each signature on a certificated security, in a necessary indorsement, on an initial transaction statement, or on an instruction [the security or in a necessary indorsement] is admitted;

(2) if [when] the effectiveness of a signature is put in issue, the burden of establishing it is on the party claiming under the signature, but the signature is presumed to be genuine or authorized;

(3) if [when] signatures on a certificated security are admitted or established, production of the security [instrument] entitles a holder to recover on it unless the defendant establishes a defense or a defect going to the validity of the security; and

(4) if signatures on an initial transaction statement are admitted or established, the facts stated in the statement are presumed to be true as of the time of its issuance, and
(5) after it is shown that a defense or defect exists, the plaintiff has the burden of establishing that he or some person under whom he claims is a person against whom the defense or defect is ineffective (Section 8.202).

Sec. 8.106. APPLICABILITY. The law (including the conflict of laws rules) of the jurisdiction of organization of the issuer governs the validity of a security, the effectiveness of registration by the issuer, and the rights and duties of the issuer with respect to:

1. registration of transfer of a certificated security;
2. registration of transfer, pledge, or release of an uncertificated security; and
3. sending of statements of uncertificated securities [The validity of a security and the rights and duties of the issuer with respect to registration of transfer are governed by the law (including the conflict of laws rules) of the jurisdiction of organization of the issuer].

Sec. 8.107. SECURITIES TRANSFERABLE [DELIVERABLE]; ACTION FOR PRICE. (a) Unless otherwise agreed and subject to any applicable law or regulation respecting short sales, a person obligated to transfer [deliver] securities may transfer [deliver] any certificated security of the specified issue in bearer form or registered in the name of the transferee, or indorsed to him or in blank, or he may transfer an equivalent uncertificated security to the transferee or a person designated by the transferee.

(b) If [When] the buyer fails to pay the price as it comes due under a contract of sale, the seller may recover the price of:
1. certificated [of] securities accepted by the buyer; [and]
2. uncertificated securities that have been transferred to the buyer or a person designated by the buyer; and
3. [of] other securities if efforts at their resale would be unduly burdensome or if there is no readily available market for their resale.

Sec. 8.108. REGISTRATION OF PLEDGE AND RELEASE OF UNCERTIFICATED SECURITIES. A security interest in an uncertificated security may be evidenced by the registration of pledge to the secured party or a person designated by him. There can be no more than one registered pledge of an uncertificated security at any time. The registered owner of an uncertificated security is the person in whose name the security is registered, even if the security is subject to a registered pledge. The rights of a registered pledgee of an uncertificated security under this chapter are terminated by the registration of release.

SUBCHAPTER B. ISSUE—ISSUER

Sec. 8.201. “ISSUER”. (a) With respect to obligations on or defenses to a security, “issuer” includes a person who:
1. places or authorizes the placing of his name on a certificated security (otherwise than as authenticating trustee, registrar, transfer agent, or the like) to evidence that it represents a share, participation, or other interest in his property or in an enterprise, or to evidence his duty to perform an obligation represented [evidenced] by the certificated security; or
2. creates shares, participations, or other interests in his property or in an enterprise or undertakes obligations, which shares, participations, interests, or obligations are uncertificated securities;
3. directly or indirectly creates fractional interests in his rights or property, which fractional interests are represented [evidenced] by certificated securities; or
4. [of] becomes responsible for or in place of any other person described as an issuer in this section.

(b) With respect to obligations on or defenses to a security, a guarantor is an issuer to the extent of his guaranty, whether or not his obligation is noted on a
certificated security or on statements of uncertificated securities sent pursuant to Section 8.408 [the security].

(c) With respect to registration of transfer, pledge, or release (Subchapter D of this chapter), "issuer" means a person on whose behalf transfer books are maintained.

Sec. 8.202. ISSUER'S RESPONSIBILITY AND DEFENSES; NOTICE OF DEFECT OR DEFENSE. (a) Even against a purchaser for value and without notice, the terms of a security include:

1. if the security is certificated, those stated on the security;
2. if the security is uncertificated, those contained in the initial transaction statement sent to such purchaser or, if his interest is transferred to him other than by registration of transfer, pledge, or release, the initial transaction statement sent to the registered owner or registered pledgee;
3. those made part of the security by reference, on the certificated security or in the initial transaction statement, to another instrument, indenture, or document or to a constitution, statute, ordinance, rule, regulation, order or the like, to the extent that the terms referred to do not conflict with the terms stated on the certificated security or contained in the statement. A reference under this paragraph does not of itself charge a purchaser for value with notice of a defect going to the validity of the security, even though the certificated security or statement expressly states that a person accepting it admits notice (those stated on the security and those made part of the security by reference to another instrument, indenture, or document or to a constitution, statute, ordinance, rule, regulation, order or the like to the extent that the terms referred to do not conflict with the stated terms. Such a reference does not of itself charge a purchaser for value with notice of a defect going to the validity of the security even though the security expressly states that a person accepting it admits such notice).

(b) A certificated security in the hands of a purchaser for value or an uncertificated security as to which an initial transaction statement has been sent to a purchaser for value, other than a security issued by a government or governmental agency or unit, even though issued with a defect going to its validity, is valid with respect to the purchaser if he is without notice of the particular defect unless the defect involves a violation of constitutional provisions, in which case the security is valid with respect to a subsequent purchaser for value and without notice of the defect. This subsection applies to an issuer that is a government or governmental agency or unit only if either there has been substantial compliance with the legal requirements governing the issue or the issuer has received a substantial consideration for the issue as a whole or for the particular security and a stated purpose of the issue is one for which the issuer has power to borrow money or issue the security.

(c) Except as [otherwise] provided in the case of certain unauthorized signatures [on issue] (Section 8.205), lack of genuineness of a certificated security...
or an initial transaction statement is a complete defense, even against a purchaser for value and without notice.

(d) All other defenses of the issuer of a certificated or uncertificated security, including nondelivery and conditional delivery of a certificated [the] security, are ineffective against a purchaser for value who has taken without notice of the particular defense.

(e) Nothing in this section shall be construed to affect the right of a party to a "when, as and if issued" or a "when distributed" contract to cancel the contract in the event of a material change in the character of the security that [which] is the subject of the contract or in the plan or arrangement pursuant to which the [such] security is to be issued or distributed.

Sec. 8.203. STALENESS AS NOTICE OF DEFECTS OR DEFENSES. (a) After an act or event creating [which creates] a right to immediate performance of the principal obligation represented [evidenced] by a certificated [the] security or that [which] sets a date on or after which the security is to be presented or surrendered for redemption or exchange, a purchaser is charged with notice of any defect in its issue or defense of the issuer if:

(1) [if] the act or event is one requiring the payment of money, or the delivery of certificated securities, the registration of transfer of uncertificated securities, or any of these on presentation or surrender of the certificated security, the securities or both on presentation or surrender of the security and such funds or securities are available on the date set for payment or exchange, and he takes the security more than one year after that date; and

(2) [if] the act or event is not covered by Subdivision (1) and he takes the security more than two years after the date set for surrender or presentation or the date on which [such] performance became due.

Sec. 8.204. EFFECT OF ISSUER'S RESTRICTIONS ON TRANSFER. A restriction on transfer of a security imposed by the issuer, even if otherwise lawful, is ineffective against any person without actual knowledge of it unless:

(1) the security is certificated and the restriction is noted conspicuously thereon; or

(2) the security is uncertificated and a notation of the restriction is contained in the initial transaction statement sent to the person or, if his interest is transferred to him other than by registration of transfer, pledge, or release, the initial transaction statement sent to the registered owner or the registered pledgee [Unless noted conspicuously on the security a restriction on transfer imposed by the issuer even though otherwise lawful is ineffective except against a person with actual knowledge of it].

Sec. 8.205. EFFECT OF UNAUTHORIZED SIGNATURE ON CERTIFICATED SECURITY OR INITIAL TRANSACTION STATEMENT [ISSUE]. An unauthorized signature placed on a certificated security prior to or in the course of issue or placed on an initial transaction statement is ineffective, but [except that] the signature is effective in favor of a purchaser for value of the certificated security or a purchaser for value of an uncertificated security to whom the initial transaction statement has been sent, if the purchaser is [and] without notice of the lack of authority and [if] the signing has been done by:

(1) an authenticating trustee, registrar, transfer agent, or other person entrusted by the issuer with the signing of the security, [or] of similar securities, or of initial transaction statements or the [their] immediate preparation for the signing of any of them; or

(2) an employee of the issuer, or of any of the foregoing, entrusted with responsible handling of the security or initial transaction statement.
Sec. 8.206. COMPLETION OR ALTERATION OF CERTIFICATED SECURITY OR INITIAL TRANSACTION STATEMENT [INSTRUMENT]. (a) If a certificated [Where a] security contains the signatures necessary to its issue or transfer but is incomplete in any other respect:

(1) any person may complete it by filling in the blanks as authorized; and

(2) even though the blanks are incorrectly filled in, the security as completed is enforceable by a purchaser who took it for value and without notice of the [such] incorrectness.

(b) A complete certificated security that [which] has been improperly altered, even though fraudulently, remains enforceable, but only according to its original terms.

(c) If an initial transaction statement contains the signatures necessary to its validity, but is incomplete in any other respect:

(1) any person may complete it by filling in the blanks as authorized; and

(2) even though the blanks are incorrectly filled in, the statement as completed is effective in favor of the person to whom it is sent if he purchased the security referred to therein for value and without notice of the incorrectness.

(d) A complete initial transaction statement that has been improperly altered, even though fraudulently, is effective in favor of a purchaser to whom it has been sent, but only according to its original terms.

Sec. 8.207. RIGHTS AND DUTIES OF ISSUER WITH RESPECT TO REGISTERED OWNERS AND REGISTERED PLEDGEES. (a) Prior to due presentment for registration of transfer of a certificated security in registered form:

the issuer or indenture trustee may treat the registered owner as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner.

(b) Subject to the provisions of Subsections (c), (d), and (e), the issuer or indenture trustee may treat the registered owner of an uncertificated security as the person exclusively entitled to vote, to receive notifications, and otherwise to exercise all the rights and powers of an owner.

(c) The registered owner of an uncertificated security that is subject to a registered pledge is not entitled to registration of transfer prior to the due presentment to the issuer of a release instruction. The exercise of conversion rights with respect to a convertible uncertificated security is a transfer within the meaning of this section.

(d) Upon due presentment of a transfer instruction from the registered pledgee of an uncertificated security, the issuer shall:

(1) register the transfer of the security to the new owner free of pledge, if the instruction specifies a new owner (who may be the registered pledgee) and does not specify a pledgee;

(2) register the transfer of the security to the new owner subject to the interest of the existing pledgee if the instruction specifies a new owner and the existing pledgee; or

(3) register the release of the security from the existing pledge and register the pledge of the security to the other pledgee if the instruction specifies the existing owner and another pledgee.

(e) Continuity of perfection of a security interest is not broken by registration of transfer under Subsection (d)(2) or by registration of release and pledge under Subsection (d)(3) if the security interest is assigned.

(f) If an uncertificated security is subject to a registered pledge:

(1) any uncertificated securities issued in exchange for or distributed with respect to the pledged security shall be registered subject to the pledge;
(2) any certificated securities issued in exchange for or distributed with respect to the pledged security shall be delivered to the registered pledgee; and

(3) any money paid in exchange for or in redemption of part or all of the security shall be paid to the registered pledgee.

Sec. 8.208. EFFECT OF SIGNATURE OF AUTHENTICATING TRUSTEE, REGISTRAR, OR TRANSFER AGENT. (a) A person placing his signature upon a certificated security or an initial transaction statement as authenticating trustee, registrar, transfer agent, or the like, warrants to a purchaser for value of the certificated security or a purchaser for value of an uncertificated security to whom the initial transaction statement has been sent, if the purchaser is without notice of the particular defect that;

(1) the certificated security or initial transaction statement [security] is genuine; [and]

(2) his own participation in the issue or registration of the transfer, pledge, or release of the security [of the security] is within his capacity and within the scope of the authority [authorization] received by him from the issuer; and

(3) he has reasonable grounds to believe that the security is in the form and within the amount the issuer is authorized to issue.

(b) Unless otherwise agreed, a person by so placing his signature does not assume responsibility for the validity of the security in other respects.

SUBCHAPTER C. TRANSFER PURCHASE

Sec. 8.301. RIGHTS ACQUIRED BY PURCHASER; "ADVERSE CLAIM"; TITLE ACQUIRED BY BONA FIDE PURCHASER. (a) Upon transfer of a security to a purchaser (Section 8.313), the purchaser acquires the rights in the security which his transferor had or had actual authority to convey unless the purchaser's rights are limited by Section 8.302(d).

(b) A transferee of a limited interest acquires rights only to the extent of the interest transferred. The creation or release of a security interest in a security is the transfer of a limited interest in that security. Upon delivery of a security the purchaser acquires the rights in the security which his transferor had or had actual authority to convey except that a purchaser who has himself been a party to any fraud or illegality affecting the security or who as a prior holder had notice of an adverse claim cannot improve his position by taking from a later bona fide purchaser. "Adverse claim" includes a claim that a transfer was or would be wrongful or that a particular adverse person is the owner of or has an interest in the security.

(c) A "bona fide purchaser" in addition to acquiring the rights of a purchaser also acquires the security free of any adverse claim.

(d) A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

Sec. 8.302. "BONA FIDE PURCHASER"; "ADVERSE CLAIM"; TITLE ACQUIRED BY BONA FIDE PURCHASER. (a) A "bona fide purchaser" is a purchaser for value in good faith and without notice of any adverse claim;

(1) who takes delivery of a certificated security in bearer form or in registered form, issued or indorsed to him or in blank;

(2) to whom the transfer, pledge, or release of an uncertificated security is registered on the books of the issuer; or

(3) to whom a security is transferred under the provisions of Subdivision (3), (4)(A), or (7) of Section 8.313(a).

(b) "Adverse claim" includes a claim that a transfer was or would be wrongful or that a particular adverse person is the owner of or has an interest in the security.
(c) A bona fide purchaser in addition to acquiring the rights of a purchaser (Section 8.301) also acquires his interest in the security free of any adverse claim. 

(d) Notwithstanding Section 8.301(a), the transferee of a particular certificated security who has been a party to any fraud or illegality affecting the security, or who as a prior holder of that certificated security had notice of an adverse claim, cannot improve his position by taking from a bona fide purchaser [who takes delivery of a security in bearer form or of one in registered form issued to him or indorsed to him or in blank].

Sec. 8.303. "BROKER". "Broker" means a person engaged for all or part of his time in the business of buying and selling securities, who in the transaction concerned acts for, [er] buys a security from, or sells a security to, a customer. Nothing in this chapter determines the capacity in which a person acts for purposes of any other statute or rule to which the [such] person is subject.

Sec. 8.304. NOTICE TO PURCHASER OF ADVERSE CLAIMS. (a) A purchaser (including a broker for the seller or buyer, but excluding an intermediary bank) of a certificated security is charged with notice of adverse claims if:

(1) the security, whether in bearer or registered form, has been indorsed "for collection" or "for surrender" or for some other purpose not involving transfer; or

(2) the security is in bearer form and has on it an unambiguous statement that it is the property of a person other than the transferor. The mere writing of a name on a security is not such a statement.

(b) A purchaser (including a broker for the seller or buyer, but excluding an intermediary bank) to whom the transfer, pledge, or release of an uncertificated security is registered is charged with notice of adverse claims as to which the issuer has a duty under Section 8.403(d) at the time of registration and which are noted in the initial transaction statement sent to the purchaser or, if his interest is transferred to him other than by registration of transfer, pledge, or release, the initial transaction statement sent to the registered owner or the registered pledgee.

(c) The fact that the purchaser (including a broker for the seller or buyer) of a certificated or uncertificated security has notice that the security is held for a third person or is registered in the name of or indorsed by a fiduciary does not create a duty of inquiry into the rightfulness of the transfer or constitute constructive notice of adverse claims. However, if [If, however] the purchaser (excluding an intermediary bank) has knowledge that the proceeds are being used or that the transaction is for the individual benefit of the fiduciary or otherwise in breach of duty, the purchaser is charged with notice of adverse claims.

Sec. 8.305. STALENESS AS NOTICE OF ADVERSE CLAIMS. An act or event that [which] creates a right to immediate performance of the principal obligation represented [evidenced] by a certificated [the] security or that [which] sets a date on or after which a certificated [the] security is to be presented or surrendered for redemption or exchange does not of itself constitute any notice of adverse claims except in the case of a transfer: [purchase]

(1) after one year from any date set for [such] presentment or surrender for redemption or exchange; or

(2) after six months from any date set for payment of money against presentation or surrender of the security if funds are available for payment on that date.

Sec. 8.306. WARRANTIES ON PRESENTMENT AND TRANSFER OF CERTIFICATED SECURITIES; WARRANTIES OF ORIGINATORS OF INSTRUCTIONS. (a) A person who presents a certificated security for registration of transfer or for payment or exchange warrants to the issuer that he is entitled to the registration, payment, or exchange. But, a purchaser for value without notice of adverse claims who receives a new, reissued, or re-registered
certificated security on registration of transfer or receives an initial transaction statement confirming the registration of transfer of an equivalent uncertificated security to him warrants only that he has no knowledge of any unauthorized signature (Section 8.311) in a necessary indorsement.

(b) A person by transferring a certificated security to a purchaser for value warrants only that:

(1) his transfer is effective and rightful; and
(2) the security is genuine and has not been materially altered; and
(3) he knows of no fact which might impair the validity of the security.

(c) If a certificated security is delivered by an intermediary known to be entrusted with delivery of the security on behalf of another or with collection of a draft or other claim against delivery, the intermediary by such delivery warrants only his own good faith and authority, even though he has purchased or made advances against the claim to be collected against the delivery.

(d) A pledgee or other holder for security who redelivers the certificated security received, or after payment and on order of the debtor delivers that security to a third person, makes only the warranties of an intermediary under Subsection (c).

(e) A person who originates an instruction warrants to the issuer that:

(1) he is an appropriate person to originate the instruction; and
(2) at the time the instruction is presented to the issuer he will be entitled to the registration of transfer, pledge, or release.

(f) A person who originates an instruction warrants to any person specially guaranteeing his signature (Subsection 8.312(c)) that:

(1) he is an appropriate person to originate the instruction; and
(2) at the time the instruction is presented to the issuer:
   (A) he will be entitled to the registration of transfer, pledge, or release; and
   (B) the transfer, pledge, or release requested in the instruction will be registered by the issuer free from all liens, security interests, restrictions, and claims other than those specified in the instruction.

(g) A person who originates an instruction warrants to a purchaser for value and to any person guaranteeing the instruction (Section 8.312(f)) that:

(1) he is an appropriate person to originate the instruction:
(2) the uncertificated security referred to therein is valid; and
(3) at the time the instruction is presented to the issuer:
   (A) the transferor will be entitled to the registration of transfer, pledge, or release; and
   (B) the transfer, pledge, or release requested in the instruction will be registered by the issuer free from all liens, security interests, restrictions, and claims other than those specified in the instruction; and
   (C) the requested transfer, pledge, or release will be rightful.

(h) If a secured party is the registered pledgee or the registered owner of an uncertificated security, a person who originates an instruction of release or transfer to the debtor or, after payment and on order of the debtor, a transfer instruction to a third person, warrants to the debtor or the third person only that he is an appropriate person to originate the instruction and, at the time the instruction is presented to the issuer, the transferor will be entitled to the registration of release or transfer. If a transfer instruction to a third person who is a purchaser for value is originated on order of the debtor, the debtor makes to the purchaser the warranties of Subdivisions (2), (B), and (C) of Subsection (g).
A person who transfers an uncertificated security to a purchaser for value and does not originate an instruction in connection with the transfer warrants only that:

1. his transfer is effective and rightful; and
2. the uncertificated security is valid.

A broker gives to his customer and to the issuer and a purchaser the applicable warranties provided in this section and has the rights and privileges of a purchaser under this section. The warranties of and in favor of the broker, acting as an agent, are in addition to applicable warranties given by and in favor of his customer.

Sec. 8.307. EFFECT OF DELIVERY WITHOUT INDORSEMENT; RIGHT TO COMPEL INDORSEMENT. If a certificated security in registered form has been delivered to a purchaser without a necessary indorsement he may become a bona fide purchaser only as of the time the indorsement is supplied, but against the transferor, the transfer is complete upon delivery and the purchaser has a specifically enforceable right to have any necessary indorsement supplied.

Sec. 8.308. INDORSEMENT, INSTRUCTION [INDORSEMENT, HOW MADE, SPECIAL INDORSEMENT, INDORSER NOT A GUARANTOR, PARTIAL ASSIGNMENT]. (a) An indorsement of a certificated security in registered form is made when an appropriate person signs on it or on a separate document an assignment or transfer of the security or a power to assign or transfer it or his signature [of such person] is written without more upon the back of the security.

(b) An indorsement may be in blank or special. An indorsement in blank includes an indorsement to bearer. A special indorsement specifies [the person to whom the security is to be transferred] or who has power to transfer it. A holder may convert a blank indorsement into a special indorsement.

(c) An indorsement purporting to be only a part of a certificated security representing units intended by the issuer to be separately transferable is effective to the extent of the indorsement.

(d) An "instruction" is an order to the issuer of an uncertificated security requesting that the transfer, pledge, or release from pledge of the uncertificated security specified therein be registered.

(e) An instruction originated by an appropriate person is:

1. a writing signed by an appropriate person; or
2. a communication to the issuer in any form agreed upon in a writing signed by the issuer and an appropriate person.

If an instruction has been originated by an appropriate person but is incomplete in any other respect, any person may complete it as authorized and the issuer may rely on it as completed even though it has been completed incorrectly.

(f) "An appropriate person" in Subsection (a) means the person specified by the certificated security or by special indorsement to be entitled to the security.

(g) "An appropriate person" in Subsection (e) means:

1. for an instruction to transfer or pledge an uncertificated security which is then not subject to a registered pledge, the registered owner; or
2. for an instruction to transfer or release an uncertificated security which is then subject to a registered pledge, the registered pledgee.

(h) In addition to the persons designated in Subsections (f) and (g), "an appropriate person" in Subsections (a) and (e) includes:

1. if the person designated is described as a fiduciary but is no longer serving in the described capacity, either that person or his successor;
2. if the persons designated are described as more than one person as fiduciaries and one or more are no longer serving in the described capacity, the
remaining fiduciary or fiduciaries, whether or not a successor has been appointed or has qualified;

(3) if the person designated is an individual and is without capacity to act by virtue of death, incompetence, infancy, or otherwise, his executor, administrator, guardian, or like fiduciary;

(4) if the persons designated are described as more than one person is tenants by the entirety or with right of survivorship and by reason of death all cannot sign, the survivor or survivors;

(5) a person having power to sign under applicable law or controlling instrument; and

(6) to the extent that the person designated or any of the foregoing persons may act through an agent, his authorized agent.

(i) Unless otherwise agreed, the indorser of a certificated security by his indorsement or the originator of an instruction by his origination assumes no obligation that the security will be honored by the issuer but only the obligations provided in Section 8.306.

(k) Whether the person signing is appropriate is determined as of the date of signing and an indorsement made by or an instruction originated by him does not become unauthorized for the purposes of this chapter by virtue of any subsequent change of circumstances.

(l) Failure of a fiduciary to comply with a controlling instrument or with the law of the state having jurisdiction of the fiduciary relationship, including any law requiring the fiduciary to obtain court approval of the transfer, pledge, or release, does not render his indorsement or an instruction originated by him unauthorized for the purposes of this chapter. "An appropriate person" in Subsection (a) means

(f) the person specified by the security or by special indorsement to be entitled to the security, or

(2) where the person so specified is described as a fiduciary but is no longer serving in the described capacity, either that person or his successor, or

(3) where the security or indorsement so specifies more than one person as fiduciaries and one or more are no longer serving in the described capacity, the remaining fiduciary or fiduciaries, whether or not a successor has been appointed or qualified, or

(4) where the person so specified is an individual and is without capacity to act by virtue of death, incompetence, infancy or otherwise, his executor, administrator, guardian or like fiduciary, or

(5) where the security or indorsement so specifies more than one person as tenants by the entirety or with right of survivorship and by reason of death all cannot sign, the survivor or survivors, or

(6) a person having power to sign under applicable law or controlling instrument, or

(7) to the extent that any of the foregoing persons may act through an agent, his authorized agent.

(ii) Unless otherwise agreed the indorser of a certificated security by his indorsement assumes no obligation that the security will be honored by the issuer.

(iii) An indorsement purporting to be only of part of a security representing units intended by the issuer to be separately transferable is effective to the extent of the indorsement.

(jf) Whether the person signing is appropriate is determined as of the date of signing and an indorsement by such a person does not become unauthorized for the purposes of this chapter by virtue of any subsequent change of circumstances.

(g) Failure of a fiduciary to comply with a controlling instrument or with the law of the state having jurisdiction of the fiduciary relationship, including any law
Sec. 8.309. EFFECT OF INDORSEMENT WITHOUT DELIVERY. An indorsement of a certificated security, whether special or in blank, does not constitute a transfer until delivery of the certificated security on which it appears or, if the indorsement is on a separate document, until delivery of both the document and the certificated security.

Sec. 8.310. INDOREEMENT OF CERTIFICATED SECURITY IN BEARER FORM. An indorsement of a certificated security in bearer form may give notice of adverse claims (Section 8.304) but does not otherwise affect any right to registration the holder possesses.

Sec. 8.311. EFFECT OF UNAUTHORIZED INDOREEMENT OR INSTRUCTION. Unless the owner or pledgee has ratified an unauthorized indorsement or instruction or is otherwise precluded from asserting its ineffectiveness:

1. he may assert its ineffectiveness against the issuer or any purchaser, other than a purchaser for value and without notice of adverse claims, who has in good faith received a new, reissued, or re-registered certificated security on registration of transfer or received an initial transaction statement confirming the registration of transfer, pledge, or release of an equivalent uncertificated security to him; and

2. an issuer who registers the transfer of a certificated security upon the unauthorized indorsement or who registers the transfer, pledge, or release of an uncertificated security upon the unauthorized instruction is subject to liability for improper registration (Section 8.404).

Sec. 8.312. EFFECT OF GUARANTEEING SIGNATURE, [OR] INDOREEMENT, OR INSTRUCTION. (a) Any person guaranteeing a signature of an indorser of a certificated security warrants that at the time of signing:

1. the signature was genuine; and

2. the signer was an appropriate person to indorse (Section 8.308); and

3. the signer had legal capacity to sign.

(b) Any person guaranteeing a signature of the originator of an instruction warrants that at the time of signing:

1. the signature was genuine;

2. the signer was an appropriate person to originate the instruction (Section 8.308) if the person specified in the instruction as the registered owner or registered pledgee of the uncertificated security was, in fact, the registered owner or registered pledgee of the security, as to which fact the signature guarantor makes no warranty;

3. the signer had legal capacity to sign; and

4. the taxpayer identification number, if any, appearing on the instruction as that of the registered owner or registered pledgee was the taxpayer identification number of the signer or of the owner or pledgee for whom the signer was acting.

(c) Any person specially guaranteeing the signature of the originator of an instruction makes not only the warranties of a signature guarantor (Subsection (b)) but also warrants that at the time the instruction is presented to the issuer:

1. the person specified in the instruction as the registered owner or registered pledgee of the uncertificated security will be the registered owner or registered pledgee; and
the transfer, pledge, or release of the uncertificated security requested in the instruction will be registered by the issuer free from all liens, security interests, restrictions, and claims other than those specified in the instruction.

(d) The guarantor under Subsections (a) and (b) or the special guarantor under Subsection (c) does not otherwise warrant the rightfulness of the particular transfer, pledge, or release.

(e) Any person guaranteeing an indorsement of a certificated security makes not only the warranties of a signature guarantor under Subsection (a) but also warrants the rightfulness of the particular transfer in all respects.

(f) Any person guaranteeing an instruction requesting the transfer, pledge, or release of an uncertificated security makes not only the warranties of a special signature guarantor under Subsection (c) but also warrants the rightfulness of the particular transfer, pledge, or release in all respects.

(g) No issuer may require a special guarantee of signature (Subsection (c)), a guarantee of indorsement (Subsection (e)), or a guarantee of instruction (Subsection (f)) as a condition to registration of transfer, pledge, or release. Any person guaranteeing an indorsement of a security and by so doing warrants not only the signature (Subsection (a)) but also the rightfulness of the particular transfer in all respects. But no issuer may require a guarantee of indorsement as a condition to registration of transfer.

Sec. 8.313. WHEN TRANSFER [DELIVERY] TO [THE] PURCHASER OCCURS; “FINANCIAL INTERMEDIARY” [PURCHASER’S BROKER AS HOLDER].

(a) Transfer of a security or a limited interest (including a security interest) therein to a purchaser occurs only:

1. at the time he or a person designated by him acquires possession of a certificated security;

2. at the time the transfer, pledge, or release of an uncertificated security is registered to him or a person designated by him;

3. at the time the financial intermediary acquires possession of a certificated security specially indorsed to or issued in the name of the purchaser;

4. at the time a financial intermediary, not a clearing corporation, sends him confirmation of the purchase and also by book entry or otherwise identifies as belonging to the purchaser:

A. a specific certificated security in the financial intermediary’s possession;

B. a quantity of securities that constitute or are part of a fungible bulk of certificated securities in the financial intermediary’s possession or of uncertificated securities registered in the name of the financial intermediary;

C. a quantity of securities that constitute or are part of a fungible bulk of securities shown on the account of the financial intermediary on the books of another financial intermediary;

5. with respect to an identified certificated security to be delivered while still in the possession of a third person, not a financial intermediary, at the time that person acknowledges that he holds for the purchaser;

6. with respect to a specific uncertificated security the pledge or transfer of which has been registered to a third person, not a financial intermediary, at the time that person acknowledges that he holds for the purchaser.
(7) at the time appropriate entries to the account of the purchaser
or a person designated by him on the books of a clearing corporation are made
under Section 8.320;

(8) with respect to the transfer of a security interest where the debtor
has signed a security agreement containing a description of the security, at the time
a written notification, which, in the case of the creation of the security interest, is
signed by the debtor (which may be a copy of the security agreement) or which, in
the case of the release or assignment of the security interest created pursuant to this
subdivision, is signed by the secured party, is received by:

(A) a financial intermediary on whose books the
interest of the transferor in the security appears;

(B) a third person, not a financial intermediary, in
possession of the security, if it is certificated;

(C) a third person, not a financial intermediary, who
is the registered owner of the security, if it is uncertificated and not subject to a
registered pledge; or

(D) a third person, not a financial intermediary, who
is the registered pledgee of the security, if it is uncertificated and subject to a
registered pledge;

(9) with respect to the transfer of a security interest where the
transferor has signed a security agreement containing a description of the security,
at the time new value is given by the secured party; or

(10) with respect to the transfer of a security interest where the
secured party is a financial intermediary and the security has already been
transferred to the financial intermediary under Subdivisions (1), (2), (3), (4), or (7),
at the time the transferor has signed a security agreement containing a description
of the security and value is given by the secured party.

(b) The purchaser is the owner of a security held for him by a financial
intermediary, but cannot be a bona fide purchaser of a security so held except in
the circumstances specified in Subdivisions (3), (4)(A), and (7) of Subsection (a). If
a security so held is part of a fungible bulk, as in the circumstances specified in
Subdivisions 4(B) and 4(C) of Subsection (a), the purchaser is the owner of a
proportionate property interest in the fungible bulk.

(c) Notice of an adverse claim received by the financial intermediary or by
the purchaser after the financial intermediary takes delivery of a certificated security
as a holder for value or after the transfer, pledge, or release of an uncertificated
security has been registered free of the claim to a financial intermediary who has
given value is not effective either as to the financial intermediary or as to the
purchaser. However, as between the financial intermediary and the purchaser, the
buyer may demand transfer of an equivalent security as to which no notice of
adverse claim has been received.

(d) A "financial intermediary" is a bank, broker, clearing corporation, or
other person (or the nominee of any of them) which in the ordinary course of its
business maintains security accounts for its customers and is acting in that capacity.
A financial intermediary may have a security interest in securities held in account
for its customer.

[Delivery to a purchaser occurs when

(1) he or a person designated by him acquires possession of a
security; or

(2) his broker acquires possession of a security specially indorsed to
or issued in the name of the purchaser; or

(3) his broker sends him confirmation of the purchase and also by
book entry or otherwise identifies a specific security in the broker's possession as
belonging to the purchaser; or

...]
(4) with respect to an identified security to be delivered while still in the possession of a third person when that person acknowledges that he holds for the purchaser; or

(5) appropriate entries on the books of a clearing corporation are made under Section 8.320:

(b) The purchaser is the owner of a security held for him by his broker, but is not the holder except as specified in Subdivisions (2), (3) and (5) of Subsection (a). Where a security is part of a fungible bulk the purchaser is the owner of a proportionate property interest in the fungible bulk.

(c) Notice of an adverse claim received by the broker or by the purchaser after the broker takes delivery as a holder for value is not effective either as to the broker or as to the purchaser. However, as between the broker and the purchaser the purchaser may demand delivery of an equivalent security as to which no notice of an adverse claim has been received.

Sec. 8.314. DUTY TO TRANSFER [DELIVER], WHEN COMPLETED. (a) Unless otherwise agreed, if a sale of a security is made on an exchange or otherwise through brokers:

(1) the selling customer fulfills his duty to transfer at the time when he:

(A) places [such] a certificated security in the possession of the selling broker or [of] a person designated by the broker;

(B) causes an uncertificated security to be registered in the name of the selling broker or a person designated by the broker;

(C) if requested, causes an acknowledgment to be made to the selling broker that a certificated or uncertificated security [is] held for [him] the broker; or

(D) places in the possession of the selling broker or of a person designated by the broker a transfer instruction for an uncertificated security, providing the issuer does not refuse to register the requested transfer if the instruction is presented to the issuer for registration within 30 days thereafter; and

(2) the selling broker, including a correspondent broker acting for a selling customer, fulfills his duty to transfer at the time he:

(A) places a certificated [deliver by placing the security or a like] security in the possession of the buying broker or a person designated by the buying broker;

(B) causes an uncertificated security to be registered in the name of the buying broker or a person designated by the buying broker;

(C) places in the possession of the buying broker or of a person designated by the buying broker a transfer instruction for an uncertificated security, providing the issuer does not refuse to register the requested transfer if the instruction is presented to the issuer for registration within 30 days thereafter; or

(D) effects [him or by effecting] clearance of the sale in accordance with the rules of the exchange on which the transaction took place.

(b) Except as [otherwise] provided in this section or [and] unless otherwise agreed, a transferor’s duty to transfer [deliver] a security under a contract of purchase is not fulfilled until he:

(1) places a certificated [the] security in form to be negotiated by the purchaser in the possession of the purchaser or of a person designated by the purchaser;

(2) causes an uncertificated security to be registered in the name of the purchaser or a person designated by the purchaser; or

(3) if the purchaser requests, [him or at the purchaser’s request] causes an acknowledgment to be made to the purchaser that a certificated or uncertificated security [is] held for the purchaser [him].
ACTION AGAINST TRANSFEREE [PURCHASER] BASED UPON WRONGFUL TRANSFER. (a) Any person against whom the transfer of a security is wrongful for any reason, including his incapacity, as may against anyone except a bona fide purchaser, may:

(1) reclaim possession of the certificated security wrongfully transferred;

(2) obtain possession of any new certificated security representing all or part of the same rights;

(3) compel the origination of an instruction to transfer to him or a person designated by him an uncertificated security constituting all or part of the same rights; or

(4) have damages.

(b) If the transfer is wrongful because of an unauthorized indorsement of a certificated security, the owner may also reclaim or obtain possession of the security or a new certificated security, even from a bona fide purchaser, if the ineffectiveness of the purported indorsement can be asserted against him under the provisions of this chapter on unauthorized indorsements (Section 8.311).

(c) The right to obtain or reclaim possession of a certificated security or to compel the origination of a transfer instruction may be specifically enforced and the transfer of a certificated or uncertificated security enjoined and a certificated security impounded pending the litigation.

PURCHASER’S RIGHT TO REQUITITES FOR REGISTRATION OF TRANSFER, PLEDGE, OR RELEASE ON BOOKS. Unless otherwise agreed, the transferor of a certificated security or the transferor, pledger, or pledgee of an uncertificated security must, on due demand, supply his purchaser with any proof of his authority to transfer, pledge, or release or with any other requisite necessary to obtain registration of the transfer, pledge, or release of the security; but if the transfer, pledge, or release is not for value, a transferor, pledger, or pledgee need not do so unless the purchaser furnishes the necessary expenses. Failure within a reasonable time to comply with a demand gives the purchaser the right to reject or rescind the transfer, pledge, or release.

CREDITORS’ RIGHTS [ATTACHMENT OR LEVY UPON SECURITY]. (a) Subject to the exceptions in Subsections (c) and (d), no attachment or levy upon a certificated security or any share or other interest therein represented thereby which is outstanding shall be valid until the security is actually seized by the officer making the attachment or levy, but a certificated security which has been surrendered to the issuer may be reached by a creditor by legal process at the issuer’s chief executive office in the United States.

(b) An uncertificated security registered in the name of the debtor may not be reached by a creditor except by legal process at the issuer’s chief executive office in the United States.

(c) The interest of a debtor in a certificated security that is in the possession of a secured party is not a financial intermediary or in an uncertificated security registered in the name of a secured party is not a financial intermediary, or in the name of a nominee of the secured party, may be reached by a creditor by legal process upon the secured party.

(d) The interest of a debtor in a certificated security that is in the possession of or registered in the name of a financial intermediary or in an uncertificated security registered in the name of a financial intermediary may be reached by a...
creditor by legal process upon the financial intermediary on whose books the interest of the debtor appears.

(e) Unless otherwise provided by law, a creditor's lien upon the interest of a debtor in a security obtained pursuant to Subsection (c) or (d) is not a restraint on the transfer of the security, free of the lien, to a third party for new value; but in the event of a transfer, the lien applies to the proceeds of the transfer in the hands of the secured party or financial intermediary, subject to any claims having priority attached or levied upon at the source.

(f) A creditor whose debtor is the owner of a security is entitled to such aid from courts of appropriate jurisdiction, by injunction or otherwise, in reaching the such security or in satisfying the claim by means thereof as is allowed at law or in equity in regard to property that cannot readily be reached attached or levied upon by ordinary legal process.

Sec. 8,318, NO CONVERSION BY GOOD FAITH CONDUCT DELIVERY, An agent or bailee who in good faith (including observance of reasonable commercial standards if he is in the business of buying, selling, or otherwise dealing with securities) has received certificated securities and sold, pledged, or delivered them or has sold or caused the transfer or pledge of uncertificated securities over which he had control according to the instructions of his principal, is not liable for conversion or for participation in breach of fiduciary duty although the principal had no right so to deal with the securities thereof.

Sec. 8,319, STATUTE OF FRAUDS, A contract for the sale of securities is not enforceable by way of action or defense unless:

(1) there is some writing signed by the party against whom enforcement is sought or by his authorized agent or broker, sufficient to indicate that a contract has been made for sale of a stated quantity of described securities at a defined or stated price; or

(2) delivery of a certificated or transfer instruction has been accepted, or transfer of an uncertificated security has been registered and the transferee has failed to send written objection to the issuer within 10 days after receipt of the initial transaction statement confirming the registration, or payment has been made, but the contract is enforceable under this provision only to the extent of the delivery, registration, or payment; or

(3) within a reasonable time a writing in confirmation of the sale or purchase and sufficient against the sender under Subdivision (1) has been received by the party against whom enforcement is sought and he has failed to send written objection to its contents within 10 [ten] days after its receipt; or

(4) the party against whom enforcement is sought admits in his pleading, testimony, or otherwise in court that a contract was made for sale of a stated quantity of described securities at a defined or stated price.

Sec. 8,320, TRANSFER OR PLEDGE WITHIN [A] CENTRAL DEPOSITORY SYSTEM, (a) In addition to other methods, a transfer, pledge, or release of a security or any interest therein may be effected by the making of appropriate entries on the books of a clearing corporation reducing the account of the transferor, pledgor, or pledgee and increasing the account of the transferee, pledgee, or pledgee by the amount of the obligation or the number of shares or rights transferred, pledged, or released, if the security is shown on the account of a transferor, pledgor, or pledgee on the books of the clearing corporation; is subject to the control of the clearing corporation; and

(1) if certificated;

(A) is in the custody of the clearing corporation, another clearing corporation, a custodian bank, or a nominee of any of them; and
(B) is in bearer form or indorsed in blank by an appropriate person or registered in the name of the clearing corporation, a custodian bank, or a nominee of any of them; or

(2) if uncertificated, is registered in the name of the clearing corporation, another clearing corporation, a custodian bank, or a nominee of any of them—

(i) is in the custody of a clearing corporation or of a custodian bank or a nominee of either subject to the instructions of the clearing corporation; and

(ii) is in bearer form or indorsed in blank by an appropriate person or registered in the name of the clearing corporation or custodian bank or a nominee of either; and

(iii) is shown on the account of a transferee or pledgee on the books of the clearing corporation; then, in addition to other methods, a transfer or pledge of the security or any interest therein may be effected by the making of appropriate entries on the books of the clearing corporation reducing the account of the transferor or pledgee and increasing the account of the transferee or pledgee by the amount of the obligation or the number of shares or rights transferred or pledged:

(b) Under this section entries may be with respect to like securities or interests therein as a part of a fungible bulk and may refer merely to a quantity of a particular security without reference to the name of the registered owner, certificate or bond number, or the like, and, in appropriate cases, may be on a net basis taking into account other transfers, pledges, or releases of the same security.

(c) A transfer [or pledge] under this section is effective (Section 8.313) and the purchaser acquires the rights of the transferor (Section 8.301). A pledge or release under this section is the transfer of a limited interest. If a pledge or the creation of a security interest is intended, the security interest is perfected at the time when both value is given by the pledgee and the appropriate entries are made (Section 8.321). A transferee or pledgee under this section may be a bona fide purchaser (Section 8.302) with the effect of a delivery or a security in bearer form or duly indorsed in blank (Section 8.381) representing the amount of the obligation or the number of shares or rights transferred or pledged; if a pledge or the creation of a security interest is intended, the making of entries has the effect of a taking of delivery by the pledgee or a secured party (Sections 9.304 and 9.305). A transfer or pledge under this section is a holder.

(d) A transfer or pledge under this section is not [does not constitute] a registration of transfer under Subchapter D [of this chapter].

(e) That entries made on the books of the clearing corporation as provided in Subsection (a) are not appropriate does not affect the validity or effect of the entries or the liabilities or obligations of the clearing corporation to any person adversely affected thereby.
(2) No written security agreement signed by the debtor is necessary to make the security interest enforceable, except as provided in Subdivision (8), (9), or (10) of Section 8.313(a). The secured party has the rights and duties provided under Section 9.207, to the extent they are applicable, whether or not the security is certified, and, if certified, whether or not it is in his possession.

(d) Unless otherwise agreed, a security interest in a security is terminated by transfer to the debtor or a person designated by him pursuant to a provision of Section 8.313(a). If a security is thus transferred, the security interest, if not terminated, becomes unperfected unless the security is certified and is delivered to the debtor for the purpose of ultimate sale or exchange or presentation, collection, renewal, or registration of transfer. In that case, the security interest becomes unperfected after 21 days unless, within that time, the security (or securities for which it has been exchanged) is transferred to the secured party or a person designated by him pursuant to a provision of Section 8.313(a).

SUBCHAPTER D. REGISTRATION

Sec. 8.401. DUTY OF ISSUER TO REGISTER TRANSFER, PLEDGE, OR RELEASE. (a) If [Where] a certificated security in registered form is presented to the issuer with a request to register transfer or an instruction is presented to the issuer with a request to register transfer, pledge, or release, the issuer shall [under a duty to] register the transfer, pledge, or release as requested if:

1. the security is indorsed or the instruction was originated by the appropriate person or persons (Section 8.308); [and]
2. reasonable assurance is given that those indorsements or instructions are genuine and effective (Section 8.402); [and]
3. the issuer has no duty to inquire into adverse claims or has discharged the [any such] duty (Section 8.403); [and]
4. any applicable law relating to the collection of taxes has been complied with; and
5. the transfer, pledge, or release is in fact rightful or is to a bona fide purchaser.

(b) If [Where] an issuer is under a duty to register a transfer, pledge, or release of a security, the issuer is also liable to the person presenting a certificated security or an instruction [it] for registration or his principal for loss resulting from any unreasonable delay in registration or from failure or refusal to register the transfer, pledge, or release.

Sec. 8.402. ASSURANCE THAT INDOSEMENTS AND INSTRUCTIONS ARE EFFECTIVE. (a) The issuer may require the following assurance that each necessary indorsement of a certificated security or each instruction (Section 8.308) is genuine and effective:

1. in all cases, a guarantee of the signature (Section 8.312(a) or (b)) of the person indorsing a certificated security or originating an instruction including, in the case of an instruction, a warranty of the taxpayer identification number or, in the absence thereof, other reasonable assurance of identity;
2. if the indorsement is made or the instruction is originated by an agent, appropriate assurance of authority to sign;
3. if the indorsement is made or the instruction is originated by a fiduciary, appropriate evidence of appointment or incumbency;
4. if there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; and
5. if the indorsement is made or the instruction is originated by a person not covered by any of the foregoing, assurance appropriate to the case corresponding as nearly as may be to the foregoing in all cases, a guarantee of the signature (Subsection (a) of Section 8.312) of the person indorsing, and
(2) where the indorsement is by an agent, appropriate assurance of authority to sign;  
(3) where the indorsement is by a fiduciary, appropriate evidence of appointment or incumbency;  
(4) where there is more than one fiduciary, reasonable assurance that all who are required to sign have done so;  
(5) where the indorsement is by a person not covered by any of the foregoing, assurance appropriate to the case corresponding as nearly as may be to the foregoing.

(b) A "guarantee of the signature" in Subsection (a) means a guarantee signed by or on behalf of a person reasonably believed by the issuer to be responsible. The issuer may adopt standards with respect to responsibility if they are not manifestly unreasonable.

(c) "Appropriate evidence of appointment or incumbency" in Subsection (a) means:

1. in the case of a fiduciary appointed or qualified by a court, a certificate issued by or under the direction or supervision of that court or an officer thereof and dated within 60 days before the date of presentation for transfer, pledge, or release; or
2. in any other case, a copy of a document showing the appointment or a certificate issued by or on behalf of a person reasonably believed by the issuer to be responsible or, in the absence of such a document or certificate, other evidence reasonably deemed by the issuer to be appropriate. The issuer may adopt standards with respect to the evidence if they are not manifestly unreasonable. The issuer is not charged with notice of the contents of any document obtained pursuant to this subdivision except to the extent that the contents relate directly to the appointment or incumbency.

