public junior colleges;
(3) private or independent institutions of higher education; and
(4) career schools or colleges.

(d) In selecting postsecondary educational institutions to participate in the pilot program, the board shall give priority to institutions that have a three-year cohort student loan default rate, as reported by the United States Department of Education:

(1) of more than 20 percent; or
(2) that has above average growth as compared to the rates of other postsecondary educational institutions in this state.

(e) The board, in consultation with postsecondary educational institutions, shall adopt rules for the administration of the pilot program, including rules governing the selection of postsecondary educational institutions to participate in the pilot program consistent with the requirements of Subsection (d).

(f) The board may contract with one or more entities to administer the pilot program according to criteria established by board rule.

(g) Not later than January 1 of each year, beginning in 2016:

(1) the board shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives regarding the outcomes of the pilot program, as reflected in the federal student loan default rates reported for the participating institutions; and
(2) each participating institution shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives regarding the outcomes of the pilot program at the institution, as reflected in the federal student loan default rate reported for the institution.

(h) This section expires December 31, 2020.

SECTION 2. The Texas Higher Education Coordinating Board shall adopt rules for the administration of Section 61.0763, Education Code, as added by this Act, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

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 the Senate on March 27, 2013: Yeas 30, Nays 0; passed the House on May 22, 2013: Yeas 137, Nays 11, two present not voting.

Approved June 14, 2013.
Effective June 14, 2013.

CHAPTER 562

S.B. No. 697

AN ACT
relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license.

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

SECTION 1. Section 981.203, Insurance Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a)(1)(B), an individual is not required to obtain a general property and casualty agent license to hold a surplus lines agent license if:

(1) the home state of each insured is Texas;

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(2) the individual is a nonresident of this state;
(3) the individual is licensed as a surplus lines agent in the individual's state of residence;
(4) the individual is not required by the individual's state of residence to hold a general property and casualty agent license to become licensed as a surplus lines agent;
(5) the individual has provided information acceptable to the commissioner that the individual's state of residence does not require a general property and casualty agent license for a surplus lines agent license;
(6) the individual's state of residence does not require a surplus lines agent to search for the availability of insurance in the individual's state of residence before the insurance is placed through a surplus lines agent;
(7) the individual's state of residence allows a licensed general property and casualty agent to search for the availability of insurance in the individual's state of residence before the insurance is placed through a surplus lines agent;
(8) the individual has a professional relationship with, and each transaction is conducted through, a person who:
   (A) is a licensed general property and casualty agent in this state or in the state of each transaction; and
   (B) searches for the availability of insurance in this state before the insurance is placed through a surplus lines agent; and
(9) each transaction complies with the laws of the state in which it occurs.

SECTION 2. The change in law made by this Act applies to a license application submitted on or after the effective date of this Act. A license application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect January 1, 2014.

Passed the Senate on March 27, 2013: Yeas 30, Nays 0; the Senate concurred in House amendment on May 22, 2013: Yeas 31, Nays 0; passed the House, with amendment, on May 17, 2013: Yeas 134, Nays 0, two present not voting.

Approved June 14, 2013.
Effective January 1, 2014.

CHAPTER 563

S.B. No. 699

AN ACT
relating to the contents of an assumed name certificate filed by certain businesses or professionals.

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

SECTION 1. Section 71.102, Business & Commerce Code, is amended to read as follows:

Sec. 71.102. CONTENTS OF CERTIFICATE. The certificate must state:
(1) the assumed name under which the business is or is to be conducted or the professional service is or is to be rendered;
(2) the registrant's name as stated in the registrant's certificate of formation or application filed with the office of the secretary of state or other comparable document;
(3) the state, country, or other jurisdiction under the laws of which the registrant was incorporated or organized [and the registrant's registered or similar office address in that state, country, or jurisdiction];
(4) the period, not to exceed 10 years, during which the registrant will use the assumed name;
(5) a statement specifying that the registrant is: