Acknowledgements

The Senate Research Center publishes the *Highlights of the Texas Legislature: A Summary of Enrolled Legislation* after each regular session of the Texas Legislature in order to centralize information relating to enrolled legislation.

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**Volume II**

**Local Government—General**

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**Exercise of Urban Renewal Powers by Certain Counties—H.B. 139**  
*by Representative Raymond—Senate Sponsor: Senators Zaffirini and Rodríguez*

Revitalization efforts can lead to increased economic development and better quality of life in blighted areas. Certain areas of the state are plagued by social, physical, and economic problems that could be mitigated by such efforts. This bill:

Authorizes a county with a population of more than 250,000 and located along an international border or a county with a population of more than 1.3 million to exercise the powers provided for municipalities under the Urban Renewal in Municipalities chapter of the Local Government Code with respect to areas of the county that are not within the corporate boundaries of a municipality.

Authorizes a county with a population of more than 250,000 and located along an international border to exercise the powers provided for municipalities under this chapter with respect to areas of the county located within the corporate boundaries of a municipality, if the municipality approves the county's participation in an urban renewal project through an interlocal agreement.

**Advertisements on Leased County Vehicles—H.B. 477**  
*by Representative Harper-Brown—Senate Sponsor: Senator Taylor*

Under current law, the commissioners court of a county may adopt a procedure by which the county may lease advertising space in or on a county-owned building, on a county-owned vehicle, or on an official county website. However, some counties lease vehicles for public transit purposes and state law does not permit a county to lease advertising space on a vehicle that the county does not own. This bill:

Authorizes the commissioners court of a county to adopt a procedure by which the county is authorized to lease to another entity advertising space in certain locations, including on a vehicle leased by the county, with the vehicle owner’s consent.

Requires that the procedure include a requirement that the county publish, before a sale or lease of advertising space is made, a notice of its intent to sell or lease the advertising space and sets forth the required manner of distribution and content of the notice.

**Providing Notice of Certain Proposed Municipal Zoning Changes to a School District—H.B. 674**  
*by Representative Ratliff—Senate Sponsor: Senator Carona*

Current law requires that, before a city's zoning commission holds a public hearing to re-zone a property, notification must be sent to property owners located near the property with a proposed zoning change. However, school districts do not have to be notified of proposed zoning changes. This bill:

Requires that written notice of each public hearing before the zoning commission on a proposed change in a zoning classification affecting residential or multifamily zoning, before the 10th day before the hearing date, be sent to each school district in which the property for which the change in classification is proposed is located.
Authorizes the notice to be served by its deposit in the municipality, properly addressed with postage paid, in the United States mail.

Exempts a municipality the majority of which is located in a county with a population of 100,000 or less from the written notice requirement unless requested by a school district that has territory in the municipality.

Requires a municipality the majority of which is located in a county with a population of 100,000 or less and that has received a request for notices by a school district that has territory in the municipality to give notice of each public hearing held following the request to the requesting school district unless the school district request that no further notices be given.

**Maintaining Fire-fighting Equipment Furnished to a Volunteer Fire Department—H.B. 712**

*by Representative Murphy—Senate Sponsor: Senator Patrick*

Current state law authorizes certain counties to provide fire-fighting equipment to volunteer fire departments and municipalities that petition to receive the equipment but requires a county providing such equipment to keep the equipment in good working order. This bill:

Requires the petitioner, rather than the county, to keep the fire-fighting equipment in good working order, make all necessary repairs or replacements, and provide labor and materials for repairs.

Removes the requirement that the commissioners court determine if a repair or replacement is necessary and requires that repair work, including labor and materials, be provided as much as possible by the court's shops that it designates.

**Regulation of Game Rooms by Certain Counties—H.B. 1127**

*by Representatives Smith et al.—Senate Sponsor: Senator Patrick*

Some amusement redemption machine operators have changed their business model by restricting access to allow only members or known referrals. This practice makes it more difficult to investigate illegal operations of the machines. This bill:

Defines "amusement redemption machine," "game room," "game room owner," and "operator."

Authorizes the commissioners court of a county to regulate the operation of game rooms and to restrict the location of game rooms to specified areas of the county, including the unincorporated area of the county; prohibit the location of a game room within the distance prescribed by the commissioners court of a school, regular place of religious worship, or residential neighborhood; or restrict the number of game rooms that are authorized to operate in a specified area of the county.

Authorizes a county to require that an owner or operator of a game room obtain a license or permit or renew a license or permit on a periodic basis to operate a game room in the county. Requires that an application for a license or permit be made in accordance with regulations adopted by the county. Authorizes a county to deny, suspend, or revoke a license or permit. Authorizes a district court jurisdiction of a suit that arises from the denial, suspension, or revocation of a license or other permit by a county.
Authorizes a county to impose a fee not to exceed $1,000 on an applicant for a game room license or permit or for the renewal of the license or permit. Requires the fee to be based on the cost of processing the application and investigating the applicant.

