SECTION 2. Chapter 242, Local Government Code, is amended by adding Section 242.003 to read as follows:

Sec. 242.003. AUTHORITY OF CERTAIN BORDER COUNTIES AND MUNICIPALITIES TO REGULATE SUBDIVISIONS IN EXTRATERRITORIAL JURISDICTION BY AGREEMENT. (a) This section applies only to a county having a population of more than 800,000 and located on the international border and a municipality that has extraterritorial jurisdiction, as defined by Section 212.001, in that county.

(b) A county and a municipality may enter into an agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction of the municipality in a manner consistent with Section 242.001(d). The county and the municipality shall adopt the agreement by order, ordinance, or resolution.

(c) The agreement must be amended by the county and the municipality if necessary to take into account an expansion or reduction in the extraterritorial jurisdiction of the municipality. The municipality shall notify the county of any expansion or reduction in the municipality’s extraterritorial jurisdiction. Any expansion or reduction in the municipality’s extraterritorial jurisdiction that affects property that is subject to a preliminary or final plat, a plat application, or an application for a related permit filed with the municipality or the county or that was previously approved under Section 212.009 or Chapter 232 does not affect any rights accrued under Chapter 245. The approval of the plat, any plat application, or an application for a related permit remains effective as provided by Chapter 245 regardless of the change in designation as extraterritorial jurisdiction of the municipality.

(d) In an unincorporated area outside the extraterritorial jurisdiction of a municipality, the municipality may not regulate subdivisions or approve the filing of plats, except as provided by Chapter 791, Government Code.

(e) Property subject to pending approval of a preliminary or final plat is governed by Section 242.001(i).

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Passed by the House on April 25, 2013: Yeas 136, Nays 0, 2 present, not voting; passed by the Senate on May 20, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective June 14, 2013.

CHAPTER 972

H.B. No. 1971

AN ACT

relating to a pilot program conducted by the Department of Aging and Disability Services to authorize certain accreditation surveys of assisted living facilities.

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

SECTION 1. Subchapter B, Chapter 247, Health and Safety Code, is amended by adding Section 247.033 to read as follows:

Sec. 247.033. ACCREDITATION SURVEY PILOT PROGRAM. (a) The department may develop and implement a pilot program to authorize the use of an accreditation survey that complies with Section 247.032(b) to fulfill the requirements for a life and safety code survey or inspection or another survey or inspection required by this subchapter. If the department implements the pilot program, the department may implement the pilot program with the goal that not later than August 31, 2014, at least one assisted living facility will
have used an accreditation survey for the purposes of this section. The accreditation commission’s standards must meet or exceed the assisted living facility licensing requirements established by the executive commissioner of the Health and Human Services Commission as required by Section 247.032(b)(1).

(b) This section expires September 1, 2015.

SECTION 2. This Act takes effect September 1, 2013.

Passed by the House on May 2, 2013: Yeas 145, Nays 2, 2 present, not voting; passed by the Senate on May 20, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 973

H.B. No. 1979

AN ACT

relating to interest on commercial loans.

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

SECTION 1. Section 306.002, Finance Code, is amended by adding Subsection (c) to read as follows:

(c) The provisions of this chapter providing authorizations with respect to certain transactions do not affect or negatively impact any rules of law applicable either to other transactions subject to this chapter or to any transactions not subject to this chapter.

SECTION 2. Section 306.003, Finance Code, is amended to read as follows:

Sec. 306.003. COMPUTATION OF LOAN TERMS [TERM]. (a) In addition to any other method otherwise permitted under this title, a creditor and an obligor may agree to compute an annual interest rate on a commercial loan on a 365/360 basis or a 366/360 basis, as applicable, determined by applying the ratio of the percentage annual interest rate agreed to by the parties over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. A creditor and an obligor may also agree to compute the term and rate of a commercial loan based on a 360-day year consisting of 12 30-day months. Each interest rate ceiling under Chapters 302 and 303 expressed as a rate per year may mean a rate per year computed in accordance with this section (consisting of 360 days and of 12 30-day months).

(b) A creditor and an obligor may agree that one or more payments of interest due or that are scheduled to be due with respect to a commercial loan may be paid on a periodic basis when due wholly or partly by adding to the principal balance of the loan the amount of unpaid interest due or scheduled to be due, regardless of whether the interest added to the principal balance is evidenced by an existing or a separate promissory note or other agreement. On and after the date an amount of interest is added to the principal balance under this subsection, that amount no longer constitutes interest, but instead constitutes part of the principal for purposes of calculating the maximum lawful rate or amount of interest on the loan.

SECTION 3. The changes in law made by this Act apply only to a loan agreement entered into on or after the effective date of this Act. A loan agreement entered into before the effective date of this Act is governed by the law in effect on the date the agreement was entered into, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2013.

Passed by the House on April 18, 2013: Yeas 141, Nays 2, 2 present, not voting; passed by the Senate on May 20, 2013: Yeas 31, Nays 0.