acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the account then prevailing, taking into consideration the investment of all the assets of the account rather than a single investment.

(i) The amount of a distribution shall be determined by the comptroller in a manner intended to provide a stable and predictable stream of annual distributions and to maintain over time the purchasing power of account investments and annual distributions from the account. If the purchasing power of account investments for any 10-year period is not preserved, the comptroller may not increase annual distributions from the account until the purchasing power of account investments is restored.

(j) An annual distribution made by the comptroller from the account during a fiscal year may not exceed an amount equal to seven percent of the average net fair market value of the investment assets of the account as determined by the comptroller.

(k) The expenses of managing account investments shall be paid from the account.

(l) On request, the comptroller shall fully disclose all details concerning the investments of the account.

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

Passed the Senate on April 16, 2013: Yeas 29, Nays 0; May 13, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 14, 2013, House granted request of the Senate; May 23, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0; passed the House, with amendments, on May 3, 2013: Yeas 146, Nays 0, one present not voting; May 14, 2013, House granted request of the Senate for appointment of Conference Committee; May 17, 2013, House adopted Conference Committee Report by the following vote: Yeas 135, Nays 0, two present not voting.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 1219

S.B. No. 1553

AN ACT

relating to the Homes for Texas Heroes home loan program.

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

SECTION 1. Subsection (b), Section 1372.025, Government Code, is amended to read as follows:

(b) Subsection (a) does not apply to qualified mortgage bonds or qualified residential rental project bonds made available exclusively to the Texas Department of Housing and Community Affairs under Section 1372.023 or the Texas State Affordable Housing Corporation under Section 1372.023(1) [Sections 1372.021 and 1372.022].

SECTION 2. Subsections (a) and (b), Section 2306.553, Government Code, are amended to read as follows:

(a) The public purpose of the corporation is to perform activities and services that the corporation's board of directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing primarily for individuals and families of low, very low, and extremely low income and for persons who are eligible for loans under the home loan program [program] provided by Section [Sections 2306.562 and 2306.5621]. The activities and services shall include engaging in mortgage banking activities and lending transactions and acquiring, holding, selling, or leasing real or personal property.

(b) The corporation's primary public purpose is to facilitate the provision of housing by issuing qualified 501(c)(3) bonds and qualified residential rental project bonds and by making affordable loans to individuals and families of low, very low, and extremely low income and to
persons who are eligible for loans under the home loan program provided by Section 2306.562 and 2306.5621. The corporation may make first lien, single family purchase money mortgage loans for single family homes only to individuals and families of low, very low, and extremely low income if the individual’s or family’s household income is not more than the greater of 60 percent of the median income for the state, as defined by the United States Department of Housing and Urban Development, or 60 percent of the area median family income, adjusted for family size, as defined by that department. The corporation may make loans for multifamily developments if:

(1) at least 40 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 60 percent of the median family income, adjusted for family size; or

(2) at least 20 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 50 percent of the median family income, adjusted for family size.

SECTION 3. The heading to Section 2306.5621, Government Code, is amended to read as follows:

Sec. 2306.5621. HOMES FOR TEXAS HEROES [FIRE FIGHTER, LAW ENFORCEMENT OR SECURITY OFFICER, AND EMERGENCY MEDICAL SERVICES PERSONNEL] HOME LOAN PROGRAM.

SECTION 4. Subsection (a), Section 2306.5621, Government Code, is amended by amending Subdivisions (2) and (5) and adding Subdivisions (10) through (16) to read as follows:

(2) “Home” means a dwelling in this state in which a fire fighter, corrections officer, county jailer, public security officer, peace officer, professional educator, veteran, or person defined as emergency medical services personnel under this section intends to reside as the borrower’s principal residence.

(5) “Program” means the Homes for Texas Heroes [fire fighter, law enforcement or security officer, and emergency medical services personnel] home loan program.

(10) “Veteran” has the meaning assigned by Section 161.001, Natural Resources Code.

(11) “Allied health program faculty member” means a full-time member of the faculty of an undergraduate or graduate allied health program of a public or private institution of higher education in this state.

(12) “Graduate allied health program” means a postbaccalaureate certificate or master’s or doctoral degree program in an allied health profession that is accredited by an accrediting entity recognized by the United States Department of Education.

(13) “Graduate professional nursing program” and “undergraduate professional nursing program” have the meanings assigned by Section 54.355, Education Code.

(14) “Professional educator” means a classroom teacher, full-time paid teacher’s aide, full-time librarian, full-time counselor certified under Subchapter B, Chapter 21, Education Code, full-time school nurse, or allied health or professional nursing program faculty member.

(15) “Professional nursing program faculty member” means a full-time member of the faculty of either an undergraduate or graduate professional nursing program.

(16) “Undergraduate allied health program” means an undergraduate degree or certificate program that:

(A) prepares students for licensure, certification, or registration in an allied health profession; and

(B) is accredited by an accrediting entity recognized by the United States Department of Education.