(d) The issuer may elect to require reasonable assurance beyond that specified in this section, but if it does so and, for a purpose other than that specified in Subsection (c)(2), both requires and obtains a copy of a will, trust, indenture, articles of co-partnership, by-laws or other controlling instrument, it is charged with notice of all matters contained therein affecting the transfer, pledge, or release.

Sec. 8.403. ISSUER'S DUTY AS TO ADVERSE CLAIMS [LIMITED DUTY OF INQUIRY]. (a) An issuer to whom a certificated security is presented for registration shall inquire into adverse claims if:

1. a written notification of an adverse claim is received at a time and in a manner affording the issuer a reasonable opportunity to act on it prior to the issuance of a new, re-issued, or re-registered certificated security, and the notification identifies the claimant, the registered owner, and the issue of which the security is a part, and provides an address for communications directed to the claimant; or
2. the issuer is charged with notice of an adverse claim from a controlling instrument and it has elected to require under [Subsection (d) of] Section 8.402(d).

(b) The issuer may discharge any duty of inquiry by any reasonable means, including notifying an adverse claimant by registered or certified mail at the address furnished by him or, if there be no such address, at his residence or regular place of business, that the certificated security has been presented for registration of transfer by a named person, and that the transfer will be registered unless within 30 days from the date of mailing the notification, either:

1. an appropriate restraining order, injunction, or other process issues from a court of competent jurisdiction; or
(2) there is filed with the issuer an indemnity bond, sufficient in the issuer's judgment to protect the issuer and any transfer agent, registrar, or other agent of the issuer involved from any loss which it or they may suffer by complying with the adverse claim [is filed with the issuer].

(c) Unless an issuer is charged with notice of an adverse claim from a controlling instrument which it has elected to require under [Subsection (d) of] Section 8.402(d) or receives notification of an adverse claim under Subsection (a) [of this section], if [where] a certificated security presented for registration is indorsed by the appropriate person or persons, the issuer is under no duty to inquire into adverse claims. In particular:

(1) an issuer registering a certificated security in the name of a person who is a fiduciary or who is described as a fiduciary is not bound to inquire into the existence, extent, or correct description of the fiduciary relationship; and thereafter the issuer may assume without inquiry that the newly registered owner continues to be the fiduciary until the issuer receives written notice that the fiduciary is no longer acting as such with respect to the particular security;

(2) an issuer registering transfer on an indorsement by a fiduciary is not bound to inquire whether the transfer is made in compliance with a controlling instrument or with the law of the state having jurisdiction of the fiduciary relationship, including any law requiring the fiduciary to obtain court approval of the transfer; and

(3) the issuer is not charged with notice of the contents of any court record or file or other recorded or unrecorded document even though the document is in its possession and even though the transfer is made on the indorsement of a fiduciary to the fiduciary himself or to his nominee.

(d) An issuer is under no duty as to adverse claims with respect to an uncertificated security except:

(1) claims embodied in a restraining order, injunction, or other legal process served upon the issuer if the process was served at a time and in a manner affording the issuer a reasonable opportunity to act on it in accordance with the requirements of Subsection (e);

(2) claims of which the issuer has received a written notification from the registered owner or the registered pledgee if the notification was received at a time and in a manner affording the issuer a reasonable opportunity to act on it in accordance with the requirements of Subsection (e);

(3) claims (including restrictions on transfer not imposed by the issuer) to which the registration of transfer to the present registered owner was subject and were so noted in the initial transaction statement sent to him; and

(4) claims as to which an issuer is charged with notice from a controlling instrument it has elected to require under Section 8.402(d).

(e) If the issuer of an uncertificated security is under a duty as to an adverse claim, the issuer discharges that duty by:

(1) including a notation of the claim in any statements sent with respect to the security under Sections 8.408(c), (d), and (g); and

(f) If the transfer or pledge of the security is registered subject to an adverse claim, a notation of the claim must be included in the initial transaction statement and all subsequent statements sent to the transferee and pledgee under Section 8.408.

(g) Notwithstanding Subsections (d) and (e), if an uncertificated security was subject to a registered pledge at the time the issuer first came under a duty as to a particular adverse claim, the issuer has no duty as to that claim if transfer of the
security is requested by the registered pledgee or an appropriate person acting for the registered pledgee unless:

(1) the claim was embodied in legal process which expressly provides otherwise;
(2) the claim was asserted in a written notification from the registered pledgee;
(3) the claim was one as to which the issuer was charged with notice from a controlling instrument it required under Section 8.402(d) in connection with the pledgee’s request for transfer; or
(4) the transfer requested is to the registered owner.

Sec. 8.404. LIABILITY AND NON-LIABILITY FOR REGISTRATION.

(a) Except as otherwise provided in any law relating to the collection of taxes, the issuer is not liable to the owner, pledgee, or any other person suffering loss as a result of the registration of a transfer, pledge, or release of a security if:

(1) there were on or with a certificated security the necessary indorsements or the issuer had received an instruction originated by an appropriate person (Section 8.308); and
(2) the issuer had no duty as to [inquire into] adverse claims or has discharged the [any-such] duty (Section 8.403).

(b) If [Where] an issuer has registered a transfer of a certificated security to a person not entitled to it, the issuer on demand shall [must] deliver a like security to the true owner unless:

(1) the registration was pursuant to Subsection (a); or
(2) the owner is precluded from asserting any claim for registering the transfer under Section 8.405(a) [Subsection (a) of the following section]; or
(3) the [such] delivery would result in overissue, in which case the issuer’s liability is governed by Section 8.104.

(c) If an issuer has improperly registered a transfer, pledge, or release of an uncertificated security, the issuer on demand from the injured party shall restore the records as to the injured party to the condition that would have obtained if the improper registration had not been made unless:

(1) the registration was pursuant to Subsection (a); or
(2) the registration would result in overissue, in which case the issuer’s liability is governed by Section 8.104.

Sec. 8.405. LOST, DESTROYED, AND STOLEN CERTIFICATED SECURITIES.

(a) If [Where] a certificated security has been lost, apparently destroyed, or wrongfully taken, and the owner fails to notify the issuer of that fact within a reasonable time after he has notice of it and the issuer registers a transfer of the security before receiving [search for] notification, the owner is precluded from asserting against the issuer any claim for registering the transfer under Section 8.404 [the preceding section] or any claim to a new security under this section.

(b) If [Where] the owner of a certificated security claims that the security has been lost, destroyed, or wrongfully taken, the issuer shall [must] issue a new certificated security or, at the option of the issuer, an equivalent uncertificated security in place of the original security if the owner:

(1) so requests before the issuer has notice that the security has been acquired by a bona fide purchaser; and
(2) files with the issuer a sufficient indemnity bond; and
(3) satisfies any other reasonable requirements imposed by the issuer.

(c) If, after the issue of the new certificated or uncertificated security, a bona fide purchaser of the original certificated security presents it for registration of transfer, the issuer shall [must] register the transfer unless registration would result in overissue, in which event the issuer’s liability is governed by Section 8.104. In
addition to any rights on the indemnity bond, the issuer may recover the new
certificated security from the person to whom it was issued or any person taking
under him except a bona fide purchaser or may cancel the uncertificated security
unless a bona fide purchaser or any person taking under a bona fide purchaser is
then the registered owner or registered pledgee thereof.

Sec. 8.406. DUTY OF AUTHENTICATING TRUSTEE, TRANSFER
AGENT, OR REGISTRAR. (a) If a person acts as authenticating trustee,
transfer agent, registrar, or other agent for an issuer in the registration of transfers
of its certificated securities or in the registration of transfers, pledges, and releases
of its uncertificated securities, in the issue of new securities, or in the cancellation
of surrendered securities:

(1) he is under a duty to the issuer to exercise good faith and due
diligence in performing his functions; and
(2) [he has] with regard to the particular functions he performs, he
has the same obligation to the holder or owner of a certificated [the] security or to
the owner or pledgee of an uncertificated security and has the same rights and
privileges as the issuer has in regard to those functions.

(b) Notice to an authenticating trustee, transfer agent, registrar, or other
[that] agent is notice to the issuer with respect to the functions performed by the
agent.

Sec. 8.407. EXCHANGEABILITY OF SECURITIES. (a) No issuer is
subject to the requirements of this section unless it regularly maintains a system for
issuing the class of securities involved under which both certificated and
uncertificated securities are regularly issued to the category of owners, which
includes the person in whose name the new security is to be registered.

(b) Upon surrender of a certificated security with all necessary indorsements
and presentation of a written request by the person surrendering the security, the
issuer, if he has no duty as to adverse claims or has discharged the duty (Section
8.403), shall issue to the person or a person designated by him an equivalent
uncertificated security subject to all liens, restrictions, and claims that were noted
on the certificated security.

(c) Upon receipt of a transfer instruction originated by an appropriate person
who so requests, the issuer of an uncertificated security shall cancel the
uncertificated security and issue an equivalent certificated security on which must
be noted conspicuously any liens and restrictions of the issuer and any adverse
claims (as to which the issuer has a duty under Section 8.403(d)) to which the
uncertificated security was subject. The certificated security shall be registered in
the name of and delivered to:

(1) the registered owner, if the uncertificated security was not subject
to a registered pledge; or
(2) the registered pledgee, if the uncertificated security was subject
to a registered pledge.

Sec. 8.408. STATEMENTS OF UNCERTIFICATED SECURITIES. (a)
Within two business days after the transfer of an uncertificated security has been
registered, the issuer shall send to the new registered owner and, if the security has
been transferred subject to a registered pledge, to the registered pledgee a written
statement containing:

(1) a description of the issue of which the uncertificated security is
a part;
(2) the number of shares or units transferred;
(3) the name and address and any taxpayer identification number
of the new registered owner and, if the security has been transferred subject to a
registered pledge, the name and address and any taxpayer identification number
of the registered pledgee;
(4) a notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under Section 8.403(d)) to which the uncertificated security is or may be subject at the time of registration or a statement that there are none of those liens, restrictions, or adverse claims; and

(5) the date the transfer was registered.

(b) Within two business days after the pledge of an uncertificated security has been registered, the issuer shall send to the registered owner and the registered pledgee a written statement containing:

(1) a description of the issue of which the uncertificated security is a part;

(2) the number of shares or units pledged;

(3) the name and address and any taxpayer identification number of the registered owner and the registered pledgee;

(4) a notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under Section 8.403(d)) to which the uncertificated security is or may be subject at the time of registration or a statement that there are none of those liens, restrictions, or adverse claims; and

(5) the date the pledge was registered.

(c) Within two business days after the release from pledge of an uncertificated security has been registered, the issuer shall send to the registered owner and the pledgee whose interest was released a written statement containing:

(1) a description of the issue of which the uncertificated security is a part;

(2) the number of shares or units released from pledge;

(3) the name and address and any taxpayer identification number of the registered owner and the pledgee whose interest was released;

(4) a notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under Section 8.403(d)) to which the uncertificated security is or may be subject at the time of registration or a statement that there are none of those liens, restrictions, or adverse claims; and

(5) the date the release was registered.

(d) An "initial transaction statement" is the statement sent to:

(1) the new registered owner and, if applicable, to the registered pledgee pursuant to Subsection (a);

(2) the registered pledgee pursuant to Subsection (b); or

(3) the registered owner pursuant to Subsection (c).

Each initial transaction statement shall be signed by or on behalf of the issuer and must be identified as "Initial Transaction Statement."

(e) Within two business days after the transfer of an uncertificated security has been registered, the issuer shall send to the former registered owner and the former registered pledgee, if any, a written statement containing:

(1) a description of the issue of which the uncertificated security is a part;

(2) the number of shares or units transferred;

(3) the name and address and any taxpayer identification number of the former registered owner and of any former registered pledgee; and

(4) the date the transfer was registered.

(f) At periodic intervals no less frequent than annually and at any time upon the reasonable written request of the registered owner, the issuer shall send to the registered owner of each uncertificated security a dated written statement containing:

(1) a description of the issue of which the uncertificated security is a part;
(2) the name and address and any taxpayer identification number of the registered owner;
(3) the number of shares or units of the uncertificated security registered in the name of the registered owner on the date of the statement;
(4) the name and address and any taxpayer identification number of any registered pledgee and the number of shares or units subject to the pledge; and
(5) a notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under Section 8.403(d)) to which the uncertificated security is or may be subject or a statement that there are none of those liens, restrictions, or adverse claims.

(g) At periodic intervals no less frequent than annually and at any time upon the reasonable written request of the registered pledgee, the issuer shall send to the registered pledgee of each uncertificated security a dated written statement containing:
(1) a description of the issue of which the uncertificated security is a part;
(2) the name and address and any taxpayer identification number of the registered owner;
(3) the name and address and any taxpayer identification number of the registered pledgee;
(4) the number of shares or units subject to the pledge; and
(5) a notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under Section 8.403(d)) to which the uncertificated security is or may be subject or a statement that there are none of those liens, restrictions, or adverse claims.

(h) If the issuer sends the statements described in Subsections (f) and (g) at periodic intervals no less frequent than quarterly, the issuer is not obliged to send additional statements upon request unless the owner or pledgee requesting them pays to the issuer the reasonable cost of furnishing them.

(i) Each statement sent pursuant to this section must bear a conspicuous legend reading substantially as follows: "This statement is merely a record of the rights of the addressee as of the time of its issuance. Delivery of this statement, of itself, confers no rights on the recipient. This statement is neither a negotiable instrument nor a security."

SECTION 2. Section A, Article 1.02, Texas Business Corporation Act, is amended by amending Subsection (4) and adding Subsections (20) and (21) to read as follows:
(4) "Shares" means the units into which the proprietary interests in a corporation are divided, whether certificated or uncertificated shares.
(20) "Certificated shares" means shares represented by instruments in bearer or registered form.
(21) "Uncertificated shares" means shares not represented by instruments and the transfers of which are registered upon books maintained for that purpose by or on behalf of the issuing corporation.

SECTION 3. Sections A and D, Article 2.19, Texas Business Corporation Act, are amended to read as follows:
A. A corporation shall deliver certificates representing [all] shares to which shareholders are entitled, or the shares of a corporation may be uncertificated shares. Unless otherwise provided by the articles of incorporation or by-laws, the board of directors of a corporation may provide by resolution that some or all of any or all classes and series of its shares shall be uncertificated shares, provided that such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Certificates representing shares[; and such
certificates] shall be signed by the president or a vice president and either the secretary or assistant secretary or such officer or officers as the by-laws of the corporation shall prescribe, and may be sealed with the seal of the corporation or a facsimile thereof. The signatures of the president or vice president, secretary or assistant secretary or such officer or officers as the by-laws of the corporation shall prescribe upon a certificate may be facsimiles, if the certificate is countersigned by a transfer agent or registered by a registrar, either of which is other than the corporation itself or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issuance.

D. In accordance with Chapter 8, Business & Commerce Code, a corporation shall, after the issuance or transfer of uncertificated shares, send to the registered owner of uncertificated shares a written notice containing the information required to be set forth or stated on certificates pursuant to this Act. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical. No share [certificate] shall be issued [for any share] until the consideration therefor, fixed as provided by law, has been fully paid.

SECTION 4. Article 2.20, Texas Business Corporation Act, is amended to read as follows:

Art. 2.20. ISSUANCE OF FRACTIONAL SHARES OR SCRIP. A. A corporation may (1) issue fractions of a share, either represented by a certificate or uncertificated, (2) arrange for the disposition of fractional interests by those entitled thereto, (3) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (4) issue scrip in registered or bearer form which shall entitle the holder to receive a certificate for a full share or an uncertificated full share upon the surrender of such scrip aggregating a full share. A certificate for a fractional share or an uncertificated fractional share shall, but scrip shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause scrip to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares or uncertificated full shares before a specified date, or subject to the condition that the shares for which such scrip is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of scrip, or subject to any other conditions which the board of directors may determine advisable.

SECTION 5. Sections A and B, Article 2.21, Texas Business Corporation Act, are amended to read as follows:

A. A holder of certificated [a certificate of] shares or uncertificated shares or a subscriber whose subscription has been accepted shall be under no obligation to the corporation or to its creditors with respect to such shares other than the obligation to pay to the corporation the full amount of the consideration, fixed as provided by law, for which such shares were issued or to be issued.

B. Any person becoming an assignee or transferee of certificated [a certificate of] shares or of uncertificated shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

SECTION 6. Article 4.08, Texas Business Corporation Act, is amended to read as follows:
Art. 4.08. PROCEDURE FOR REDEMPTION. A. A corporation may at any time, subject to the provisions of the articles of incorporation, proceed, by resolution of its board of directors, to redeem any or all outstanding shares subject to redemption. If less than all such shares are to be redeemed, the shares to be redeemed shall be selected for redemption in accordance with the provisions in the articles of incorporation, or, in the absence of such provisions therein, may be selected ratably or by lot in such manner as may be prescribed by resolution of the board of directors. Such redemption shall be effected by call and written or printed notice in the following manner:

(1) The notice of redemption of such shares shall set forth:
   (a) The class or series of shares or part of any class or series of shares to be redeemed.
   (b) The date fixed for redemption.
   (c) The redemptive price.
   (d) The place at which the shareholders may obtain payment of the redemptive price and, in the case of holders of certificated shares, upon surrender of their respective share certificates.

(2) The notice shall be given to each holder of redeemable shares being called, either personally or by mail, not less than twenty (20) nor more than fifty (50) days before the date fixed for redemption. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer book of the corporation, with postage thereon prepaid.

B. A corporation may, on or prior to the date fixed for redemption of redeemable shares, deposit with any bank or trust company in this State, or any bank or trust company in the United States duly appointed and acting as transfer agent for such corporation, as a trust fund, a sum sufficient to redeem shares called for redemption, with irrevocable instructions and authority to such bank or trust company to give or complete the notice of redemption thereof and to pay, on or after the date fixed for such redemption, to the respective holders of shares, as evidenced by a list of holders of such shares certified by the corporation by its president or a vice president and by its secretary or an assistant secretary, the redemptive price upon the surrender of their respective share certificates. Thereafter, from and after the date fixed for redemption, such shares shall be deemed to be redeemed and dividends thereon shall cease to accrue after such date fixed for redemption. Such deposit shall be deemed to constitute full payment of such shares to their holders. Thereafter, such shares shall no longer be deemed to be outstanding, and the holders thereof shall cease to be shareholders with respect to such shares, and shall have no rights with respect thereto except the right to receive from the bank or trust company payment of the redemptive price of such shares without interest and, in the case of holders of certificated shares, upon the surrender of their respective certificates therefor, and any right to convert such shares which may exist. In case the holders of such shares shall not, within six (6) years after such deposit, claim the amount deposited for redemption thereof, such bank or trust company shall upon demand pay over to the corporation the balance of such amount so deposited to be held in trust and such bank or trust company shall thereupon be relieved of all responsibility to the holders thereof.

SECTION 7. Section B, Article 5.01, Texas Business Corporation Act, is amended to read as follows:

B. The board of directors of each corporation shall, by resolution adopted by each such board, approve a plan of merger setting forth:

(1) The names of the corporations proposing to merge.
(2) The name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.
(3) The terms and conditions of the proposed merger.

(4) The manner and basis of converting the shares of each merging corporation into shares, rights, other securities or obligations of the surviving corporation, and, if any shares of either merging corporation are not to be converted solely into shares, rights, other securities or obligations of the surviving corporation, the cash, property, shares, rights, other securities or obligations of any other corporation which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and, in the case of shares represented by certificates, upon the surrender of such certificates, which cash, property, shares, rights, other securities or obligations of any other corporation may be in addition to or in lieu of shares, rights, other securities or obligations of the surviving corporation.

(5) A statement of any changes in the articles of incorporation of the surviving corporation to be affected by such merger.

(6) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

SECTION 8. Section B, Article 5.02, Texas Business Corporation Act, is amended to read as follows:

B. The board of directors of each corporation shall, by a resolution adopted by each such board, approve a plan of consolidation setting forth:

(1) The names of the corporations proposing to consolidate.

(2) The name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(3) The terms and conditions of the proposed consolidation.

(4) The manner and basis of converting the shares of each corporation into shares, rights, other securities or obligations of the new corporation, and, if any shares of either corporation are not to be converted solely into shares, rights, other securities or obligations of the new corporation, the cash, property, shares, rights, other securities or obligations of any other corporation which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and, in the case of shares represented by certificates, upon the surrender of such certificates, which cash, property, shares, rights, other securities or obligations of any other corporation may be in addition to or in lieu of shares, rights, other securities or obligations of the new corporation.

(5) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this Act.

(6) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

SECTION 9. Sections A and D, Article 5.12, Texas Business Corporation Act, are amended to read as follows:

A. In case any shareholder of any domestic corporation lawfully elects to exercise his right to dissent from any of the corporate actions referred to in the last preceding Article hereof, the following procedure shall be followed:

(1) Such shareholder shall file with the corporation, prior to the taking of the vote of shareholders on the proposed corporate action, a written objection to such proposed corporate action, setting out that his right to dissent will be exercised if such action is effective and giving his address, to which notice thereof shall be delivered or mailed in such event. If such corporate action be effected and such shareholder shall not have voted in favor thereof, the corporation shall, within ten (10) days after such corporate action is effected deliver or mail to such shareholder written notice thereof, and such shareholder may, within ten (10) days from the delivery or mailing of such notice, make written demand on the existing, surviving, or new corporation, as the case may be, domestic or foreign, for payment of the fair value of his shares. The fair value of such shares shall be the value thereof as of the
day before the vote was taken authorizing such corporate action, excluding any appreciation or depreciation in anticipation of such proposed act. Such demand shall state the number and class of the shares owned by the dissenting shareholder and the fair value of such shares as estimated by him. Any shareholder failing to make demand within the ten (10) day period shall be bound by such corporate action.

(2) Within twenty (20) days after receipt by the existing, surviving, or new corporation, as the case may be, of a demand for payment of the fair value of his shares made by such dissenting shareholder in accordance with Subsection (1) hereof, such corporation shall deliver or mail to such dissenting shareholder a written notice which shall either set out that the corporation accepts the amount claimed in such demand and agrees to pay such amount within ninety (90) days after the date on which such corporate action was effected, and, in the case of shares represented by certificates, upon the surrender of such [the share] certificates duly endorsed, or shall contain an estimate by the corporation of the fair value of such shares, together with an offer to pay the amount of such estimate within ninety (90) days after the date on which such corporate action was effected, upon receipt of notice within sixty (60) days after such date from such shareholder that he agrees to accept such amount upon the surrender of such [the share] certificates duly endorsed.

(3) If, within sixty (60) days after the date on which such corporate action was effected, the value of such shares is agreed upon between the dissenting shareholder and the existing, surviving, or new corporation, as the case may be, payment therefor shall be made within ninety (90) days after the date on which such corporate action was effected and, in the case of shares represented by certificates, upon surrender of such [his] certificate or certificates [representing such shares]. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

D. The appraisers shall determine the fair value of the shares of the shareholders adjudged by the court to be entitled to payment therefor and shall file their report respecting such value in the office of the clerk of the court, and notice of the filing of such report shall be given by the clerk to the parties in interest. Such report shall be subject to exceptions to be heard before the court both upon the law and the facts. The court shall by its judgment determine the fair value of the shares of the shareholders entitled to payment therefor and shall direct the payment of such value by the existing, surviving, or new corporation, together with interest thereon, to the date of such judgment, to the shareholders entitled thereto. The judgment shall be payable to the holders of uncertificated shares immediately but to the holders of shares represented by certificates only upon, and simultaneously with, the surrender to the existing, surviving, or new corporation, as the case may be, of such [the] certificate or certificates [representing such shares]. Upon payment of the judgment, the dissenting shareholders shall cease to have any interest in such shares, or in the corporation. The court shall allow the appraisers a reasonable fee as court costs and all court costs shall be allotted between the parties in such manner as the court shall determine to be fair and equitable.