Authorizes a peace officer or county employee to inspect a business in the county to determine how many gambling devices or amusement redemption machines that are subject to regulation under this subchapter are located on the premises of the business. Authorizes a peace officer or county employee to inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with the regulations. Provides that a person violates the law if the person fails to allow a peace officer or county employee to conduct an inspection under this section.

Authorizes a county to sue in district court for an injunction to prohibit the violation or threatened violation of these regulations. Makes liable a person who violates these regulations to the county for a civil penalty of not more than $10,000 for each violation. Provides that each day a violation continues is considered a separate violation for purposes of assessing the civil penalty under this subsection. Authorizes a county to bring suit in district court to recover a civil penalty authorized by this subsection. Entitles the county to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, under this section, including reasonable attorney's fees, court costs, and investigatory costs.

Provides that a person commits an offense if the person intentionally or knowingly operates a game room in violation of this regulation. Makes this offense a Class A misdemeanor.

Provides that authority under these regulations is cumulative of other authority that a county has to regulate game rooms and does not limit that authority.

Provides that these regulations do not legalize any activity prohibited under the Penal Code or other state law. Provides that a person's compliance with these regulations, including operating a game room under a license or permit issued under this chapter, is not a defense to prosecution for an offense under Chapter 47 (Gambling), Penal Code. Authorizes a person who is subject to prosecution under these regulations and any other law to be prosecuted under either or both laws.

**Filling Certain Vacancies on Governing Body of Certain Home-rule Municipalities—H.B. 1372**

*by Representative Muñoz, Jr. —Senate Sponsor: Senator Hinojosa*

Under current law, home-rule cities are allowed to set the terms of service of city council members at two, three, or four years. In the case of a two-year term, the city is allowed to specify the procedure for filling a vacancy for the remainder of the term through its city charter, including by appointment. Cities with terms lasting three or four years must fill vacancies on the city council via a mandatory special election, regardless of the procedure provided by the city charter and regardless of the length of the remainder of the term. This bill:

Removes the special election requirement of a municipality with a population of 1.5 million or more when more than 270 days remain before the date of the next general election of members of the governing body if the vacancy on its governing body for which the unexpired term is 12 months or less.
Donation of Surplus Real Property by Certain Municipalities—H.B. 1427

by Representative Ralph Sheffield—Senate Sponsor: Senator Fraser

Some municipalities own properties with no market value. Such properties may be a liability to the municipality due to the cost of upkeep and the expenses relating to the upkeep of such properties. Normal property disposition process might not be feasible for such properties. This bill:

Changes the restriction of the application of Section 253.013(a) (relating to providing that Section 253.013 (Donation of Real Property of Negligible or Negative Value to Certain Private Persons) applies only to a municipality with a population between 150,000 and 200,000 that is located in three counties), Local Government Code, to only a municipality with a population greater than 150,000 and less than 200,000 that is located in three counties; and a municipality with a population greater than 65,000 and less than 90,000 that is located in a county in which part but not all of a military installation is located.

Authority to Deposit Fees Collected by County Bail Bond Board in a Separate Fund—H.B. 1442

by Representative Fletcher—Senate Sponsor: Senator Patrick

Since bail bond fees are placed in the general fund of a county it can be difficult to distinguish them from other revenue sources. This can make it difficult to validate how much bail bond fee money has been collected and how much money was actually expended for bail bond board business. This bill:

Requires a county bail bond board (board) to deposit fees collected under Chapter 1704 (Regulation of Bail Bond Sureties), Occupations Code, in the general fund of the county or in a separate county fund established for this purpose.

Authorizes fees deposited in the general fund of a county or in a separate county fund under Section 1704.101(2) (relating to requiring a board to deposit fees collected under this chapter in the general fund of the county or in a separate county fund established for this purpose), Occupations Code, to be used only to administer and enforce this chapter, including reimbursement for certain expenses.

Authorizes a county that establishes a separate county fund for the purpose of depositing fees collected under Chapter 1704, Occupations Code, to transfer fees previously collected and deposited in the county's general fund to the separate fund.

Replatting a Subdivision Without Vacating the Preceding Plat in Certain Municipalities—H.B. 1553

by Representative Justin Rodriguez—Senate Sponsor: Senator Uresti

Current law requires that a property owner must vacate a plat to remove a platted restriction. The legal process of vacating a plat requires written permission from all current property owners with lots platted in the original subdivision. Municipalities with a population of 1.9 million or more may participate in an alternative procedure of replatting without vacating. The Unified Development Code established by the City of San Antonio in 2001 conflicts with state law because it allows for the removal of a plat restriction without requiring property owners to vacate the plat. This bill:
Provides that certain municipalities with a population of 1.3 million or more, rather than 1.9 million or more, may replat a subdivision or a part of a subdivision located in a municipality or the extraterritorial jurisdiction of a municipality without requiring the preceding plat to vacate.