SECTION 5. Section 2306.5621, Government Code, is amended by amending Subsections (b), (c), (d), (f), (h), and (h–i) and adding Subsection (d–1) to read as follows:

(b) The corporation shall establish a program to provide eligible fire fighters, corrections officers, county jailers, public security officers, peace officers, [and] emergency medical services personnel, professional educators, and veterans with low-interest home mortgage loans.
To be eligible for a loan under this section, at the time a person files an application for the loan, the person must:

1. be a:
   a. fire fighter, corrections officer, county jailer, public security officer, peace officer, veteran, or person defined as emergency medical services personnel under this section;
   or
   b. professional educator who is employed by a school district or is an allied health or professional nursing program faculty member in this state;
2. reside in this state; and
3. have an income of not more than 115 percent of area median family income, adjusted for family size, or the maximum amount permitted by Section 143(f), Internal Revenue Code of 1986, whichever is greater.

The corporation may contract with other agencies of the state or with private entities to determine whether applicants qualify as fire fighters, corrections officers, county jailers, public security officers, peace officers, professional educators, or veterans under this section or otherwise to administer all or part of this section.

The corporation may contract with the Texas Veterans Commission to provide other housing assistance to veterans receiving loans under this section.

The board of directors of the corporation shall adopt rules governing:

1. the administration of the program;
2. the making of loans under the program;
3. the criteria for approving mortgage lenders;
4. the use of insurance on the loans and the homes financed under the program, as considered appropriate by the board to provide additional security for the loans;
5. the verification of occupancy of the home by the fire fighter, corrections officer, county jailer, public security officer, peace officer, professional educator, veteran, or person defined as emergency medical services personnel as the borrower's principal residence; and
6. the terms of any contract made with any mortgage lender for processing, originating, servicing, or administering the loans.

In addition to funds set aside for the program under Section 1372.0222, the corporation may solicit and accept funding for the program from the following sources:

1. gifts and grants for the purposes of this section;
2. available money in the housing trust fund established under Section 2306.201, to the extent available to the corporation;
3. federal block grants that may be used for the purposes of this section, to the extent available to the corporation;
4. other state or federal programs that provide money that may be used for the purposes of this section; and
5. amounts received by the corporation in repayment of loans made under this section.

To fund home mortgage loans for eligible fire fighters, corrections officers, county jailers, public security officers, peace officers, professional educators, and veterans under this section, the corporation may use any proceeds received from the sale of bonds, notes, or other obligations issued under the home loan program provided by this section, regardless of any amendments to the eligibility standards for loans made under the program and regardless of when the corporation received the proceeds from those bonds, notes, or other obligations issued under the program.

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 the Senate on April 25, 2013: Yeas 30, Nays 0; passed the House on May 22, 2013: Yeas 145, Nays 3, two present not voting.

Approved June 14, 2013.

Effective June 14, 2013.

CHAPTER 1220

S.B. No. 1557

AN ACT

relating to business and nonprofit organization participation in supporting early college high schools.

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

SECTION 1. Section 29.908, Education Code, is amended by amending Subsections (c) and (d) and adding Subsections (e), (f), and (g) to read as follows:

(c) A student participating in the program is entitled to the benefits of the Foundation School Program in proportion to the amount of time spent by the student on high school courses, in accordance with rules adopted by the commissioner, while completing the course of study established by the applicable articulation agreement under Subsection (b)(3).

(d) The commissioner may accept gifts, grants, and donations from any source, including private and nonprofit organizations. Private and nonprofit organizations that contribute to the fund shall receive an award under Section 7.113[], to pay any costs not covered by the student’s Foundation School Program benefits.

(e) The commissioner shall collaborate with the Texas Workforce Commission and the Texas Higher Education Coordinating Board to develop and implement a strategic plan to enhance private industry participation under this section. The plan must include:

1. strategies to increase private industry participation; and
2. incentives for businesses and nonprofit organizations that choose to make donations and work with high schools that participate in a program under this section to maximize job placement opportunities for program graduates.

(f) Not later than December 1, 2014, the commissioner shall provide a report that summarizes the strategic plan developed under Subsection (e) to the lieutenant governor, the speaker of the house of representatives, the governor, the Texas Workforce Commission, and the Texas Higher Education Coordinating Board. The Texas Education Agency, the Texas Workforce Commission, and the Texas Higher Education Coordinating Board shall each make the report available on the respective agency’s Internet website.

(g) The commissioner may adopt rules as necessary to administer the program. The rules may provide for giving preference in receiving program benefits to a student who is in the first generation of the student’s family to attend college and may establish other distinctions or criteria based on student need. The commissioner shall consult the Texas Higher Education Coordinating Board in administering the program. The Texas Higher Education Coordinating Board may adopt rules as necessary to exercise its powers and duties under this section. The P-16 Council may make recommendations, including recommendations for rules, concerning administration of the program.

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

Passed the Senate on May 2, 2013: Yeas 31, Nays 0; passed the House on May 22, 2013: Yeas 148, Nays 0, two present not voting.

Approved June 14, 2013.

Effective September 1, 2013.