SECTION 10. Section B, Article 5.13, Texas Business Corporation Act, is amended to read as follows:

B. Upon receiving a demand for payment from any dissenting shareholder, the corporation shall make an appropriate notation thereof in its shareholder records. Within twenty (20) days after demanding payment for his shares in accordance with Article 5.12, each holder of certificates representing shares [shareholder] so demanding payment shall submit such [the certificate or] certificates [representing his shares] to the corporation for notation thereon that such demand has been made. The [His] failure of holders of certificated shares [to]
to do so shall, at the option of the corporation, terminate such shareholder's [his] rights under Article 5.12 unless a court of competent jurisdiction for good and sufficient cause shown shall otherwise direct. If uncertificated shares for which payment has been demanded or shares represented by a certificate on which notation has been so made shall be transferred, any [each] new certificate issued therefor shall bear similar notation together with the name of the original dissenting holder of such shares and a transferee of such shares shall acquire by such transfer no rights in the corporation other than those which the original dissenting shareholder had after making demand for payment of the fair value thereof.

SECTION 11. Section E, Article 5.16, Texas Business Corporation Act, is amended to read as follows:

E. In the event all of the shares of a subsidiary domestic corporation party to a merger effected under this Article are not owned by the parent corporation immediately prior to the merger, the surviving corporation shall, within ten (10) days after the effective date of the merger, mail to each shareholder of record of such subsidiary domestic corporation a copy of the articles of merger and notify him that the merger has become effective. In case any such shareholder elects to demand payment for his shares, the following procedure shall be followed:

1. Such shareholder shall within twenty (20) days after the mailing of the notice and copy of the articles of merger make written demand on the surviving corporation, domestic or foreign, for payment of the fair value of his shares. The fair value of such shares shall be the value thereof as of the day before the effective date of the merger, excluding any appreciation or depreciation in anticipation of such proposed act. Such demand shall state the number and class of the shares owned by the dissenting shareholder and the fair value of such shares as estimated by him. Any shareholder failing to make demand within the twenty (20) day period shall be bound by such corporate action.

2. Within ten (10) days after receipt by the surviving corporation of a demand for payment of the fair value of his shares made by such dissenting shareholder in accordance with Subsection (1) hereof, such corporation shall deliver or mail to such dissenting shareholder a written notice which shall either set out that the corporation accepts the amount claimed in such demand and agrees to pay such amount within ninety (90) days after the date on which such corporate action was effected and, in the case of shares represented by certificates, upon the surrender of such [the share] certificates duly endorsed, or shall contain an estimate by the corporation of the fair value of such shares, together with an offer to pay the amount of such estimate within ninety (90) days after the date on which such corporation action was effected, upon receipt of notice within sixty (60) days after such date from such shareholder that he agrees to accept such amount and, in the case of shares represented by certificates, upon the surrender of such [the share] certificates duly endorsed.

3. If, within sixty (60) days after the date on which such corporate action was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving corporation, payment therefor shall be made within ninety (90) days after the date on which such corporate action was effected and, in the case of shares represented by certificates, upon surrender of such [his] certificate or certificates [representing such shares]. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

4. If, within such period of sixty (60) days after the date on which such corporate action was effected, the shareholder and the surviving corporation do not so agree, then the dissenting shareholder or the corporation may, within sixty (60) days after the expiration of the sixty (60) day period, file a petition in any court of competent jurisdiction in the county in which the principal office of the corporation
is located, asking for a finding and determination of the fair value of such shares as provided in Section B of Article 5.12 of this Act and thereupon the parties shall have the rights and duties and follow the procedure set forth in Sections B to D inclusive of Article 5.12 and set forth in Article 5.13.

(5) In the absence of fraud in the transaction, the remedy provided by this Article to a shareholder objecting to such corporate action is the exclusive remedy for the recovery of the value of his shares or money damages to such shareholder with respect to such corporate action; and if the surviving corporation complies with the requirements of this Article, any such shareholder who fails to comply with the requirements of this Article shall not be entitled to bring suit for the recovery of the value of his shares or money damages to such shareholder with respect to such corporate action.

SECTION 12. Subdivisions (5), (14), and (20), Section 1.201, Business & Commerce Code, are amended to read as follows:

(5) "Bearer" means the person in possession of an instrument, document of title, or certificated security payable to bearer or indorsed in blank.

(14) "Delivery" with respect to instruments, documents of title, chattel paper, or certificated securities means voluntary transfer of possession.

(20) "Holder" means a person who is in possession of a document of title or an instrument or a certificated [an] investment security drawn, issued, or indorsed to him or to his order or to bearer or in blank.

SECTION 13. Subsection (b), Section 5.114, Business & Commerce Code, is amended to read as follows:

(b) Unless otherwise agreed when documents appear on their face to comply with the terms of a credit but a required document does not in fact conform to the warranties made on negotiation or transfer of a document of title (Section 7.507) or of a certificated security (Section 8.306) or is forged or fraudulent or there is fraud in the transaction;

(1) the issuer must honor the draft or demand for payment if honor is demanded by a negotiating bank or other holder of the draft or demand which has taken the draft or demand under the credit and under circumstances which would make it a holder in due course (Section 3.302) and in an appropriate case would make it a person to whom a document of title has been duly negotiated (Section 7.502) or a bona fide purchaser of a certificated security (Section 8.302); and

(2) in all other cases as against its customer, an issuer acting in good faith may honor the draft or demand for payment despite notification from the customer of fraud, forgery or other defect not apparent on the face of the documents but a court of appropriate jurisdiction may enjoin such honor.

SECTION 14. Subsection (c)(1), Section 9.103, Business & Commerce Code, is amended to read as follows:

(1) This subsection applies to accounts (other than an account described in Subsection (e) on minerals) and general intangibles (other than uncertificated securities) and to goods which are mobile and which are of a type normally used in more than one jurisdiction, such as motor vehicles, trailers, rolling stock, airplanes, shipping containers, road building and construction machinery and commercial harvesting machinery and the like, if the goods are equipment or are inventory leased or held for lease by the debtor to others, and are not covered by a certificate of title described in Subsection (b).

SECTION 15. Section 9.103, Business & Commerce Code, is amended by adding Subsection (f) to read as follows:

(f) Uncertificated securities. The law (including the conflict of laws rules) of the jurisdiction of organization of the issuer governs the perfection and the effect of perfection or non-perfection of a security interest in uncertificated securities.
SECTION 16. Subsection (a), Section 9.105, Business & Commerce Code, is amended to read as follows:

(a) In this chapter unless the context otherwise requires:

(1) "Account debtor" means the person who is obligated on an account, chattel paper or general intangible;

(2) "Chattel paper" means a writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods, but a charter or other contract involving the use or hire of a vessel is not chattel paper. When a transaction is evidenced both by such a security agreement or lease and by an instrument or a series of instruments, the group of writings taken together constitutes chattel paper;

(3) "Collateral" means the property subject to a security interest, and includes accounts and chattel paper which have been sold;

(4) "Debtor" means the person who owes payment or other performance of the obligation secured, whether or not he owns or has rights in the collateral, and includes the seller of accounts or chattel paper. Where the debtor and the owner of the collateral are not the same person, the term "debtor" means the owner of the collateral in any provision of the chapter dealing with the collateral, the obligor in any provision dealing with the obligation, and may include both where the context so requires;

(5) "Deposit account" means a demand, time, savings, passbook or like account maintained with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a certificate of deposit;

(6) "Document" means document of title as defined in the general definitions of Chapter I (Section 1.201), and a receipt of the kind described in Subsection (b) of Section 7.201;

(7) "Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests;

(8) "Goods" includes all things which are movable at the time the security interest attaches or which are fixtures (Section 3.104), but does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like (including oil and gas) before extraction. "Goods" also includes standing timber which is to be cut and removed under a conveyance or contract for sale, the unborn young of animals, and growing crops;

(9) "Instrument" means a negotiable instrument (defined in Section 3.104), or a certificated security (defined in Section 8.102) or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is in ordinary course of business transferred by delivery with any necessary indorsement or assignment;

(10) "Mortgage" means a consensual interest created by a real estate mortgage, a trust deed on real estate, or the like;

(11) An advance is made "pursuant to commitment" if the secured party has bound himself to make it, whether or not a subsequent event of default or other event not within his control has relieved or may relieve him from his obligation;

(12) "Security agreement" means an agreement which creates or provides for a security interest;

(13) "Secured party" means a lender, seller or other person in whose favor there is a security interest, including a person to whom accounts or chattel paper have been sold. When the holders of obligations issued under an indenture of trust, equipment trust agreement or the like are represented by a trustee or other person, the representative is the secured party.

SECTION 17. Subsection (a), Section 9.203, Business & Commerce Code, is amended to read as follows:
(a) Subject to the provisions of Section 4.208 on the security interest of a collecting bank, Section 8.321 on security interests in securities, and Section 9.113 on a security interest arising under the chapter on Sales, a security interest is not enforceable against the debtor or third parties with respect to the collateral and does not attach unless:

1. The collateral is in the possession of the secured party pursuant to agreement or the debtor has signed a security agreement which contains a description of the collateral and in addition, when the security interest covers crops growing or to be grown or timber to be cut, a description of the land concerned;

2. Value has been given; and

3. The debtor has rights in the collateral.

SECTION 18. Subsection (a), Section 9.302, Business & Commerce Code, is amended to read as follows:

(a) A financing statement must be filed to perfect all security interests except the following:

1. A security interest in collateral in possession of the secured party under Section 9.305;

2. A security interest temporarily perfected in instruments or documents without delivery under Section 9.304 or in proceeds for a 10-day period under Section 9.306;

3. A security interest created by an assignment of a beneficial interest in a trust or a decedent's estate;

4. A purchase money security interest in consumer goods, but notation on a certificate of title is required for goods covered by a statute referred to in Subsection (c)(2); and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in Section 9.313;

5. An assignment of accounts which does not alone or in conjunction with other assignments to the same assignee transfer a significant part of the outstanding accounts of the assignor;

6. A security interest of a collecting bank (Section 4.208), a security interest in securities (Section 8.321), a security interest arising under the chapter on Sales (see Section 9.113), or a security interest covered by Subsection (c) of this Section; or

7. An assignment for the benefit of all the creditors of the transferor, and subsequent transfers by the assignee thereunder.

SECTION 19. Subsections (a), (d), and (e), Section 9.304, Business & Commerce Code, are amended to read as follows:

(a) A security interest in chattel paper or negotiable documents may be perfected by filing. A security interest in money or instruments (other than certificated securities or instruments which constitute part of chattel paper) can be perfected only by the secured party's taking possession, except as provided in Subsections (d) and (e) of this section and Subsections (b) and (c) of Section 9.306 on proceeds.

(d) A security interest in instruments (other than certificated securities) or negotiable documents is perfected without filing or the taking of possession for a period of 21 days from the time it attaches to the extent that it arises for new value given under a written security agreement.

(e) A security interest remains perfected for a period of 21 days without filing where a secured party having a perfected security interest in an instrument (other than a certificated security), a negotiable document, or goods in possession of a bailee other than one who has issued a negotiable document therefor:

1. Makes available to the debtor the goods or documents representing the goods for the purpose of ultimate sale or exchange or for the
purpose of loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing with them in a manner preliminary to their sale or exchange, but priority between conflicting security interests in the goods is subject to Subsection (c) of Section 9.312; or

(2) delivers the instrument to the debtor for the purpose of ultimate sale or exchange or of presentation, collection, renewal, or registration of transfer.

SECTION 20. Section 9.305, Business & Commerce Code, is amended to read as follows:

Sec. 9.305. WHEN POSSESSION BY SECURED PARTY PERFECTS SECURITY INTEREST WITHOUT FILING. A security interest in letters of credit and advices of credit (Subsection (b)(1) of Section 5.116), goods, instruments (other than certificated securities), money, negotiable documents or chattel paper may be perfected by the secured party's taking possession of the collateral. If such collateral other than goods covered by a negotiable document is held by a bailee, the secured party is deemed to have possession from the time the bailee receives notification of the secured party's interest. A security interest is perfected by possession from the time possession is taken without relation back and continues only so long as possession is retained, unless otherwise specified in this chapter. The security interest may be otherwise perfected as provided in this chapter before or after the period of possession by the secured party.

SECTION 21. Section 9.309, Business & Commerce Code, is amended to read as follows:

Sec. 9.309. PROTECTION OF PURCHASERS OF INSTRUMENTS, DOCUMENTS, AND SECURITIES. Nothing in this chapter limits the rights of a holder in due course of a negotiable instrument (Section 3.302) or a holder to whom a negotiable document of title has been duly negotiated (Section 7.501) or a bona fide purchaser of a security (Section 8.302) and such holders or purchasers take priority over an earlier security interest even though perfected. Filing under this chapter does not constitute notice of the security interest to such holders or purchasers.

SECTION 22. Subsection (g), Section 9.312, Business & Commerce Code, is amended to read as follows:

(g) If future advances are made while a security interest is perfected by filing, the taking of possession, or under Section 8.321 on securities, the security interest has the same priority for the purposes of Subsection (c) with respect to the future advances as it does with respect to the first advance. If a commitment is made before or while the security interest is so perfected, the security interest has the same priority with respect to advances made pursuant thereto. In other cases a perfected security interest has priority from the date the advance is made.

SECTION 23. This Act takes effect September 1, 1983.

SECTION 24. The importance of this legislation 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 this rule is hereby suspended.

CSHB 1969 was read second time and was passed to engrossment. (Bush recorded voting no)

LEAVES OF ABSENCE GRANTED

The following members were granted leaves of absence for the remainder of today because of important business:

Gavin on motion of Burnett.

Wright on motion of Pennington.
HB 2380 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment,

HB 2380, A bill to be entitled An Act relating to the creation of the County Court at Law of Cherokee County.

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

(Keller in the chair)

HB 784 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment,

HB 784, A bill to be entitled An Act relating to sick leave for public school teachers.

The bill was read second time.

Representative D. Hudson offered the following amendment to the bill:

Amend HB 784 by adding a new Section 2 to read as follows and by renumbering current Sections 2 and 3 accordingly:

SECTION 2. Section 13.904, Texas Education Code, is amended by adding Subsection (f) to read as follows:

(f) In addition to all other days of leave provided by this section or by the school district, a teacher or another professional employee of a school district who is physically assaulted during the performance of his regular duties is entitled to the number of days of leave necessary to recuperate from all physical injuries sustained as a result of the assault. Days of leave taken under this subsection shall be reported and reimbursed as sick leave in accordance with Subsection (b) of this section, but may not be deducted from accrued sick leave.

The amendment was adopted without objection.

HB 784, as amended, was passed to engrossment. (Russell recorded voting yes)

(Haley in the chair)

HB 1959 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment,


The bill was read second time.

Representative G. Hill offered the following amendment to the bill:

Amend HB 1959 by adding the following as SECTION 5 and renumbering SECTIONS 5 and 6 as 6 and 7 respectively:

SECTION 5. Amend the Development Corporation Act of 1979 (Article 5190.6, Vernon’s Texas Civil Statutes) by adding a new subsection (c) to Section 23 thereof, to read as follows:

(c) The corporation shall have the power to invest funds obtained by the corporation from any application, issuance or other similar fees imposed by the corporation, in the stock, bonds, debentures and other securities of: (1) any one or more community industrial development corporations located in Texas which...
are engaged in the promotion and development of new and expanded individual and manufacturing enterprises; and (2) any small business investment company operating under the authority of Section 301(d) of the Small Business Investment Act of 1958, as amended, the investment policy of which is that its investments will be made solely in small business concerns which will contribute to a well-balanced national economy by facilitating ownership in such concerns by persons whose participation in the free enterprise system is hampered because of social or economic disadvantages; provided, however, that nothing in this subsection (c) shall be construed to: (i) prevent the investment of such funds as permitted by other provisions of this Act; or (ii) permit the corporation to invest the proceeds from the issuance by it of bonds sold pursuant to this Act in the securities described in this subsection (c), unless otherwise permitted to do so by other provisions of this Act.

The amendment was adopted without objection.

HB 1959, as amended, was passed to engrossment. (Colbert, Denton, and C. Smith recorded voting no)

HB 2058 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 2058.

CSHB 2058

A BILL TO BE ENTITLED
AN ACT
relating to court-ordered commitment of a drug-dependent person.

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

SECTION 1. Sections 1, 2, 4, 6, and 7, Chapter 543, Acts of the 61st Legislature, Regular Session, 1969 (Article 5561c-1, Vernon's Texas Civil Statutes), are amended to read as follows:

Sec. 1. (a) Any person found to be a drug-dependent person [addicted to narcotics] in accordance with the provisions of this Act may [shall] be committed to a mental hospital for such period of time as may be necessary to arrest the person's drug dependency [addiction to narcotics].

(b) In this Act:

(1) "Controlled substance" means a toxic inhalant or any substance designated as a controlled substance in the Texas Controlled Substances Act (Article 4476-15, Vernon's Texas Civil Statutes).

(2) "Drug-dependent person" means a person who is using a controlled substance and who is in a state of psychic or physical dependence or both arising from administration of a controlled substance. Drug dependence is characterized by behavioral and other responses that include a strong compulsion to take a controlled substance in order to experience its psychic effects or to avoid the discomfort of its absence.

(3) "Toxic inhalant" means a gaseous substance inhaled by a person to produce a desired physical or psychological effect which may cause personal injury or illness to the inhaler.

Sec. 2. (a) A sworn petition for the indefinite commitment of a person to a mental hospital may be filed with the county court having jurisdiction of commitments of the county in which he resides or is found. The petition may be filed by any adult person, or by the county or district attorney and shall be styled "THE STATE OF TEXAS, FOR THE BEST INTEREST AND PROTECTION OF [AS] A DRUG-DEPENDENT PERSON [ADDICTED TO NARCOTIC DRUGS]." The petition shall be styled using the...
initials of the proposed patient and not the proposed patient's full name. The petition shall contain the following statements upon information and belief:

1. name and address of the proposed patient;
2. name and address of the proposed patient's spouse, parents, children, brothers, sisters, and legal guardian;
3. name and address of petitioner and a statement of his interest in the proceeding, including his relationship, if any, to the proposed patient;
4. that the proposed patient is a drug-dependent person [addicted to narcotics] and requires hospitalization in a mental hospital for his own welfare and protection or the protection of others.

(b) The petition shall be accompanied by the sworn statements of two physicians who have examined the proposed patient within the five days immediately preceding the filing of the petition, stating the opinion of the examining physician that the proposed patient is a drug-dependent person [addicted to narcotics]. The sworn statements shall include the physician's medical opinion as to whether hospitalization of the proposed patient because of drug dependency [addiction] or immediate restraint of the proposed patient to prevent injury to himself or others, or both, are necessary.

(c) When a petition and the required statement by a physician are filed, the county judge shall set a date for the hearing to be held within 14 days of the filing of the petition, and shall appoint an attorney ad litem to represent the proposed patient, unless the proposed patient retains an attorney of his own choosing.

Sec. 4. Pending the hearing on the petition the proposed patient may remain at liberty unless he is already a patient in a mental hospital or is legally detained as prescribed by Sections 17-20 of this Act [placed under protective custody].

Sec. 6. (a) The court or the jury, as the case may be, shall determine whether the proposed patient is a drug-dependent person [addicted to narcotics].

(b) The court or jury, as the case may be, shall include in its findings determinations as to whether the proposed patient requires hospitalization or restraint, or both.

(c) The court shall enter on its docket the findings of the court or jury on this issue.

Sec. 7. (a) If the court or the jury, as the case may be, finds that the proposed patient is not a drug-dependent person [addicted to narcotics], the court shall enter an order denying the petition and discharging the proposed patient.

(b) If the court or the jury, as the case may be, finds that the proposed patient is a drug-dependent person [addicted to narcotics] and should be hospitalized and restrained, the court shall order that the drug-dependent [addicted] person be committed as a patient to a mental hospital for an indefinite period or until he is discharged by the head of the mental hospital.

SECTION 2. Section 17, Chapter 543, Acts of the 61st Legislature, Regular Session, 1969 (Article 5561b-1, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 17. (a) A motion for an order of protective custody may be filed only in the court in which a petition for indefinite commitment is pending. The motion may be filed by the county or district attorney. The motion shall state that the county or district attorney has reason to believe and does believe on the representations of a credible individual, on the basis of the conduct of the person, or on the circumstances under which the person is found, that the person meets the criteria prescribed by Subsection (b) of this section. The motion shall be accompanied by two certificates of medical examination for drug dependency completed by physicians who have examined the person within five days of the filing of the motion.
(b) The judge may issue an order of protective custody if the judge determines:

(1) that the physicians have stated their opinion and the detailed basis for their opinion that the person is a drug-dependent person; and

(2) that the person presents a substantial risk of serious harm to himself or others if not immediately restrained pending the hearing.

(c) The judge's determination may be made on the basis of the petition and the certificates. If the judge concludes that a fair determination of the matter cannot be made on this information, the judge may take further evidence. If the determination is made on the basis of the petition and the certificates, the judge must determine that the conclusions of the petitioner and of the certifying physicians are adequately supported by the information presented.

(d) The order of protective custody shall direct a peace officer or other designated person to take the person into protective custody and immediately transport him to a designated inpatient mental health facility or other suitable place and to detain him pending a probable cause hearing. The extent to which a designated mental health facility must comply with this section shall be based on a determination by the commissioner of the Texas Department of Mental Health and Mental Retardation that the facility has sufficient resources to perform the necessary services. No person may be detained in a private mental health facility without first obtaining the consent of the head of the facility. [If in the county court in which a petition for commitment is pending, a certificate is filed showing that the proposed patient has been examined within five days of the filing of the certificate and stating the opinion of the examining physician that the proposed patient is addicted to narcotics and because of his addiction is likely to cause injury to himself or others if not immediately restrained, the judge may order any health or peace officer to take the proposed patient into protective custody and immediately transport him to a designated mental hospital or other suitable place and detain him pending order of the court. Provided, however, the court shall not order the proposed patient into protective custody and transported to a mental hospital until he is advised by the head of the mental hospital that space is available and that the patient will be admitted.]

(b) Persons detained in protective custody shall be detained in a mental hospital or other facility deemed suitable by the county health officer.

(c) No person shall be detained in protective custody in a nonmedical facility used for the detention of persons charged with or convicted of a crime except because of and during an extreme emergency and in no case for a period of more than seven days.

(d) The county health officer shall see that persons held in protective custody receive proper care and medical attention pending removal to a mental hospital.

SECTION 3. Chapter 543, Acts of the 61st Legislature, Regular Session, 1969 (Article 556LC-1, Vernon's Texas Civil Statutes), is amended by adding Sections 18-20 to read as follows:

Sec. 18. (a) When an order for protective custody is signed, the presiding judge shall simultaneously appoint an attorney if the proposed patient does not have an attorney.

(b) The proposed patient and his attorney shall be served within a reasonable period of time prior to the time of the probable cause hearing with written notice that the patient has been placed under an order of protective custody, the reasons why the order was issued, and the time and place of a hearing to establish probable cause to believe that the patient is a drug-dependent person and presents a substantial risk of serious harm to himself or others such that he cannot be at liberty pending the hearing on court-ordered commitment. The notice shall be provided by the court ordering protective custody.
Sec. 19. (a) A probable cause hearing shall be held not later than the 72nd hour after the hour on which the detention begins under the order for protective custody. If the 72-hour period ends on a Saturday or Sunday or a legal holiday, the probable cause hearing shall be held on the first succeeding business day. The hearing shall be before a magistrate or, at the discretion of the presiding judge, before a master appointed by the presiding judge. The master shall receive reasonable compensation. At the hearing, the patient and his attorney are entitled to an opportunity to appear and present evidence to challenge the allegation that the patient presents a substantial risk of serious harm to himself or others. The magistrate or master may consider evidence including letters, affidavits, and other material that may not be admissible or sufficient in a subsequent commitment hearing. The state may prove its case on the physicians' certificates filed in support of the initial detention.

(b) If after the hearing the magistrate or master determines that no probable cause exists to believe that the proposed patient presents a substantial risk of serious harm to himself or others, the magistrate or master shall order the patient's release. Arrangements shall be made for the return of the patient to the location of his apprehension, his place of residence within the state, or some other suitable place.

If after the hearing the magistrate or master determines that an adequate factual basis exists for probable cause to believe that the proposed patient presents a substantial risk of serious harm to himself or others such that he cannot be at liberty pending the hearing on court-ordered commitment, the patient's detention in protective custody shall continue as prescribed by Section 20 of this Act. If the protective custody is to continue, the magistrate or master shall arrange for the patient to be returned to the mental health facility or other suitable place along with copies of the certificates, affidavits, and other evidence submitted as evidence and a notification of probable cause hearing which shall read substantially as follows:

NOTIFICATION OF PROBABLE CAUSE HEARING

On this the _____ day of ________, 19____, the undersigned hearing officer __________ heard evidence concerning the need for protective custody of ___________________________.

The proposed patient ___________________________ was given the opportunity to challenge the allegations that he presents a substantial risk of serious harm to himself or others.

_________________________ (proposed patient) and

_________________________ (proposed patient)

his attorney ___________________________ have been given written notice that ___________________________ was placed under an order of protective custody and the reasons for such order on ___________________________.

_________________________ (proposed patient)

Based upon this evidence, I find that there is probable cause to believe that ___________________________ presents a substantial risk of serious harm to himself ___________________________.

_________________________ (proposed patient)
Sec. 20. (a) Except as prescribed by this section, the head of a facility in which a person is detained under an order for protective custody or his designee shall detain the person pending the hearing on court-ordered commitment.

(b) The person detained in protective custody shall be detained in an appropriate inpatient mental health facility or other facility deemed suitable by the county health officer. A person may not be detained in protective custody in a nonmedical facility used for the detention of a person charged with or convicted of a crime except because of and during an extreme emergency, and in no case for a period of more than 72 hours. If the 72-hour period ends on a Saturday or Sunday or a legal holiday, the person may be detained in the nonmedical facility until the first succeeding business day.

(c) If the person is detained in a nonmedical facility during an emergency, the county health officer shall see that the person held in protective custody receives proper care and medical attention.

(d) If the head of the facility in which the person is detained does not receive notice that a probable cause hearing has been held not later than the 72nd hour after the hour on which detention begins, excepting weekends and holidays, under the order of protective custody authorizing the protective custody to continue, the head of the facility shall immediately release the patient from custody. Patients for whom probable cause has been established to justify continued protective custody following the probable cause hearing and pending the hearing on court-ordered commitment shall be discharged by the head of the facility in which he has been detained if:

1. a final order of court-ordered commitment has not been entered by the court before the expiration of 14 days or before the expiration of 21 days if an order of continuance has been granted; or

2. the head of the facility or his designee determines that such patient no longer meets the criteria for protective custody prescribed by Section 17 of this Act.

SECTION 4. The importance of this legislation 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 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.

CSHB 2058 was read second time and was passed to engrossment.

HB 1473 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 1473.

CSHB 1473

A BILL TO BE ENTITLED

AN ACT

relating to the creation or reorganization of certain judicial districts, supplemental compensation of certain district judges, exchange of benches by certain district judges, creation of the office of district attorney in certain judicial districts, duties and election of certain district attorneys, and the juvenile boards of certain counties.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon’s Texas Civil Statutes), is amended by adding Sections 3.131-3.136 to read as follows:

Sec. 3.131. The 336th Judicial District, composed of the Counties of Grayson and Fannin, is created.
Sec. 3.132. The 337th Judicial District, composed of the Counties of Cameron and Willacy, is created.
Sec. 3.133. The 338th Judicial District, composed of the County of Nueces, is created.
Sec. 3.134. (a) The 339th Judicial District, composed of the County of Harris, is created.
(b) The 339th District Court shall give preference to criminal cases.
(c) The terms of the 339th District Court shall begin on the first Mondays in February, May, August, and November of each year, and each term of court continues until the next succeeding term begins.
Sec. 3.135. (a) The 340th Judicial District, composed of the County of Harris, is created.
(b) The 340th District Court shall give preference to criminal cases.
(c) The terms of the 340th District Court shall begin on the first Mondays in February, May, August, and November of each year, and each term of court continues until the next succeeding term begins.
Sec. 3.136. The 341st Judicial District, composed of the County of Montgomery, is created.

SECTION 2. Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon’s Texas Civil Statutes), is amended by adding Sections 3.137-3.142 to read as follows:

Sec. 3.137. (a) The 342nd Judicial District, composed of the County of Tom Green, is created.
(b) The terms of the 342nd District Court begin on the first Mondays in March and September of each year. Each term of court continues until the next succeeding term begins.
(c) Indictments within Tom Green County issued by any district court in the county may be returned to the 342nd District Court.
Sec. 3.138. The 343rd Judicial District, composed of the County of Webb, is created.
Sec. 3.139. The 344th Judicial District, composed of the County of Tarrant, is created.
Sec. 3.140. The 345th Judicial District, composed of the Counties of Anderson and Houston, is created.
Sec. 3.141. The 346th Judicial District, composed of the County of Travis, is created.
Sec. 3.142. The 347th Judicial District, composed of the County of Taylor, is created.

SECTION 3. Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon’s Texas Civil Statutes), is amended by adding Sections 3.143-3.146 to read as follows:

Sec. 3.143. (a) The 348th Judicial District, composed of the County of Harris, is created.
(b) The 348th District Court shall give preference to criminal cases.
(c) The terms of the 348th District Court shall begin on the first Mondays in February, May, August, and November of each year, and each term of court continues until the next succeeding term begins.
Sec. 3.144. (a) The 349th Judicial District, composed of the County of Harris, is created.

(b) The 349th District Court shall give preference to criminal cases.

(c) The terms of the 349th District Court shall begin on the first Mondays in February, May, August, and November of each year, and each term of court continues until the next succeeding term begins.

Sec. 3.145. The 350th Judicial District, composed of the Counties of Aransas, Bee, Live Oak, McMullen, and San Patricio, is created.

Sec. 3.146. The 351st Judicial District, composed of the County of Hood, is created.

SECTION 4. Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), is amended by adding Sections 3.147-3.151 to read as follows:

Sec. 3.147. (a) The 352nd Judicial District, composed of the Counties of Hunt and Rains, is created.

(b) The 352nd Judicial District exists for purposes of the primary and general elections in 1984. The qualified voters of the district shall elect the judge at the general election in 1984 for a four-year term beginning January 1, 1985.

Sec. 3.148. The 353rd Judicial District, composed of the County of Tarrant, is created.

Sec. 3.149. (a) The 354th Judicial District, composed of the County of Ector, is created.

(b) The 354th Judicial District exists for purposes of the primary and general elections in 1984. The qualified voters of the district shall elect the judge at the general election in 1984 for a four-year term beginning January 1, 1985.

Sec. 3.150. The 355th Judicial District, composed of the County of Travis, is created.

Sec. 3.151. (a) The 356th Judicial District, composed of the County of Hardin, is created.

(b) The 356th District Court has and shall exercise concurrent jurisdiction with the county court over all matters of civil and criminal jurisdiction, original and appellate, in cases over which the county court has jurisdiction under the constitution and laws of this state. Matters and proceedings in the concurrent jurisdiction of the 356th District Court and the county court may be filed in either court, and all cases of concurrent jurisdiction may be transferred between the 356th District Court and the county court. A case may not be transferred from one court to another without the consent of the judge of the court to which it is transferred, and a case may not be transferred unless it is within the jurisdiction of the court to which it is transferred.

(c) The 356th Judicial District exists for purposes of the primary and general elections in 1984. The qualified voters of the district shall elect the judge at the general election in 1984 for a four-year term beginning January 1, 1985.

SECTION 5. Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon’s Texas Civil Statutes), is amended by adding Sections 3.152 and 3.153 to read as follows:

Sec. 3.152. The 357th Judicial District, composed of the County of Chambers, is created.

Sec. 3.153. The 358th Judicial District, composed of the County of Tarrant, is created.

SECTION 6. Section 3.092, Judicial Districts Act of 1969 (Article 199a, Vernon’s Texas Civil Statutes), is amended to read as follows:

Sec. 3.092. The 266th Judicial District, composed of the County [Counties] of Erath [and Hood], is hereby created.
SECTION 7. Section 3.008, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3.008. The 173rd Judicial District, composed of the County [Counties] of [Anderson;], Henderson[, and Houston], is hereby created.

SECTION 8. Section 3.079, Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3.079. (a) The 253rd Judicial District, composed of the County [Counties] of [Chambers and] Liberty, is hereby created.

(b) The 253rd District Court shall hold two terms of court each year beginning in Liberty County on the first Mondays in April and October of each year and beginning in Chambers County on the first Mondays in June and December of each year. Each term shall continue in each county until the beginning of the next succeeding term.

SECTION 9. Subchapter D, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), is amended by adding Section 4.013 to read as follows:

Sec. 4.013. (a) The office of district attorney for the 345th Judicial District is created.

(b) The district attorney shall represent the state in all cases before the 345th District Court in Houston County and shall perform the duties imposed and have the authority conferred on district attorneys by the general laws of this state. The district attorney shall be elected only from Houston County. The district attorney may not perform any duties and has no authority conferred on district attorneys in Anderson County.

(c) The district attorney shall receive from the state as salary the amount appropriated by the legislature for district attorneys.

(d) The district attorney may not actively engage in the private practice of law while serving as district attorney.

(e) With the approval of the commissioners court of Houston County, the district attorney may appoint the necessary assistants, investigators, and personnel for his office and set the salary of those persons. The salary of a person appointed by the district attorney under this subsection and the operating expenses of the district attorney's office shall be paid by the commissioners court out of the general fund of the county.

(f) An assistant district attorney and an investigator shall take the constitutional oath of office.

(g) Under the supervision of the district attorney, an assistant district attorney shall exercise the powers and perform the duties conferred and imposed by law on the district attorney.

SECTION 10. Subchapter D, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), is amended by adding Section 4.014 to read as follows:

Sec. 4.014. (a) The office of district attorney for the 357th Judicial District is created.

(b) The district attorney shall represent the state in all cases before the 357th District Court and shall perform the duties imposed and have all the authority conferred on district attorneys by the general laws of the state.

SECTION 11. Subdivision 42, Article 199, Revised Statutes, is amended to read as follows:

42. TAYLOR, [AND] CALLAHAN, AND COLEMAN. The 42nd Judicial District of the State of Texas is composed of the Counties of Taylor, [and] Callahan, and Coleman, and the District Courts herein shall hold their terms and sessions as follows:
Said Court shall convene in Taylor County on the first Monday in January of each year, and may continue in session until the date herein fixed for the convening of the next regular term of such Court in Taylor County; and on the first Monday in September and may continue in session until the date herein fixed for the convening of the next regular term of such Court in Taylor County.

Said Court shall convene in Callahan County on the 8th Monday after the first Monday in January of each year, and may continue in session until the date herein fixed for the convening of the next regular term of such Court in Callahan County; and on the 8th Monday in September and may continue in session until the date herein fixed for convening of the next regular term of such Court in Callahan County, Texas.

The Court shall hold two terms each year in Coleman County beginning on the first Mondays in January and July. Each term continues until the next succeeding term begins.

SECTION 12. Subdivision 75, Article 199, Revised Statutes, is amended to read as follows:

75. LIBERTY
Sec. 1. The 75th Judicial District shall be composed of [and confined to] Liberty County [and Chambers Counties; and shall be known as the District Court of the 75th Judicial District]. The District Court of the 75th Judicial District shall have and exercise civil and criminal jurisdiction coextensive with the limits of Liberty County [and Chambers Counties] in all actions, proceedings, matters and causes of which District Courts of general jurisdiction are given jurisdiction by the Constitution and laws of the State of Texas.

Sec. 2. There shall be two (2) terms of the District Court of the 75th Judicial District, composed of the Counties of Liberty and Chambers, in each of said Counties each year, as follows:

[In Liberty County] beginning on the first Mondays of April and October of each year, each of said terms to continue until the beginning of the next succeeding term of said Court [in Liberty County].

[In Chambers County] beginning on the first Mondays of June and December of each year, each of said terms to continue until the beginning of the next succeeding term of said Court in Chambers County.

Sec. 5. The Judge of the District Court of the 75th Judicial District now serving as such, shall continue to serve as Judge of the 75th Judicial District in and for Liberty and Chambers Counties until the term for which he has been elected expires and until his successor is duly elected and qualified.

Sec. 8. The District Attorney of the 75th Judicial District and the 88th Judicial District now serving as such, shall continue to serve as District Attorney of the 75th Judicial District in and for Liberty and Chambers Counties until the term for which he has been elected expires and until his successor is duly elected and qualified.

Sec. 9. The District Clerks of Liberty and Chambers Counties shall continue to serve as Clerks of the 75th Judicial-District in and for Liberty and Chambers Counties; respectively, until the terms for which they have been elected expire and until their successors are duly elected and qualified. Such clerks shall be compensated as provided by law for District Clerks.

Sec. 11. The official shorthand reporter of the District Court of the 75th Judicial District, shall continue to serve as official shorthand reporter for the District
Court of the 75th Judicial District in and for Liberty and Chambers Counties at the
pleasure of the Judge of said Court, and shall be compensated as provided by law:

[Sec. 13.] All process and writs issued or served and recognizances, bonds and
undertakings entered prior to the effective date of this Act, returnable to the District
Court of Liberty or Chambers Counties shall be considered as returnable to the
District Court of the 75th Judicial District in accordance with the provisions of this
Act; and all process and writs issued or served and recognizances, bonds and
undertakings entered prior to the effective date of this Act, returnable to the District
Court of Hardin or Tyler Counties shall be considered as returnable to the District
Court of the 88th Judicial District in accordance with the provisions of this Act; and
all such processes are hereby validated and all grand and petit juries drawn and
selected under existing law in the District Court of Liberty, Chambers, Hardin or
Tyler Counties, shall be considered lawfully drawn or selected for the next term of
the District Court of the respective Counties after this Act becomes effective;
provided that if the District Court shall be in session in any of such Counties at the
time this Act takes effect, such Court shall continue in session until the term thereof
shall have expired under the provisions of the existing law, but thereafter, the
District Court in and for such County or Counties, shall conform to the provisions
of this Act.

[Sec. 14.] Upon the effective date of this Act, all cases, proceedings, and
matters then pending on the docket of the District Court of the 88th Judicial District
in Liberty and Chambers Counties, respectively, shall be deemed as pending in the
75th Judicial District Court of said Counties, and the District Clerks of Liberty and
Chambers Counties, respectively, shall make record transfers to effect this purpose:
Upon the effective date of this Act, all cases, proceedings, and matters then pending
on the docket of the District Court of the 75th Judicial District in Hardin and Tyler
Counties, respectively, shall be deemed as pending in the 88th Judicial District
Court of said Counties, and the District Clerks of Hardin and Tyler Counties,
respectively, shall make record transfers to effect this purpose.

SECTION 13. Subsections (a) and (b), Section 2, Chapter 150, Acts of the
51st Legislature, Regular Session, 1949 (Article 199 (115), Vernon's Texas Civil
Statutes), are amended to read as follows:

(a) The 115th District Court of Texas shall be composed of Upshur[-Wood;] and
Marion Counties, and the terms of the Court shall be held as follows:
In the County of Upshur on the first Mondays in January and June of each
year, and may continue in session until and including the Saturday immediately
preceding the Monday for convening the next regular term of said Court in Upshur
County.
In the County of Wood on the first Mondays in February and July, and may
continue in session until and including the Saturday immediately preceding the
Monday for convening the next regular term of said Court in Wood County.
In the County of Marion on the first Mondays in March and September, and
may continue in session until and including the Saturday immediately preceding the
Monday for convening the next regular term of said Court in Marion County.
The Judge of the 115th District Court in his discretion may hold as many
sessions of Court in any term of the Court in any County as is deemed by him proper
and expedient for the dispatch of business.

(b) The jurisdiction of the 115th District Court is concurrent with the
jurisdiction of the 276th District Court in Marion County[-and with the 114th
District Court in Wood County. The Judges of the 114th and 115th District Courts
in Wood County may transfer on their dockets any case to be tried in Wood County
with the consent of the Court to which transferred; and each may sit in the other
Court to hear cases without transferring the case]. The Judges of the 115th and
276th District Courts in Marion County may transfer on their dockets any case to
be tried in Marion County with the consent of the court to which transferred, and each may sit in the other court to hear cases without transferring the case. The 115th District Court in Marion County shall have and exercise concurrent jurisdiction with the County Court over all matters of criminal jurisdiction, original and appellate, in cases over which under the constitution and laws of this state the County Court has jurisdiction. In the County, matters and proceedings in the concurrent jurisdiction of the 115th District Court and the County Court may be filed in either Court and all cases of concurrent jurisdiction may be transferred between the 115th District Court and the County Court. All writs and processes issued and bonds and recognizances made in cases transferred are returnable to the court to which transferred, as if originally issued there.

SECTION 14. Chapter 295, Acts of the 55th Legislature, Regular Session, 1957 (Article 199(156), Vernon’s Texas Civil Statutes), is amended to read as follows:

156. ARANSAS, BEE, LIVE OAK, MCMULLEN, SAN PATRICIO
Sec. 1. The 156th Judicial District is composed of the counties of Aransas, Bee, Live Oak, McMullen, and San Patricio.
Sec. 2. The 156th District Court shall hold two terms in each county within its jurisdiction beginning on the first Mondays in January and July of each year. Each term of court in each county continues until the next succeeding term begins.
Sec. 3. The judges of the district courts in the counties of Aransas, Bee, Live Oak, McMullen, and San Patricio may hear and dispose of any suit or other proceeding on the docket of any of the district courts of the county in which the action or proceeding is instituted without the necessity of transferring the suit or proceeding from one court to the other court. The judges may transfer cases from one court to another court by an order entered on the docket of the court from which the case is transferred, except that a case may not be transferred without the consent of the judge of the court to which it is transferred. Each judgment and order shall be entered in the minutes of the district court in which the proceeding is pending. The clerk of the district court in each county shall keep minutes for each district court and record all judgments and orders of the court in the minutes.
Sec. 4. Each of the judges of the district courts in the counties of Aransas, Bee, Live Oak, McMullen, and San Patricio shall sign the minutes of each term of his court in each of the counties not later than the 30th day after the end of the term and shall also sign the minutes of the other courts covering the proceedings that were held before him.
preceding the Monday for convening the next regular term of such Court in such County:

[In the County of San Patricio on the first Monday in June and on the first Monday in December, and may continue in session until the Saturday immediately preceding the Monday for convening the next regular term of such Court in such County:

[In the County of Bee on the first Monday in February and on the fourth Monday in August and may continue in session until the Saturday immediately preceding the Monday for convening the next regular term of such Court in such County:

[In the County of Live Oak on the third Monday in March and on the first Monday in October, and may continue in session until the Saturday immediately preceding the Monday for convening the next regular term of such Court in such County:

[In the County of McMullen on the third Monday in April and the third Monday in November, and may continue in session until the Saturday immediately preceding the Monday for convening the next regular term of such Court in such County:

[The Judge of said Court, in his discretion, may hold as many sessions of the Court in any term in any County as he may deem proper and expedient for the dispatch of business:

[Sec. 4. The district clerk of each of the respective Counties included in said Judicial District shall be clerk of the District Court of the 156th Judicial District in such respective Counties, and each clerk shall immediately prepare a docket for the 156th District Court:

[Sec. 5. The Judge of the 36th District Court or the Judge of the 156th District Court may hear and dispose of any suit or other proceeding on the docket of either of said District Courts of the county in which the action or proceeding is instituted, without the necessity of transferring the suit or proceeding from one (1) Court to the other, and the Judges may transfer cases from one (1) Court to the other by an order entered on the docket of the Court from which the case is transferred, provided that no case shall be transferred without the consent of the Judge of the Court to which transferred. Every judgment and order shall be entered in the minutes of the District Court of the county in which the proceedings are pending, and the clerk of the District Court in said County shall keep minutes for each District Court in which shall be recorded all judgments and order of each Court, respectively:

[Sec. 6. After his appointment and qualification, the Judge of the 156th District Court shall appoint an official shorthand reporter, who shall be compensated as provided by law:

[Sec. 7. The Judges of the 36th and the 156th District Courts shall sign the minutes of each term of said respective Courts in each of said Counties within thirty (30) days after the end of each term, and each Judge shall also sign the minutes of the other Court covering such proceedings as were had before him:

[Sec. 8. The district clerk shall file each civil case in numerical order as received and place the odd-numbered cases or proceedings on the docket of the 156th District Court and the even-numbered cases or proceedings on the docket of the 36th District Court.

[Sec. 9. Qualified jurors for service in both the 36th Judicial District Court and the 156th Judicial District Court shall be selected by jury commissions where such method is authorized by law and by the jury wheel in the counties where such method is required by law. Jurors so selected may be summoned and used for the trial of civil cases interchangeably in either the 36th District Court or the 156th District Court in Aransas, Bee, Live Oak, McMullen and San Patricio Counties.
[Sec. 10. At the effective date of this Act all cases or proceedings pending on the docket of the 135th Judicial District Court in San Patricio County shall be transferred to the docket of the 156th Judicial District Court of said County; and all odd-numbered civil cases or proceedings on the docket of the 135th Judicial District Court shall be transferred to the docket of the 156th Judicial District Court.

[Sec. 11. All citations and processes issued and returnable to 135th District Court in the several counties in those cases placed on the docket of the 156th District Court by the provisions of this Act.]

SECTION 15. Section 2, Chapter 442, Acts of the 63rd Legislature, Regular Session, 1973 (Article 326k-73, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2. The district attorney for the 173rd Judicial District shall represent the state in Henderson County in all [criminal] cases in the district courts having jurisdiction in Henderson County [court for the 173rd Judicial District] and perform the other duties provided by law governing district attorneys.

SECTION 16. Chapter 791, Acts of the 61st Legislature, Regular Session, 1969 (Article 326l-3, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 1. The district attorney for the Third Judicial District, whose jurisdiction extends to [composed of] the County [counties] of Anderson, Henderson, and Houston, is hereby authorized to employ an assistant district attorney with the consent of the commissioners court [courts] of Anderson County [two or more counties within the district].

Sec. 2. Said assistant district attorney shall be a qualified licensed attorney and shall have authority to perform all the acts and duties of the district attorney under the laws of this state.

Sec. 3. If the commissioners court [courts] of Anderson County consents [two or more counties in the Third Judicial District shall consent] to the employment of an assistant district attorney, the salary of the same shall be paid [as follows: one-third of the annual salary shall be paid by Anderson County; one-third of the annual salary shall be paid by Henderson County; and one-third of the annual salary shall be paid by Houston County].

Sec. 4. The district attorney of the Third Judicial District, subject to the consent of the commissioners court [courts] of Anderson County [two or more counties in the Third Judicial District], shall fix the salary of the assistant district attorney.

SECTION 17. Section 1, Chapter 246, Acts of the 65th Legislature, Regular Session, 1977 (Article 1916a, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 1. The provisions of this Act authorize the exchange of benches without formal order by the judges of the 51st Judicial District, [and] the 119th Judicial District, and the 342nd Judicial District and are applicable in each county in those districts, including the counties in which the districts do not overlap.

SECTION 18. Section 3(a), Chapter 508, Acts of the 61st Legislature, Regular Session, 1969 (Article 5139AAA, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The Juvenile Board of Houston County is created. The board consists of the County Judge of Houston County, the judges of the district courts in Houston County, and the county attorney [District Attorney for the 1st Judicial District; and the District Attorney for the 173rd Judicial District]. The judge of the court which is designated as the juvenile court of the county shall be chairman of the board and its chief administrative officer.

SECTION 19. Section 3, Chapter 508, Acts of the 61st Legislature, Regular Session, 1969 (Article 5139AAA, Vernon's Texas Civil Statutes), is amended by adding Subsection (e) to read as follows:
(c) The county attorney of Houston County has the duty to file, prosecute, and try, on behalf of the state, all juvenile cases in the juvenile court of Houston County. If the county attorney is ill, absent, or otherwise unable to perform these duties, the district attorney shall act for the county attorney.

SECTION 20. Section 1, Chapter 305, Acts of the 56th Legislature, Regular Session, 1959 (Article 5199CC, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 1. There is hereby established a County Juvenile Board in Hunt County, which shall be composed of the county judge, the judge of the county court at law in Hunt County, the judge of any district court having jurisdiction in the county [the 196th Judicial District], and three non-salaried members who are citizens of Hunt County, one to be appointed by the county judge, one by the judge of the county court at law, and one by the district judge. The terms of office of the non-salaried appointed members of the Board are for one year each. The terms of the non-salaried appointed members expire on December 31st of each year.

SECTION 21. Chapter 747, Acts of the 61st Legislature, Regular Session, 1969 (Article 6819a-42, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 1. In addition to the compensation now paid or authorized to be paid by law, the judges of the district courts having jurisdiction in Webb County [Judge of the 49th Judicial District of Texas and the Judge of the 111th Judicial District of Texas] shall each be paid by the Commissioners Court of Webb County, Texas, a sum to be set by the commissioners court in an amount not less than $2,000 per annum, payable in monthly installments out of the general fund, officers' salary fund, jury fund, or any fund available for that purpose, for additional judicial and administrative services, and especially additional services rendered to Webb County in the trial of all criminal and civil cases ordinarily tried by a county court at law.

Sec. 2. The compensation provided for in Section 1 shall be in addition to all other compensation now paid or authorized to be paid to the judges of the district courts having jurisdiction in Webb County [District Judge of the 49th Judicial District and the District Judge of the 111th Judicial District].

SECTION 22. (a) The office of district attorney for the 156th Judicial District is created.

(b) The district attorney for the 156th Judicial District shall perform the duties and have the authority conferred on district attorneys by the general laws of the state, shall represent the state in all criminal cases in the district courts in the counties of Bee, Live Oak, and McMullen, and shall be elected only from those counties. The district attorney for the 36th Judicial District shall perform the duties and have the authority conferred on district attorneys by the general laws of the state, shall represent the state in all criminal cases in the district courts in the counties of Aransas and San Patricio, and shall be elected only from those counties.

SECTION 23. The present district attorney for the 36th Judicial District shall continue in office until the general election in 1984 and until his successor is elected and has qualified.

SECTION 24. (a) The district attorney of the Third Judicial District shall be elected only from Anderson County.

(b) The district attorney of the Third Judicial District shall perform the duties imposed and have the authority conferred on district attorneys by general law in Anderson County. The district attorney may not perform any duties and has no authority conferred on district attorneys in Henderson or Houston County.

SECTION 25. (a) Sections 1, 18, and 19 of this Act take effect September 1, 1983.

(b) Sections 2, 7, 9, 11, 15-17, 21, and 24 of this Act take effect January 1, 1984.
(c) Sections 3, 6, 14, 22, and 23 of this Act take effect September 1, 1984.
(d) Except as provided by Sections 3.147(b), 3.149(b), and 3.151(c), Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), as added by Section 4 of this Act, Sections 4, 13, and 20 of this Act take effect January 1, 1985.
(e) Sections 5, 8, 10, and 12 of this Act take effect January 1, 1986.

SECTION 26. The importance of this legislation 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 this rule is hereby suspended.

CSHB 1473 was read second time.

Representative C. Evans offered the following amendment to CSHB 1473:

Amend CSHB 1473 as follows:
(1) On page 2, add the following subsection between lines 27 and 27:
(b) The 344th District Court shall give preference to civil matters.
(2) On page 4, add the following subsection between lines 13 and 14:
(b) The 353rd District Court shall give preference to civil matters.
(3) On page 5, add the following subsection between lines 19 and 20:
(b) The 358th District Court shall give preference to family law matters.
(4) Add a section to Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), appropriately numbered, to create a judicial district composed of Tarrant County to give preference to civil matters and to take effect January 1, 1987.
(5) Renumber the following sections and districts appropriately.
(6) Conform the effective date section.

The amendment was adopted without objection.

Representative W. Hall offered the following amendment to CSHB 1473:

Amend CSHB 1473 as follows:
(1) Insert the following subsections to Section 3.138 (creating a judicial district composed of Webb County):
(b) The judge of the 343rd District Court may select jury commissioners and impanel grand juries in Webb County. The judge of the 343rd District Court may alternate the drawing of grand juries with the judge of any other district court in the county. By order entered on the minutes, for any term that the judge considers it necessary, the judge may order grand and petit juries to be drawn. Indictments returned in Webb County may also be returned to the 49th District Court or the 111th District Court. The 343rd District Court has concurrent jurisdiction with the 49th District Court in all tax suits and cases.
(c) The terms of the 343rd District Court begin on the first Mondays in January, March, May, July, September, and November of each year. Each term continues until the court disposes of its business.
(2) Add the following section, appropriately numbered, to take effect on creation of the 343rd District Court (Webb County):
Section 111. (a) The judge of the 343rd District Court shall appoint a person to serve as bailiff.
(b) An order signed by the judge and entered on the minutes of the court shall be evidence of the appointment of the bailiff. The judge shall give written notification to the commissioners court of the appointment, the date of employment, and the compensation to be paid by the county.
(c) The bailiff shall swear to the following oath, to be administered by the judge: "I solemnly swear that I will faithfully and impartially perform all duties as may be required of me by law, so help me God."
(d) To be eligible for appointment to the office of bailiff, a person must be a resident of Webb County and must be at least 21 years of age.

(e) A bailiff holds office at the will of the judge of the court served by the bailiff.

(f) A bailiff is an officer of the court and shall perform in the county in which the court sits all duties imposed on bailiffs under the general laws of Texas. The bailiff shall perform other duties required by the judge that he serves but shall have no duties assigned by any other person.

(g) The county sheriff shall, on written notice of the judge, deputize the bailiff in addition to other deputies authorized by law.

(h) The county shall compensate the bailiff out of the general fund in an amount set in writing by the judge, but not in an amount greater than the amount that the county pays any full-time deputy sheriff.

(3) Conform the effective date section so that the added section takes effect at the same time as the Webb County district court is created.

The amendment was adopted without objection.

Representative Turner offered the following amendment to CSHB 1473:

Amend CSHB 1473 as follows:

(1) On page 22, strike line 17 and substitute “SECTION 25. (a) Section 1 of this Act takes”.

(2) On page 22, line 19, strike “15-17” and substitute “15-19”.

The amendment was adopted without objection.

CSHB 1473, as amended, was passed to engrossment.

HB 1473 ON THIRD READING

Representative Gilley moved that the constitutional rule requiring bills to be read on three several days be suspended and that HB 1473 be placed on its third reading and final passage.

A record vote was requested.

The motion prevailed by (Record 389): 118 Yeas, 9 Nays, 1 Present, not voting.

Yeas — Armbrister; Arnold; Barrientos; Barton, B.; Barton, E.; Blanton; Bomer; Buchanan; Burnett; Bush; Cain; Carriker; Cavazos; Clark; Clemens; Colbert; Collazo; Connelly; Craddock; Criss; Crockett; Davis; Delco; Denton; Eckels; Edwards; Eikenburg; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Geistweidt; Gibson, B.; Gibson, J.; Gilley; Glossbrenner; Granoff; Grisham; Hackney; Haley(C); Hall, L.; Hall, T.; Hall, W.; Hammond; Hanna; Harrison, D.; Harrison, W.; Hightower; Hilbert; Hill, G.; Hollowell; Hudson, D.; Hudson, S.; Hury; Jackson; Keller; Kemp; Kubiak; Kuempel; Laney; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Millsap; Moreno, A.; Oliveira; Oliver; Parker; Patrick; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett; Rudd; Russell; Saunders; Schlueter; Schoolcraft; Short; Smith, A.; Smith, C.; Stiles; Sutton; Tejeda; Thompson, G.; Toomey; Tow; Turner; Uber; Valles; Waldrop; Wallace; Watson; Whaley; Wieting; Wilson; Wolens; Word.

Nays — Agnich; Ceverha; Danburg; Emmett; Hefflin; Hill, P.; Horn; Shea; Simpson.

Present, not voting — Mr. Speaker.
Absent, Excused — Coody; DeLay; Gavin; Green; Hernandez; Hill, A.; Hinojosa; Jones; Robinson; Salinas; Shaw; Staniswalis; Vowell; Willis; Wright.

Absent — Berlanga; Cary; Khoury; Messer; Moreno, P.; Smith, T.; Thompson, S.

The chair then laid HB 1473 before the house on third reading and final passage.

The bill was read third time and was passed.

**HB 2375 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment.

**HB 2375**, A bill to be entitled An Act relating to benefits for emergency medical personnel, peace officers, and fire fighters who are exposed to contagious diseases in the course of their employment.

The bill was read second time and was passed to engrossment. (McKenna and Pennington recorded voting no)

**HB 1168 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment.

**HB 1168**, A bill to be entitled An Act relating to the requirement that smoke detectors be installed in the state capitol.

The bill was read second time and was passed to engrossment. (Toomey and Heflin recorded voting no)

**HB 1206 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment.

**HB 1206**, A bill to be entitled An Act relating to monetary limits on state liability for certain claims against officers and supervisory employees of the Texas Department of Corrections and the Texas Youth Council.

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

**HB 793 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment.

**HB 793**, A bill to be entitled An Act relating to a junior college district branch campus maintenance tax.

The bill was read second time and was passed to engrossment. (A. Smith recorded voting no)

**HB 1732 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 1732.
A BILL TO BE ENTITLED
AN ACT
relating to establishment of a temporary emergency relief program in certain communities.

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

CHAPTER 34. TEMPORARY EMERGENCY RELIEF PROGRAMS

SECTION 1. Title 2, Human Resources Code, is amended by adding Chapter 34 to read as follows:

SEC. 34.001. DECLARATION OF PUBLIC PURPOSE. (a) The legislature finds that:
(1) economic and demographic changes have created rapid increases in the number of needy persons who are homeless or without other necessities of basic existence;
(2) local governments and nonprofit service organizations are unable to meet the increased financial burden caused by those changes in various areas of the state; and
(3) the dramatic nature of the emergency relief needs in various localities has contributed to family instability and threatened the social and economic stability of those communities.

(b) The intent of this chapter is to serve a public purpose and the goals of the state by providing state money to match local and any federal money available to provide emergency relief to needy persons.

SEC. 34.002. DEFINITIONS. In this chapter:
(1) “Applicant” means the commissioners court of a county, the governing body of another political subdivision, or a nonprofit organization.
(2) “Nonprofit organization” means a private, nonprofit, tax-exempt corporation listed in Section 501(c)(3), Internal Revenue Code.
(3) “Program” means a system of providing temporary emergency relief to needy persons.

SEC. 34.003. TEMPORARY EMERGENCY RELIEF FUND. (a) The department shall establish a temporary emergency relief fund from funds appropriated for that purpose. The funds may be used to match funds from local communities on a 50 percent state and 50 percent local ratio basis in order to assist counties, in cooperation with other public entities and nonprofit organizations, in meeting the needs of individuals and families for temporary emergency relief.

(b) The temporary emergency relief fund may not exceed $5 million.

(c) Unobligated and unexpended money that remains in the fund at the end of the fiscal biennium that has not been allocated or provided as a supplemental allocation to an applicant reverts to the general revenue fund.

(d) The department may use not more than six percent of the fund to pay costs incurred in administering the fund.

SEC. 34.004. APPLICATION. (a) A county may apply to the department for a grant-in-aid to establish and administer a program under this chapter.

(b) If a county declines to act, the department may accept applications from other political subdivisions or from nonprofit organizations. The political subdivision or nonprofit organization must first notify the county judge of its intention to submit an application for a grant-in-aid.

(c) An application submitted under this section must provide evidence that a county requires assistance in accordance with rules adopted by the department. The application must provide evidence that the applicant has consulted with public entities, nonprofit organizations, voluntary associations, representatives of low-income persons, and other groups involved in providing assistance to needy persons.
(d) The department shall adopt rules establishing the criteria for determining whether an applicant qualifies under this chapter. The department may approve only one program for each county.

**Sec. 34.005. LOCAL ALLOCATION.** (a) To qualify for funds disbursed by the department under this chapter, the applicant must provide a financial contribution to the program established in the applicant's county in an amount equal to the state contribution.

(b) Local matching funds may include local government funds, contributions from private sources, and federal funds, including funds currently being used for needs identified by this chapter.

(c) State funds provided to a local applicant under this chapter may not be used for local administrative costs.

(d) Not more than 25 percent of the local matching funds may be used for local administrative costs.

(e) A single allocation to a county from the fund established by Section 34.003 of this code may not exceed $100,000.

**Sec. 34.006. LOCAL PLAN: DISBURSEMENT.** (a) An applicant must submit to the department a plan for providing emergency relief.

(b) The plan must contain a description of the target population, the eligibility criteria for receipt of services, the nature and scope of benefits to be provided, methods of administration, and a budget that contains the sources of local matching funds.

(c) The plan must also show evidence of consultation with the entities listed in Section 34.004(c) of this code.

(d) On certification by the department that the applicant has sufficient local matching funds available and otherwise qualifies under this chapter, the department shall disburse money from the fund to the applicant to be used to establish a program in the affected county.

(e) The department shall publish all determinations made under this section in accordance with the Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes).

**Sec. 34.007. ELIGIBILITY AND PROVISION OF ASSISTANCE.** (a) Each county, political subdivision, or nonprofit organization approved by the department for establishing a program shall establish its own criteria for persons eligible to receive benefits under the program, and shall include the criteria in the plan for providing emergency relief submitted to the department.

(b) Before establishing eligibility and the frequency and duration of benefits provided under the program, the county, political subdivision, or nonprofit organization shall allow adequate notice and opportunity for public comment, including comments from entities listed in Section 34.004(c) of this code.

(c) A county, political subdivision, or nonprofit organization may not set the eligibility level at less than 75 percent of the federal poverty level based on the federal Office of Management and Budget poverty index as of September 1, 1983.

(d) Assistance to persons eligible to participate in a program authorized by this chapter shall be provided through vouchers and purchased services in accordance with the approved plan submitted to the department. The assistance may include the provision of utilities, food, housing, and clothing to needy persons.

(e) Records pertaining to a program under this chapter are subject to audit by the department, an auditor approved by the department, or the state auditor.

**Sec. 34.008. REPORTS AND PUBLIC NOTICES.** (a) The department shall prepare a report for the governor and Legislative Budget Board describing and analyzing the operation of programs under this chapter.

(b) A county, political subdivision, or nonprofit organization funded under this chapter shall assure the department that information is provided to the public regarding eligibility for and the nature of a program operated under this chapter.
Sec. 34.009. LEGISLATIVE STUDY COMMITTEE. (a) A legislative study committee is established to assess the need to continue the emergency relief programs authorized by this chapter and to analyze the programs operations.

(b) The committee is composed of the following 15 members:

1. three members of the house of representatives, to be appointed by the speaker of the house;
2. three members of the senate, to be appointed by the lieutenant governor; and
3. nine citizen members to be appointed by the governor.

(c) At least one citizen member appointed by the governor must be a county judge, one must be a mayor, one must be a representative of a private, nonprofit provider of services to low-income families in Texas, one must be a low-income person from an urban area of the state, and one must be a low-income person from a rural area of the state.

(d) The committee shall report to the legislature and the governor on whether changes need to be made for the programs to operate as efficiently and effectively as possible, and on whether the state should continue the programs.

(e) The department shall provide funds for the committee from the fund established by Section 34.003 of this code. The committee may also receive funds from other sources.

Sec. 34.010. RELATIONSHIP TO FEDERAL LAW. (a) If a federal law or regulation is changed and makes no provision for temporary waivers to allow compliance with state law and, as a result of this change, there is insufficient time to comply with all the procedures required by this chapter, the agency or entity affected may act so as to comply with federal law, and shall comply with the applicable procedures required by this chapter as soon as possible.

(b) If a federal statute or court order conflicts with this chapter, the federal law or court order prevails over this chapter.

Sec. 34.011. EXPIRATION. This chapter expires August 31, 1985.

SECTION 2. This Act takes effect September 1, 1983.

SECTION 3. The importance of this legislation 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 this rule is hereby suspended.

CSHB 1732 was read second time and was passed to engrossment. (Shea, P. Hill, Patrick, Horn, Aglich, Waldrop, Jackson, Eckels, Blanton, Kumpel, Geistweidt, Ceverha, Arnold, D. Lee, Toomey, and Heflin recorded voting no)

HB 1010 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment.

HB 1010. A bill to be entitled An Act relating to authority of the State Board of Barber Examiners and the Texas Cosmetology Commission to contract with each other for inspection and enforcement purposes.

The bill was read second time and was passed to engrossment. (Mankins, Hanna, Craddick, Watson, Collazo, Denton, Patronella, and McWilliams recorded voting no)

HB 1447 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 1447.
CSHB 1447

A BILL TO BE ENTITLED
AN ACT
relating to the delivery of notice to a property owner under the Property Tax Code.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Sec. 1.07, Property Tax Code, is amended to read as follows:
Sec. 1.07. DELIVERY OF NOTICE. (a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this title requires a different method of delivery.

(b) The official or agency shall address the notice to the property owner or, if appropriate, his agent at his address according to the most recent record in the possession of the official or agency. However, if a property owner files a written request that notices be sent to a particular address, the official or agency shall send the notice to the address stated in the request.

(c) A notice permitted to be delivered by first class mail by this section is presumed delivered when it is deposited in the mail. This presumption is rebuttable when evidence of failure to receive notice is provided.

SECTION 2. This Act takes effect January 1, 1984.
SECTION 3. The importance of this legislation 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 this rule is hereby suspended.

CSHB 1447 was read second time and was passed to engrossment.

HB 1017 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 1017.

CSHB 1017

A BILL TO BE ENTITLED
AN ACT
relating to the selection and duties of the Texas Cultural Awards Committee.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. CREATION OF PERMANENT COMMITTEE; PURPOSE.
The Texas Cultural Awards Committee is established. The purpose of the committee is to select for the state a poet laureate and a poet laureate-designate and a state artist and an artist-designate.

SECTION 2. APPLICATION OF SUNSET ACT. The Texas Cultural Awards Committee is subject to the Texas Sunset Act (Article 5429k, Vernon's Texas Civil Statutes). Unless continued in existence as provided by that Act, the committee is abolished and this Act expires effective September 1, 1995.

SECTION 3. MEMBERSHIP OF COMMITTEE; TERMS; ADVISORY COMMITTEE. (a) The committee is composed of two members of the House of Representatives appointed by the speaker of the house, two members of the Senate appointed by the Lieutenant Governor, and one person appointed by the Governor. The members of the committee shall serve for terms of two years beginning on September 1 of each odd-numbered year. The committee shall select its presiding officers.

(b) If a member of the committee dies, resigns, or ceases to meet the qualifications for membership on the committee, a vacancy occurs. The officer who appointed a person whose position becomes vacant shall appoint a person to fill the vacancy for the remainder of the term.
The committee shall appoint a Poet Laureate Advisory Committee to assist in selecting the poet laureate and the poet laureate-designate. The Poet Laureate Advisory Committee shall be composed of poets and other people who have knowledge about and experience in the art of poetry in Texas. Members of the advisory committee serve at the pleasure of the committee.

The advisory committee shall review all nominations for poet laureate-designate and shall recommend a person for the position. The committee shall review the recommendation of the advisory committee and shall select the poet laureate-designate.

The committee shall appoint a State Artist Advisory Committee to assist in selecting the state artist and the state artist-designate. The Artist Advisory Committee shall represent all art disciplines in Texas. It shall be composed of artists and other people who have knowledge about and experience in the arts in Texas. Members of the advisory committee serve at the pleasure of the committee.

The advisory committee shall review all nominations for state artist-designate and shall recommend a person for the position. The committee shall review the recommendation of the advisory committee and shall select the state artist-designate.

SECTION 4. QUALIFICATIONS; TERM; SUCCESSION; DUTIES; STIPEND.

(a) To be poet laureate or poet laureate-designate, a person must be a native or resident of Texas and be recognized as an outstanding poet with a gift for exceptional literary expression.

(b) To be state artist or state artist-designate, a person must be a native or resident of Texas and be recognized as an outstanding artist with an exceptional artistic gift.

(c) The poet laureate and the poet laureate-designate, state artist and state artist-designate each shall serve for a term of two years, beginning on July 1 of each even-numbered year.

(d) The designate shall automatically become poet laureate or state artist, respectively, at the conclusion of his term as designate.

(e) If the poet laureate/state artist dies, resigns, or ceases to meet the qualifications for the position, the respective designate shall serve as poet laureate/state artist for the unexpired portion of the term, in addition to retaining his position as designate. If the poet laureate-designate/state artist-designate dies, resigns, or ceases to meet the qualifications for the position, the committee shall select a new designate.

(f) The duties of the poet laureate are to promote poetry as an art form, to assist in educating Texans about poetry, to encourage aspiring Texas poets, and to assist generally in the cultural development of Texas through such activities as writing poetry appropriate to the office, making public appearances, and performing poetry readings.

(g) The duties of the state artist are to promote the arts, to assist in educating Texans about the many disciplines of the arts, to encourage aspiring Texas artists, and to assist generally in the cultural development of Texas through such activities as exhibits or performances of the artist's work, making public appearances.

(h) A stipend may be paid to the poet laureate and state artist as provided by legislative appropriation.

SECTION 5. EXPENSES. A member of the committee or the advisory committees may not receive compensation for service on either committee but is entitled to reimbursement by the state for actual and necessary expenses incurred in performing functions as a member of the committee or advisory committees as provided by legislative appropriation.

SECTION 6. ADMINISTRATIVE ASSISTANCE. The Texas Commission on the Arts shall provide all administrative and clerical assistance necessary for the
committees and the advisory committees to perform their functions in the selection process.


SECTION 8. EMERGENCY. The importance of this legislation 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 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.

CSHB 1017 was read second time and was passed to engrossment.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Wieting on motion of G. Thompson.

HB 1023 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment.

HB 1023, A bill to be entitled An Act relating to issuance, extension, or renewal of permits for certain solid waste facilities used for or to be used for processing, storing, or disposing of hazardous waste.

The bill was read second time.

Representative Geistweidt offered the following committee amendment to the bill:

COMMITTEE AMENDMENT NO. 1

Amend HB 1023 as follows:

1. On page 6, line 17, strike “extend, or renew”.
2. On page 6, strike line 18 and substitute “for a solid waste facility to be used primarily for processing”.
3. On page 6, line 20, strike “one-mile” and insert “one-half mile”.
4. On page 6, lines 20 and 21, strike “or existing”.
5. On page 6, line 22, strike “or for extension or renewal of a permit”.
6. On page 6, line 26, strike “or for extension or renewal of a permit”.
7. On page 6, strike line 27 and substitute “facility to be used primarily for processing, storing, or”. 
8. On page 7, lines 2 and 3, strike “or for extension or renewal of a permit”.
9. On page 6, line 24, after the word “determination,” add: “Nothing in this paragraph shall prevent the extension or renewal of an existing permit.”

Committee Amendment No. 1 was adopted without objection.

Representative Polumbo offered the following amendment to the bill:

Amend HB 1023 as follows:

1. On page 6, line 19, between “waste” and “if”, insert “or polychlorinated biphenyl waste”.
2. On page 7, line 1, between “waste” and “filed”, insert “or polychlorinated biphenyl waste”.

...
The Polumbo amendment was adopted without objection.

HB 1023, as amended, was passed to engrossment. (Fox recorded voting no)

HB 350 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 350.

CSHB 350

A BILL TO BE ENTITLED
AN ACT
relating to the placement of signs outside of the entrance of a polling place.

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

SECTION 1. Chapter 8, Texas Election Code, is amended by adding section 85a to read as follows:

85a. POSTING INFORMATIONAL SIGNS. (a) A sign, card, poster, or similar material pertaining to an election may not be posted at a polling place unless this code or other law requires or allows the posting.

(b) All signs posted under the provisions of Subsection (a) shall conform to form and content as prescribed by rule of the Secretary of State.

(c) A person other than an election judge or clerk shall not post materials within 100 feet of the entrance to the polling place.

(d) Any person who knowingly violates the provisions of subsections (a) or (c) of this section shall be guilty of a class C misdemeanor.

SECTION 2. The importance of this legislation 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 this rule is hereby suspended.

CSHB 350 was read second time and was passed to engrossment. (Heflin, Eckels, Blanton, Kuempel, P. Hill, Shea, Craddick, Emmett, Arnold, Horn, Agnich, Fox, and Toomey recorded voting no)

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

W. Hall on motion of D. Lee.

HB 431 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment.

HB 431, A bill to be entitled An Act relating to utility charges by a housing authority.

The bill was read second time.

Representative Pennington offered the following committee amendment to the bill:

COMMITTEE AMENDMENT NO. 1

Amend HB 431 as follows:

On line 12 after "the service," add: The itemized charge to the tenant shall be proportional to his utility usage. In any billing cycle, the sum of all tenant utility charges in a housing project shall not exceed the amount billed by the utility company to the housing project.
Committee Amendment No. I was adopted without objection.

HB 431, as amended, was passed to engrossment.

HB 2054 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 2054.

CSHB 2054

A BILL TO BE ENTITLED

AN ACT

relating to the theft of certain equipment, resources, and products from commercial or sports fishing boats or from water; providing penalties.

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

SECTION 1. Chapter 66, Parks and Wildlife Code, is amended by adding Section 66.011 to read as follows:

Sec. 66.011. THEFT FROM BOATS OR WATER. (a) No person may take equipment, resources, or products that are legally placed, properly marked, or licensed from a commercial or sports fishing boat or from water of this state without the consent of the owner or operator of the boat or equipment.

(b) This section does not apply to a game warden or authorized employee of the department while performing his official duties.

(c) A person commits an offense if the person violates Subsection (a) of this section. An offense under this section is a Class A misdemeanor.

(d) A person subject to prosecution under both this section and Section 31.03, Penal Code, may be prosecuted under either section, but not both.

SECTION 2. This Act takes effect September 1, 1983.

SECTION 3. The importance of this legislation 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 this rule is hereby suspended.

CSHB 2054 was read second time.

Representative Armbrister offered the following amendment to CSHB 2054:

Amend CSHB 2054 on page 1 by striking lines 8-12 and substituting the following:

Sec. 66.011. THEFT. (a) No person may take:

(1) a commercial or sports fishing boat without the consent of the owner or operator of the boat;

(2) equipment used for the taking of marine animals, fish, other aquatic life, or aquatic plants without the consent of the owner or operator of the equipment; or

(3) marine animals, fish, other aquatic life, or aquatic plants in, on, or attached to legally placed and properly marked equipment used for taking those resources without the consent of the owner or operator of the equipment.

The amendment was adopted without objection.

Representative Armbrister offered the following amendment to CSHB 2054:

Amend CSHB 2054 on page 1 by striking the caption on lines 2-4 and substituting the following:

"relating to the taking of commercial or sports fishing boats, fishing equipment, and aquatic resources; providing penalties.".
The amendment was adopted without objection.

CSHB 2054, as amended, was passed to engrossment. (Danburg recorded voting no)

**HB 1263 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment,

**HB 1263**, A bill to be entitled *An Act relating to the powers and status of the Tribal Councils and tribal businesses of the Alabama-Coushatta and the Tigua Indian Tribes.*

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

**HB 434 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment,

**HB 434**, A bill to be entitled *An Act relating to adoption of programs by political subdivisions to increase participation by minority business enterprises in contract awards.*

The bill was read second time.

Representative Keller offered the following amendment to the bill:

Amend **HB 434**, Section 1(c)(2) by inserting between the words "lowest responsible bidders" and "are not affected" the following language: "and general law and home-rule charter provisions which require performance and payment bonds"

The Keller amendment was adopted without objection.

**LEAVES OF ABSENCE GRANTED**

The following members were granted leaves of absence for the remainder of today because of important business:

Gilley on motion of Criss.
Cain on motion of Criss.

**HB 434 - (consideration continued)**

Representative Keller offered the following amendment to the bill:

Amend **HB 434** Section 1(c)(1) following the language "prevent a political subdivision" insert the following, "in response to federal requirements for grant funds."

The amendment was adopted without objection.

**HB 434**, as amended, was passed to engrossment. (Shea, P. Hill, Toomey, C. Smith, Fox, Blanton, Ceverha, Geistweidt, Arnold, and Heflin recorded voting no)

**HB 1321 ON SECOND READING**

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for **HB 1321**.
CSHB 1321

A BILL TO BE ENTITLED
AN ACT
relating to penalties for violation of shrimping laws.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 77.020(b), Parks and Wildlife Code, is amended to read as follows:
(b) A person who violates Section 77.011, 77.013, 77.016, 77.017, 77.018, 77.019, 77.047, 77.061(a)(2), 77.063, 77.064, 77.065, 77.066, 77.067, 77.068, 77.069, 77.070, 77.081, 77.082, 77.085, 77.086, 77.087, 77.088, 77.089, 77.090, 77.091, 77.092, 77.093, 77.095(a), 77.096, 77.097, 77.098, or 77.099 of this code is guilty of a misdemeanor and on conviction is punishable:
(1) by a fine of not less than $200 nor more than $500 [for the first offense];
(2) by a fine of not less than $500 nor more than $1,000 [$700] or confinement in the county jail for not less than 10 days nor more than 60 days or both if it is shown at the trial of the defendant that he has been convicted of a violation under this subsection once within 24 months preceding the date of the alleged offense [for the second offense]; and
(3) by a fine of not less than $1,000 [$750] nor more than $3,000 [$2,500] and confinement in the county jail for not less than 30 days nor more than six months if it is shown at the trial of the defendant that he has been convicted of a violation under this subsection two or more times within 24 months preceding the date of the alleged offense [for the third offense].

SECTION 2. This Act takes effect September 1, 1983.

SECTION 3. The importance of this legislation 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 this rule is hereby suspended.

CSHB 1321 was read second time.

Representative Criss moved that consideration of CSHB 1321 be postponed until Wednesday, May 18, at 10 a.m.

The motion was lost.

Representative Criss offered the following amendment to CSHB 1321:

Amend CSHB 1321 by inserting a new Section 2 to read as follows and renumbering the existing Section 2 and succeeding sections accordingly:

SECTION 2. Chapter 77, Parks and Wildlife Code, is amended by adding Section 77.0201 to read as follows:

Sec. 77.0201. PENALTY: MINOR VIOLATION. (a) Notwithstanding Section 77.020 of this code, a person who violates a provision of this chapter is guilty of a misdemeanor and on conviction is punishable by a fine of not less than $25 nor more than $200 if:
(1) the offense relates to the time period during which shrimp may be taken and the violation of the time period occurs within 30 minutes before the time period begins or within 30 minutes after the time period ends;
(2) the offense relates to a limitation on the width or length of a net and the net used does not exceed the limitation by more than 18 inches; or
(3) the offense relates to a limitation on the number of pounds of shrimp that a person may catch or retain and the number of pounds of shrimp caught or retained does not exceed the limitation by more than 20 pounds.
(h) A person does not commit an offense under this chapter if the person violates a limitation on the mesh size of a net and the mesh size of the net used exceeds the limitation by not more than one-fourth of an inch.

Representative D. Lee moved to table the Criss amendment.

The motion to table prevailed.

Representative Armbrister offered the following amendment to CSHB 1321:

Amend CSHB 1321 as follows:
(1) Page 1, line 14, delete $500 and add $350
(2) Page 1, line 15, delete $1000 and add $750
(3) Page 1, line 20, delete $1000 and add $800
(4) Page 1, line 21, delete $3000 and add $2550

Representative D. Lee moved to table the Armbrister amendment.

The motion to table prevailed.

CSHB 1321 was passed to engrossment. (Watson recorded voting no)

HB 70 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, HB 70, A bill to be entitled An Act relating to the classification of the murder of a child in the course of committing aggravated sexual abuse as a capital offense.

The bill was read second time.

Representative T. Smith offered the following committee amendment to the bill:

COMMITTEE AMENDMENT NO. 1

Amend HB 70 as follows:
On page 2, strike SECTION 2 and renumber the subsequent sections accordingly.

Committee Amendment No. 1 was adopted without objection.

HB 70, as amended, was passed to engrossment. (Danburg recorded voting no)

HB 804 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 804.

CSHB 804

A BILL TO BE ENTITLED
AN ACT
relating to county and precinct officials and employees who are paid wholly from county funds; compensation, expenses and allowances.

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

SECTION 1. Section 2, Chapter 622, Acts of the 62nd Legislature, Regular Session, 1971 (Article 3912k, Vernon's Texas Civil Statutes), is amended by amending Subsections (b) and (d) and adding Subsections (e) and (f) to read as follows:

(b) There is hereby created in each county a salary grievance committee composed of:
(1) the county judge, who shall be chairman of the committee but who shall not be entitled to vote;
(2) the sheriff, the county tax assessor-collector, the county treasurer, the county clerk, the district clerk, and the county attorney or criminal district attorney; and
(3) three residents of the county selected as provided by Subsection (c) of this Section or if one person holds more than one of the offices described in Subdivision (2) of this subsection or if one or more of those offices is not filled in the county, a number sufficient to establish the total voting membership of the committee at nine members.
(4) Notwithstanding any other section or subsection of this Act, the commissioners court may vote to have all nine members of the salary grievance committee be residents of the county selected as provided by Subsection (c) of this Section. Such vote by the commissioners court, if any, shall be held on the second Monday in January of each year.

(d) Any elected county or precinct officer who is aggrieved by the setting of his salary, expenses, or other allowance by the commissioners court may request a hearing before the committee. The request shall be in writing, shall state the manner in which he is aggrieved, and shall be delivered to the chairman of the committee. The chairman shall announce the time and place of the hearing, which shall be within 30 days after receipt of the request. If, after a hearing, the committee by a vote of six of its voting members decides to recommend a change in the salary, expenses, or other allowance of the person requesting the hearing, it shall prepare its recommendation in writing and deliver it to the commissioners court, which shall consider the recommendation at its next meeting. A written recommendation signed by all nine members and delivered to the commissioners court becomes effective without the action of the commissioners court on the first day of the month following its delivery to the commissioners court.

(d) The commissioners court of each county prior to filing of the annual budget with the clerk of the county court shall give written notice to each elected county and precinct officer of his salary and personal expenses to be included in the budget.

(e) Any elected county or precinct officer who is aggrieved by the setting of his salary or personal expenses may within 5 days of his notification request a hearing before the salary grievance committee. The request shall be in writing, shall state the change in his salary or personal expenses he desires, and shall be delivered to the chairman of the committee. The chairman shall announce the time and place of the hearing, which shall be within 10 days after receipt of the request. If, after a public hearing the committee by a vote of six of its voting members decides to recommend a change in the salary or personal expenses of the person requesting the hearing, it shall prepare its recommendation in writing and deliver it to the commissioners court, which shall consider the recommendation at its next meeting. A written recommendation signed by all nine members and delivered to the commissioners court shall be entered into the budget prior to filing and shall become effective in the next budget year.

(f) The authority given to the salary grievance committee is specifically limited to increasing items concerning salaries or personal expenses of county and precinct officers. Nothing in this Act shall be interpreted to allow the committee to set policy of the county or add new items to a proposed county budget.

SECTION 2. The importance of this legislation 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 this rule is hereby suspended.
CSHB 804 was read second time and was passed to engrossment.

HB 2031 ON SECOND READING

The chair laid before the house on its second reading and passage to engrossment, the complete committee substitute for HB 2031.

CSHB 2031

A BILL TO BE ENTITLED
AN ACT
relating to the registration and certification of persons engaged in the appraisal of property for purposes of ad valorem taxation and in the assessment and collection of ad valorem taxes; providing penalties.

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

SECTION 1. Sections 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 22, and 24, The Texas Assessors Registration and Professional Certification Act (Article 7244b, Vernon's Texas Civil Statutes), are amended to read as follows:

Sec. 2. In this Act:

(1) "Appraisal" means those functions described in Chapters 23 and 25, Tax Code, that are performed by employees of political subdivisions or by persons acting on behalf of political subdivisions and that involve an estimate or opinion of value of a property interest.

(2) "Assessment" means those functions described in Chapter 26, Tax Code, and performed by employees of political subdivisions or by persons acting on behalf of political subdivisions, to determine an amount of ad valorem tax.

(3) "Board" means the Board of Tax Professional Examiners.

(4) "Chief appraiser" means the chief administrator of the district appraisal office as defined by Section 6.05, Tax Code.

(5) "Code of ethics" means a formal statement of ethical standards of conduct adopted by the board.

(6) "Collections" means those functions described in Chapter 31 and Sections 33.02, 33.03, and 33.04, Tax Code.

(7) "Governing body" means a county commissioners court, city council, board of trustees, or governmental board of any political subdivision of this state defined as a taxing unit by Section 1.04, Tax Code.

(8) "Registered professional appraiser" means the highest level of certification established by the board for a person engaged in appraisal.

(9) "Registered Texas assessor" means the highest level of certification established by the board for a person engaged in assessment.

(10) "Registered Texas collector" means the highest level of certification established by the board for a person engaged in collections.

(11) "Tax assessor-collector" means the chief administrator of a taxing unit's tax office who is responsible for the assessing functions described in Chapter 26, Tax Code, and for collection functions described in Chapter 31, Tax Code.

(12) "Tax collector" means the chief administrator of a taxing unit's tax office who is responsible for collection functions described in Chapter 31, Tax Code, but not for assessing functions.

(13) "Tax assessor" means the officer or employee responsible for assessing property taxes as set forth by Chapter 26, Title 1, Tax Code.

(14) "Assessors code of ethics" means an ethical standard of conduct for tax assessors and property tax appraisers established by the Board of Tax Assessor Examiners according to Section 7 of this Act.

(15) "Board" means the Board of Tax Assessor Examiners.

(16) "Candidate" means a person who is qualified and duly authorized by the board to seek certification as a registered professional assessor.
(5) "Governing body" means a county commissioners court, city council, board of trustees, or governmental board of a political subdivision of this state.

(6) "Chief appraiser" means the chief administrator of the district appraisal office as defined by Section 6.05, Title 1, Tax Code.

(7) "Registered Texas assessor" means a person who is duly registered and qualified to act as an assessor or to engage in the practice of appraising property for ad valorem taxation according to the terms of this Act.

(8) "Registered professional assessor" means a person who is registered and holds a certificate for professional assessors issued by the Board of Tax Assessor Examiners according to Section 18 of this Act.

(9) "Property tax appraiser" means a person duly registered under this Act to engage in part or all of the appraisal process required to estimate the appraised value of property for taxation.

(10) "Practice of assessing" means to engage in the practice of any or all phases of the assessing process, including the appraisal or valuation of property for taxation and the assessment duties imposed by Chapter 26, Title 1, Tax Code.

Sec. 3. This Act shall be known as "The Property Taxation [Texas Assessors Registration and] Professional Certification Act."

Sec. 4. (a) The Board of Tax Professional [Assessor] Examiners is established.

(b) The board consists of six members appointed by the governor with the advice and consent of the senate. A vacancy on the board is filled in the same manner for the unexpired portion of the term.

(c) To be eligible to serve on the board an individual must be a resident of this state, be actively engaged in assessing property for taxation according to the bylaws and rules of procedure enacted by the board, and have at least five years experience in appraisal for property tax purposes, and be certified as a registered professional assessor or registered Texas assessor appellants. At least four of the members must hold a certificate issued under this Act. However, for the members first appointed, certification by a recognized professional association of assessors or appraisers satisfies the certification requirement for eligibility.

(d) Members hold office for terms of six years, with the terms of two members expiring on March 1 of each odd-numbered year. [In making the initial appointments, the governor shall designate two members for terms expiring on March 1, 1979, two members for terms expiring on March 1, 1981, and two members for terms expiring on March 1, 1983.]

Sec. 6. (a) The board shall hold at least one [four] regular meeting in [meetings] each calendar quarter [year]. Special meetings shall be held at such times as are required, according to the bylaws and rules of procedure enacted by the board.

(b) Members of the board shall receive notice of special meetings at least 15 days in advance of the meeting date.

(c) The board shall elect annually from its membership a chairman, vice-chairman, and secretary-treasurer. The election of officers shall be held at the first regular meeting of each calendar year. A majority of the members constitutes [constitute] a quorum.

Sec. 7. (a) The board may make and enforce all rules and regulations necessary for the performance of its duties, establish standards of professional practice, conduct, education, and ethics for appraisers, assessors, and collectors in keeping with the purposes and intent of the Act, and insure strict compliance with and enforce all provisions of this Act.

(b) The board may promulgate and amend rules of professional conduct appropriate to establish and maintain a high standard of integrity in the practice of assessing and collecting ad valorem taxes; after all persons registered under Section 12 of this Act are notified. The notice shall set forth the proposed rules of professional conduct or amendments to the rules. No rule or amendment shall
become operative until it is approved by a majority of the registered professional
assessors practicing in this state. The board shall adopt reasonable means for voting
on such measures and shall declare the results of elections and proclaim the effective
date of the rules or amendments and notify all persons registered by this Act.

(c) Members of the board who are registered professional assessors have the
sole authority, responsibility, and duty of performing all acts relating to the
examination of applicants for candidacy and the issuance of certificates for
professional assessors, registered according to Sections 17 and 18 of this Act.

Sec. 8. (a) The board shall receive and account for all money derived under
the provisions of this Act and shall pay it to the State Treasurer. The State Treasurer
shall designate a separate fund to be known as the “Assessors Registration
Fund,” which may be used only by the board for the purpose of administering this Act.

(b) The board shall keep an accurate record of all proceedings, which shall be
available to the public at all times. The board shall also maintain a roster of all
persons [assessors] registered with the board, showing their names, [and] places of
employment, and classification [as well as the type of registration]. The [Copies
of the roster shall be mailed to all persons registered with the board; and the] roster
shall be placed on file with the Secretary of State. Copies of the roster shall be made
available to persons registered under this Act and to the public on request.

Sec. 9. (a) The board shall [may] employ an executive director who shall
administer the operations of the board as directed by the board.

(b) The director may employ [and clerical and] other personnel to assist him
[or it] in the performance of his [its] duties [under this Act. The board may delegate
its powers and duties to the executive director.

Sec. 10. (a) The board may initiate proceedings under this Act, either on its
own motion or on the complaint of any person, to insure strict compliance with this
Act and [the enforcement of this Act and of] all rules [and regulations] adopted by
the board. The violation of a provision of this Act or a rule [or regulation] of the
board of a person practicing assessing in Texas is a sufficient [reason or] ground
to refuse, suspend, or revoke a [his] registration granted under the terms of this Act.
The board shall adopt rules for the conduct of proceedings under this section. The
rules shall require that [may institute action in its own name against an individual
person to enjoin a violation of a provision of this Act or a rule or regulation of the
board. The board is not required to give an appeal bond in a case arising under
this Act. Prior to the initiation of proceedings for a violation of this Act, a] written
notice [shall] be sent by certified mail at least 20 days before a hearing to every party
[the prospective defendant] stating the nature of the complaint [charge] and the time
and place of the hearing before the board. [The notice shall be mailed at least 20
days before the hearing;]

(b) The board may dismiss without a hearing a complaint involving a

Sec. 11. The following persons shall register with the board:

1. All persons elected or appointed to act as assessors, chief deputies,
assistants, or employees engaged in the practice of assessing for a county,
independent school district, city, municipal water district, navigation district,
or other political subdivision requiring the services of an assessor as set forth by
Chapter 26, Title 1, Tax Code;

2. All chief appraisers, appraisal supervisors and assistants, property tax
appraisers, appraisal engineers, and other persons [employees or any person] with
authority to render judgment on, recommend, or certify appraised values to the
appraisal review board of an appraisal district [review]; [and]

2. The tax assessor-collector, tax collector, or other person designated by the
governing body of a taxing unit as the chief administrator of the unit’s assessment
functions, collections functions, or both; and other persons who perform assessment or collections functions for the unit whom the chief administrator of the unit's tax office requires to register; and

(3) all persons engaged in appraisals of real or personal property for ad valorem tax purposes for an appraisal district or a taxing unit [authority].

Sec. 12. While on official duty, persons [duty] registered and authorized to engage in appraisal, assessment, or collections [the practice of assessing] shall carry a serially numbered identification card [of identification] issued by the board stating the expiration date; if any, of the registration and describing any [the] classification into which the holder is placed for purposes of registration. [The classifications are:

1) registration permit holder, which includes newly elected or newly appointed assessors, tax appraisers, or persons without previous experience as employees of a tax department or in the practice of assessing or appraising for tax purposes, evidenced by an identification card that bears the title "Registration Permit to Practice Assessing in Texas";

2) registered Texas assessor, which class includes persons who have sufficient experience and training to engage in the practice of assessing, and which is evidenced by an identification card describing the holder as a "Registered Texas Assessor" and, for persons initially registered, a letter of confirmation;

3) registered Texas assessor and candidate for certification, which class includes persons engaged in the practice of assessing who are eligible to meet the provisions required for registered Texas assessors and the prerequisites required for candidates described under Section 17 of this Act, in which case the board shall issue a letter listing the achievements of each candidate and a card of identification showing the holder to be a "Registered Texas Assessor and Candidate for Professional Certification";

4) registered professional assessor, which class includes persons engaged in assessing who hold a comparable certificate awarded by a recognized professional association of assessors issued prior to January 1, 1978, and candidates registered after January 1, 1978, under the provisions of this Act, who shall be awarded the title of professional assessor following the completion of all requirements described under Section 18 of this Act to the satisfaction of the board; and to each of these persons, the board shall issue a Certificate for Professional Achievement, a letter testifying to the qualifications required for professional status, and an identification card identifying the person as a "Registered Professional Assessor of Texas."]

Sec. 13. Registrants shall pay to the board an annual fee not to exceed $35 [§25]. The annual registration period expires on December 31 of each year, and registration must [but may] be renewed annually for a period of one year. The board shall determine the amount of the renewal fee for each coming year on or before December 1 of each year and mail renewal notices to all persons registered under [the terms of] this Act on or before that date. A person registered under this Act who fails to pay the annual renewal fee on or before January 31 of each year shall be deleted from the list of persons duly registered [to practice assessing in Texas according to the provisions of this Act]. Persons applying for reinstatement within 30 days shall pay a penalty, not to exceed $25, set by the board. Reinstatement thereafter may be obtained only by a new [shall be denied except on regular] application [and examination by [satisfactory to]] the board. The board may not waive the collection of a fee or penalty described under this Act.

Sec. 14. All [original] applications for registration shall be made on printed forms provided by the board, and applications made otherwise may not be accepted. The board in prescribing the contents of application forms shall ensure that each form requires sufficient information to determine an applicant's proper classification. [Information required on the form shall include the applicant's name; residence address; educational background; work experience; character and
employment references, a recent photograph of the applicant, and other information as the board deems necessary. The form shall be accompanied by the code of ethics. The completed application (and other limitations conditions required by the rules and regulations prescribed by the board) shall be signed [subscribed] and sworn to before a notary public or other person qualified to administer oaths. Initial application for registration shall be accompanied by a processing fee of $50 [$30] which shall be retained by the board without regard to the disposition of the application and the registration fee required by Section 13 of this Act which shall be refunded if the board disapproves the application. The board shall act on all applications within 30 days after they are received by the board [secretary-treasurer]. Applicants approved by the board shall be registered and notified of the requirements for professional certification by the board. Time and place where examination for all classes of registration will be conducted. Applicants shall be allowed a maximum of one year to pass the required examinations for classifications described under Subdivisions (1) and (2). Section 12 of this Act. The maximum time for complying with classifications described under Subdivisions (3) and (4), Section 12 of this Act shall be in accord with the rules and regulations for professional certification prescribed by the board. After notification that all requirements for registration are in compliance with the provisions of this Act, the applicant shall remit the annual registration fee to the secretary-treasurer before he is duly registered to practice assessing.

Sec. 15. An applicant must [qualifying for a registration permit shall] be at least 18 years of age, a resident of the State of Texas, and a person of good moral character and actively engaged in appraisal, assessment, or collection for a taxing unit. The applicant must be a graduate of an accredited high school or establish high school graduation equivalency. When an application is approved, the board shall classify and register the applicant, and inform the applicant of requirements that he must meet to maintain current registration. A registrant in this class shall have favorable recommendations from at least three persons, one of whom is a practicing assessor duly registered under the provisions of this Act. Each shall subscribe the assessors code of ethics and pass an examination for minimum qualifications in accordance with the rules and regulations of the board. 

Sec. 16. The board by rule shall adopt a classification system for registrants and establish minimum requirements for each classification. Requirements must be based on experience in property taxation administration, education and training, professional performance and achievements, and compliance with the code of ethics. A registered Texas assessor shall be at least 18 years of age and a resident of the State of Texas. He shall be a person of good moral character confirmed by at least five persons who have known the applicant for at least three years. In addition, the application for registered Texas assessor shall list at least three persons who can vouch for the applicant's qualifications, one of whom shall be a registered professional assessor. The minimum educational requirement is satisfactory completion of the 12th grade of high school or the equivalent. Registered Texas assessors with birthdates prior to January 1, 1950, may substitute special training and experience for the minimum educational requirement at the discretion of the board. All registered Texas assessors shall subscribe the assessors code of ethics and pass a written examination prepared by the board to confirm the assessor's ability to value and assess property for taxation. Registered Texas assessors shall furnish satisfactory evidence of their work experience and qualification as practicing assessors in compliance with the rules and regulations prescribed by the board. All persons qualifying under this section must within five years from the date of their original registration satisfactorily demonstrate to the board a level of competence.
Sec. 17. (a) The board by rule shall adopt minimum requirements for the certification of registrants. For an employee of a taxing unit's tax office, the requirements for certification shall emphasize, but shall not necessarily be limited to, the areas of responsibility of the registrant in performing his duties for the taxing unit. A candidate for certification shall be engaged in the practice of assessing and qualified to register under Section 16 of this Act and shall:

(1) be recommended by at least three registered professional assessors having knowledge of the applicant's qualifications to become registered as a candidate for certification;

(2) have at least two years of education above the high school level; or have equivalent education and training beyond high school deemed satisfactory by the board;

(3) have at least three years of experience in some phase of assessing or work related to ad valorem taxation, one year of which must be inservice training deemed satisfactory by the board; and

(4) pass an examination conducted by the board for the purpose of testing the applicant's knowledge of fundamental valuation theory and the assessors' code of professional ethics as set forth by the board's rules and regulations.

(b) The rules shall require that:

(1) a person registered as an appraiser attain certification as a registered professional appraiser within five years after his initial registration;

(2) a person registered as an assessor or assessor-collector attain certification as a registered Texas assessor within five years after his initial registration; and

(3) a person registered as a collector attain certification as a registered Texas collector within three years after his initial registration. All persons qualifying under this section must within five years from the date of qualification under Section 17 of this Act satisfactorily demonstrate to the board a level of competence gained through educational achievement and experience to qualify under the requirements of Section 18 of this Act.

Sec. 18. The board may adopt rules:

(1) regarding recertification to assure that all persons certified continue to be duly registered and professionally competent so long as they are active in appraisal, assessment, or collections; and

(2) establishing specialized classifications, designations, and requirements that are necessary to accomplish the purposes of this Act and maintain high standards of professional practice in all phases of property taxation. [All certificates for registered professional assessors shall be issued by the board to persons:

(a) who hold a comparable certificate issued by a recognized professional association of assessors prior to January 1, 1978; or

(b) who are registered candidates authorized by this Act who are at least 25 years of age and have at least 5 years experience in the practice of assessing, 1 year of which must be inservice training meeting requirements set forth by the board and have:

(A) completed the educational training courses required by the board's regulations or furnished evidence of passing grades for related examinations conducted by professional organizations approved by the board;

(B) submitted demonstration appraisals required by the board's regulations; and

(C) passed a written examination conducted by the board to test the candidate's knowledge of real and personal property valuation theory, the three approaches to value, collection, accounting, and general ad valorem tax administration, and an oral examination if the board deems it necessary.
Examinations conducted by the board shall be prepared to test the candidate's knowledge and ability to estimate value by use of the income, cost, and market approaches to value. The candidate shall be tested for knowledge and ability to apply and calculate all forms of depreciation and obsolescence. A candidate must show by examination the ability to estimate value by use of the mass-appraisal concept. The examination shall include general tax administration and test the candidate's knowledge and understanding of the assessor's code of ethics described in the board's rules and regulations.

Sec. 22. No appraisal district board of directors or governing body of a taxing unit (jurisdiction) of this state may, as a necessity for employment, require that an appraiser, assessor, or collector act in an unprofessional manner or commit acts in violation of this Act. A complaint of a violation of this section shall be thoroughly investigated by the board. (A proceeding for a violation shall be conducted according to Section 10 of this Act.)

Sec. 24. (a) A person who is required under Section 11 of this Act to register with the board commits a Class C misdemeanor if he fails to register.

(b) A person commits an offense if he performs an appraisal, assessment, or collections function during a period in which his registration or certification with the board is revoked or suspended. An offense under this subsection is a Class B misdemeanor.

(c) A person may file a complaint concerning the unauthorized practice of appraisal, assessment, or collections under this section with the county attorney of the county where the practice occurred or with the board.

SECTION 2. Sections 19, 20, 23, and 24A, The Texas Assessors Registration and Professional Certification Act (Article 7244b, Vernon's Texas Civil Statutes), are repealed.

SECTION 3. (a) The name of the Board of Tax Assessor Examiners is changed to the Board of Tax Professional Examiners, and its members serve as members of the Board of Tax Professional Examiners for the terms to which each was appointed to serve on the Board of Tax Assessor Examiners. All books, records, property, and personnel of the Board of Tax Assessor Examiners are transferred to the Board of Tax Professional Examiners.

(b) All forms, rules, procedures, and actions adopted by the Board of Tax Assessor Examiners are valid and continued in effect until modified or revoked by the Board of Tax Professional Examiners.

(c) The change in law made by this Act to Section 24, The Texas Assessors Registration and Certification Act (Article 7244b, Vernon's Texas Civil Statutes), applies only to an offense committed on or after the effective date of this Act. For purposes of this subsection, an offense is committed before the effective date of this Act if any element of the offense occurs before the effective date.

(d) The increase in the processing fee made by the amendment by this Act of Section 14, The Texas Assessors Registration and Professional Certification Act (Article 7244b, Vernon's Texas Civil Statutes), does not apply to an application filed before the effective date of this Act. The processing fee for an application filed before the effective date of this Act is the fee in effect when the application was filed.

SECTION 4. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 1983.

(b) The Board of Tax Assessor Examiners may adopt rules and forms before September 1, 1983, to be effective on and after September 1, 1983, under the law as amended by this Act, and may make other reasonable preparations before the effective date of this Act in anticipation of the effective date.

SECTION 5. The importance of this legislation 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 this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

CSHB 2031 was read second time and was passed to engrossment. (Bush recorded voting no)

HR 399 - ADOPTED

Representative Delco moved that all necessary rules be suspended to take up and consider at this time, HR 399.

The motion prevailed without objection.

The chair laid before the house the following resolution:

By Delco:

HR 399, Congratulating Charlotte Weiss.

The resolution was adopted without objection.

HB 2446 - PERMISSION TO INTRODUCE

Representative Bush moved to suspend the constitutional rule for permission to introduce and have placed on first reading HB 2446.

The motion prevailed by (Record 390): 110 Yeas, 0 Nays, 1 Present, not voting.

Yea - Armbrister; Barrientos; Barton, B.; Barton, E.; Blanton; Buchanan; Burnett; Bush; Carriker; Cavazos; Ceverha; Clark; Clemons; Colbert; Collazo; Connelly; Craddick; Criss; Crockett; Danburg; Davis; Delco; Denton; Eckels; Edwards; English; Evans, C.; Evans, L.; Finnell; Fox; Gamez; Gandy; Garcia, A.; Garcia, M.; Gibson, B.; Gibson, J.; Glossbrenner; Grisham; Hackney; Haley(C); Hall, L.; Hall, T.; Hanna; Harrison, D.; Harrison, W.; Hoflin; Hightower; Hilbert; Hill, G.; Hill, P.; Horn; Hudson, D.; Hudson, S.; Huy; Jackson; Kemp; Khoury; Kubiak; Kueempel; Lane; Lee, D.; Lee, E. F.; Leonard; Luna; McKenna; McWilliams; Madla; Mankins; Martinez, R.; Martinez, W.; Messer; Moreno, A.; Parker; Patrick; Patronella; Patterson; Pennington; Peveto; Pierce; Polk; Polumbo; Presnal; Price; Ragsdale; Rangel; Robnett; Rudd; Russell; Saunders; Schlueter; Schoolcraft; Shea; Short; Simpson; Smith, A.; Smith, C.; Sutton; Tejeda; Thompson, G.; Toomey; Tow; Turner; Uher; Valles; Wallace; Watson; Whaley; Wilson; Wolens; Word.

Present, not voting — Mr. Speaker.

Absent, Excused — Cain; Coody; DeLay; Gavin; Gilley; Green; Hall, W.; Hernandez; Hill, A.; Hinojosa; Jones; Robinson; Salinas; Shaw; Staniswalis; Vowell; Wieting; Wilks; Wright.

Absent — Agnich; Arnold; Berlanga; Bomer; Cary; Eikenburg; Emmett; Geistweidt; Granoff; Hammond; Hollowell; Keller; Millsap; Moreno, P.; Oliveira; Oliver; Smith, T.; Stiles; Thompson, S.; Waldrop.

(Speaker in the chair)

RESOLUTIONS REFERRED TO COMMITTEES

The following resolutions were laid before the house and referred to committees:
By Crockett:

**HCR 249** (May 13, 1983), Declaring George Washington Arnold an Honorary Native Texan.  
To Committee on Rules and Resolutions.

By Uher:

**HCR 250** (May 13, 1983), Granting Big Train Carpets of El Campo, Inc., permission to sue the state.  
To Committee on Judicial Affairs.

By Schoolcraft:

**HCR 251** (May 13, 1983), Granting Shafer Plumbing and Heating, Inc., permission to sue the state.  
To Committee on Judicial Affairs.

By A. Smith:

**HCR 252** (May 13, 1983), Commending Clara W. Bewie.  
To Committee on Rules and Resolutions.

By S. Hudson:

**HR 386** (May 13, 1983), Congratulating Mary Cross Johnson.  
To Committee on Rules and Resolutions.

By D. Lee:

**HR 387** (May 13, 1983), Congratulating Mr. and Mrs. J. L. Head.  
To Committee on Rules and Resolutions.

By D. Lee:

**HR 388** (May 13, 1983), Extending birthday wishes to Mr. J. L. Head.  
To Committee on Rules and Resolutions.

By T. Smith:

**HR 389** (May 13, 1983), Congratulating the Westlake High School Band.  
To Committee on Rules and Resolutions.

By T. Smith:

**HR 390** (May 13, 1983), Recognizing the month of May as “Arthritis Month” in Texas.  
To Committee on Rules and Resolutions.

By G. Hill:

**HR 391** (May 13, 1983), Congratulating the Westwood High School girls’ soccer team.  
To Committee on Rules and Resolutions.

By Cary:

**HR 394** (May 13, 1983), Congratulating the Polytechnic High School girls’ track team.  
To Committee on Rules and Resolutions.

**SCR 98** (May 13, 1983), Establishing an interagency Autism Task Force.  
To Committee on Public Health.

**SCR 104** (May 13, 1983), Creating a select interim committee to study the options available for long-distance telecommunications services for the State of Texas.  
To Committee on State Affairs.

To Committee on Rules and Resolutions.

**HOUSE BILLS ON FIRST READING**

The following house bills were today laid before the house, read first time and referred to committees:
By Collazo:
HB 2445, A bill to be entitled An Act relating to the creation of the County Court of Jefferson County at Law No. 4.
To Committee on Judiciary.

By Bush:
HB 2446, A bill to be entitled An Act relating to electric utility energy efficiency programs and incentives.
To Committee on State Affairs.

SENATE BILLS ON FIRST READING
The following senate bills were today laid before the house, read first time and referred to committees:
SB 870 to Committee on Natural Resources.
SB 855 to Committee on Natural Resources.
SB 810 to Committee on Public Health.
SB 776 to Committee on Insurance.
SB 775 to Committee on Insurance.
SB 772 to Committee on State Affairs.
SB 742 to Committee on Criminal Jurisprudence.
SB 668 to Committee on Business and Commerce.
SB 649 to Committee on Urban Affairs.
SB 647 to Committee on Criminal Jurisprudence.
SB 627 to Committee on Criminal Jurisprudence.
SB 620 to Committee on Higher Education.
SB 45 to Committee on Judiciary.
SB 564 to Committee on Judicial Affairs.
SB 538 to Committee on State Affairs.
SB 46 to Committee on Liquor Regulation.
SB 488 to Committee on Financial Institutions.
SB 317 to Committee on Natural Resources.
SB 515 to Committee on Insurance.
SB 572 to Committee on Higher Education.
SB 651 to Committee on State Affairs.
SB 1381 to Committee on Natural Resources.
SB 1371 to Committee on County Affairs.
SB 1335 to Committee on Judicial Affairs.
SB 1334 to Committee on Judicial Affairs.
SB 1283 to Committee on Natural Resources.
SB 1281 to Committee on Judicial Affairs.
SB 1225 to Committee on County Affairs.
SB 1215 to Committee on Urban Affairs.
SB 1402 to Committee on County Affairs.
SB 1401 to Committee on State Affairs.
SB 1386 to Committee on Natural Resources.
SB 1384 to Committee on Natural Resources.
SB 1383 to Committee on Natural Resources.
SB 1382 to Committee on Natural Resources.
SB 1167 to Committee on State Affairs.
SB 1314 to Committee on State Affairs.
SB 1312 to Committee on Judicial Affairs.
SB 1359 to Committee on County Affairs.
SB 1023 to Committee on Environmental Affairs.
SB 1075 to Committee on Natural Resources.
SB 1194 to Committee on County Affairs.
SB 1083 to Committee on Judicial Affairs.
SB 1000 to Committee on Environmental Affairs.
SB 963 to Committee on County Affairs.
SB 943 to Committee on Natural Resources.
SB 927 to Committee on Insurance.
SB 925 to Committee on Business and Commerce.
SB 921 to Committee on Business and Commerce.
SB 880 to Committee on Judicial Affairs.

HB 1234 - MOTION TO SUSPEND RULES

Representative Wilson moved to suspend Rule 7, Section 37 of the House Rules on consideration of HB 1234.

A record vote was requested.

The motion was lost by (Record 391): 46 Yeas, 64 Nays, 2 Present, not voting.

Yeas — Barrientos; Barton, B.; Barton, E.; Cavazos; Clemens; Colbert; Crockett; Danburg; Delco; Denton; Edwards; English; Evans, L.; Gamez; Gandy; Garcia, A.; Garcia, M.; Glossbrenner; Granoff; Hackney; Hall, T.; Hill, G.; Hudson, S.; Hury; Kemp; Laney; Lee, E. F.; Luna; Madla; Martinez, R.; Martinez, W.; Moreno, A.; Moreno, P.; Oliveira; Oliver; Patronella; Peveto; Polk; Price; Ragsdale; Rangel; Sutton; Tejeda; Wallace; Watson; Wilson.

Nays — Agnich; Armbrister; Arnold; Blanton; Buchanan; Bush; Ceverha; Connelly; Craddick; Davis; Eckels; Eikenburg; Evans, C.; Finnell; Fox; Geistweidt; Gibson, B.; Gibson, J.; Grisham; Hall, L.; Hammond; Hanna; Harrison, D.; Harrison, W.; Heflin; Hild; Hill, P.; Hollowell; Horn; Hudson, D.; Keller;
Kubiak; Kuempel; Lee, D.; Leonard; McKenna; McWilliams; Mankins; Messer; Patrick; Patterson; Pennington; Pierce; Polumbo; Presnal; Robnett; Russell; Saunders; Schlueer; Schoolcraft; Shea; Short; Simpson; Smith A.; Smith, C.; Smith, T.; Thompson, G.; Toomey; Tow; Turner; Uher; Valles; Wolens; Word.

Present, not voting — Mr. Speaker; Haley(C).

Absent, Excused — Cain; Coody; DeLay; Gavin; Gilley; Green; Hall, W.; Hernandez; Hill, A.; Hinojosa; Jones; Robinson; Salinas; Shaw; Staniswalis; Vowell; Wieting; Willis; Wright.

Absent — Berlanga; Bomert; Burnett; Carriker; Cary; Clark; Collazo; Criss; Emmett; Hightower; Jackson; Khoury; Millsap; Parker; Rudd; Stiles; Thompson, S.; Waldrop; Whaley.

RULES SUSPENDED

Representative G. Thompson moved to suspend the 5-day posting rule to allow the Committee on County Affairs to consider HB 2435, HB 2439, HB 2440, HB 2441, HB 2443, HCR 247, and SB 963.

The motion prevailed without objection.

RULES SUSPENDED

Representative Haley moved to suspend the 5-day posting rule to allow the Committee on Public Education to consider SCR 15, HJR 114, HB 2389, and SB 26.

The motion prevailed without objection.

HCR 250 - RULES SUSPENDED

Representative Tejeda moved to suspend the 5-day posting rule to allow the Committee on Judicial Affairs to consider HCR 250.

The motion prevailed without objection.

RULES SUSPENDED

Representative Finnell moved to suspend the 5-day posting rule to allow the Committee on Retirement and Aging to consider SB 768, SB 656, and HB 2208.

The motion prevailed without objection.

RULES SUSPENDED

Representative Jackson moved to suspend the 5-day posting rule to allow the Committee on Business and Commerce to consider SB 342, SB 668, SB 925, and SB 921 on Tuesday, May 17.

The motion prevailed without objection.

HB 1052 AND HJR 61 - RULES SUSPENDED

Representative Tejeda moved to suspend the 48-hour subcommittee report rule to allow the Committee on Judicial Affairs to consider HB 1052 and HJR 61.

The motion prevailed without objection.

COMMITTEE MEETING ANNOUNCEMENTS

The following committee meetings were announced:

Public Health, Subcommittee on HB 1047, on adjournment today, Desk 113, to consider HB 1047.
Natural Resources, Subcommittee on HB 694, on adjournment today, Desk 41, to consider HB 694.

Natural Resources, Subcommittee on HB 508, on adjournment today, Desk 41, to consider HB 508.

Cultural and Historical Resources, Subcommittee on HB 443, on adjournment today, Desk 19, to consider HB 443.

Conference Committee on HJR 19, 9 a.m., next Monday, Old Supreme Court room, to consider HJR 19.

Criminal Jurisprudence, Subcommittee on HB 1355, on adjournment today, Desk 4, to consider HB 1355.

Urban Affairs, on adjournment today, speakers' committee room.

Judicial Affairs, on adjournment today, Desk 102, to consider HB 1052 and HJR 61.

Judicial Affairs, Subcommittee on HB 1433, on adjournment today, Desk 102, to consider HB 1433.

State Affairs, Subcommittee on HB 1297, 9:55 a.m., next Monday, Room 100E, Reagan Building, to consider HB 1297.

ADJOURNMENT

Representative Agnich moved that the house adjourn until 2 p.m. Monday.

The motion prevailed without objection.

The house accordingly, at 5:11 p.m., adjourned until 2 p.m. Monday.

APPENDIX

STANDING COMMITTEE REPORTS

Favorable reports have been filed by committees on bills and resolutions, as follows:

Appropriations - HB 875, HB 2062, SB 567

Business and Commerce - HB 1142, HB 1651, HB 2363, SB 311, SB 318, SB 835, SB 1006, SB 1025, SB 1102

County Affairs - HB 1586, HB 1948, HB 2337, HB 2393, SB 547

Criminal Jurisprudence - HB 1289, HB 2237, SB 160, SB 563

Elections - HB 1562, HB 1890, HB 2356, HJR 101

Energy - SB 360

Environmental Affairs - SB 325, SB 808, SB 834, SB 1022

Higher Education - HB 1528

Human Services - HB 1976, SCR 82, SCR 83, SCR 84, SCR 85, SCR 86, SCR 87

Insurance - SB 352

Judicial Affairs - HB 2364, HB 2433
Law Enforcement - HB 1374, HB 1900, HCR 106, SB 710, SB 910, SCR 88

Natural Resources - HB 2416, HB 2417, HB 2418, HB 2419, HB 2420, HB 2421, HB 2422, SB 1261

Public Education - SB 336

Public Health - HB 436, HB 1791

State Affairs - HB 388

Transportation - HB 1241, HB 2044, SB 154, SB 654, SB 765

COAUTHORS AUTHORIZED

The following members were granted permission by the authors to sign bills and a resolution as coauthors:

HB 577 - D. Hudson

HB 1726 - Staniswalis

HB 1769 - Granoff

HCR 241 - Bush