**Authority to File a Lien for the Costs of Abatement of a Floodplain Ordinance Violation—H.B. 1554**

*by Representative Justin Rodriguez—Senate Sponsor: Senator Campbell*

Current law is unclear regarding whether a municipality may bring a civil action when enforcing a local ordinance regarding floodplain violations, such as violations related to non-permitted construction or fill placed in the floodplain. This bill:

Authorizes a municipality to bring a civil action for the enforcement of an ordinance for certain purposes, including for the enforcement of an ordinance relating to floodplain control and administration, including an ordinance regulating the placement of a structure, fill, or other materials in a designated floodplain.

Authorizes a municipality to abate a violation of a floodplain management ordinance by causing the work necessary to bring real property into compliance with the ordinance, including the repair, removal, or demolition of a structure, fill, or other material illegally placed in the area designated as a floodplain, if the municipality gives the owner reasonable notice and opportunity to comply with the ordinance and the owner of the property fails to comply with the ordinance.

Authorizes the municipality to assess the costs incurred by the municipality against the property. Establishes that the municipality has a lien on the property for the costs incurred and for interest accruing at the annual rate of 10 percent on the amount due until the municipality is paid.

Authorizes the municipality to perfect the lien by filing written notice of the lien with the county clerk of the county in which the property is located. Requires that the notice of the lien be in recordable form and state the name of each property owner, if known, the legal description of the property, and the amount due.

Establishes that the municipality's lien is inferior to any previously recorded bona fide mortgage lien attached to the real property to which the municipality's lien attaches, if the mortgage lien was filed for record before the date the municipality files the notice of lien with the county clerk. Establishes that the municipality's lien is superior to all other previously recorded judgment liens.

**Authority of the Mayors of Certain Municipalities to Call a Special Meeting—H.B. 1734**

*by Representative Gutierrez—Senate Sponsor: Senator Uresti*

Certain municipalities have a government in which three aldermen act as the city council. These aldermen can apply for a special meeting but the mayor decides whether the special meeting occurs or not. This bill:

Requires the mayor to call a special meeting on the application of three aldermen.
Authority of a Municipality to Confiscate Packaged Fireworks—H.B. 1813  
*by Representative Lucio III—Senate Sponsor: Senator Hinojosa*

Under current law, individual municipalities with ordinances regarding fireworks can confiscate them as well as issue citations. This bill:

Establishes that Subsection 342.003(a)(8) (relating to authorizing the governing body of a municipality to prohibit or otherwise regulate the use of fireworks and firearms), Local Government Code, does not authorize a municipality to confiscate packaged, unopened fireworks.

Prohibits a home-rule municipality that regulates fireworks from confiscating packaged, unopened fireworks. Provides that it is an affirmative defense to prosecution for possession of fireworks brought under a municipal ordinance that the defendant was operating or was a passenger in a motor vehicle that was being operated in a public place and the fireworks were not in the passenger area of the vehicle. Defines "passenger area."

Regulating Subdivisions in the Extraterritorial Jurisdiction of a Municipality—H.B. 1970  
*by Representative Pickett—Senate Sponsor: Senator Rodríguez*

Under current law municipalities and counties along the international border of Texas are exempt from the requirement to enter into a written agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the city's extraterritorial jurisdiction (ETJ). This bill:

Establishes that Section 242.001(h) (relating to regulating subdivisions in ETJs), Local Government Code, does not apply to counties that have entered into an agreement under Section 242.003 (Authority of Certain Border Counties and Municipalities to Regulate Subdivisions in Extraterritorial Jurisdiction by Agreement), Local Government Code.

Creates Section 242.003 (Authority of Certain Border Counties and Municipalities to Regulate Subdivisions in Extraterritorial Jurisdiction by Agreement), Local Government Code. Establishes that 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 ETJ, as defined by Section 212.001 (Definitions), Local Government Code, in that county.

Authorizes a county and a municipality to enter into an agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the ETJ of the municipality in a manner consistent with Section 242.001(d) (relating to regulating subdivisions in ETJs), Local Government Code. Requires the county and the municipality to adopt the agreement by order, ordinance, or resolution.

Requires that the agreement be amended by the county and the municipality if necessary to take into account an expansion or reduction in the ETJ of the municipality. Requires the municipality to notify the county of any expansion or reduction in the municipality's ETJ. Establishes that any expansion or reduction in the municipality's ETJ 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 (Approval Procedure), Local Government Code, or Chapter 232 (County Regulation of Subdivisions), Local Government Code, does not affect any rights accrued under Chapter
245 (Issuance of Local Permits), Local Government Code. Establishes that the approval of the plat, any permit, a plat application, or an application for a related permit remains effective as provided by Chapter 245 (Issuance of Local Permits), Local Government Code, regardless of the change in designation as ETJ of the municipality.

Prohibits a municipality, in an unincorporated area outside the ETJ of the municipality, from regulating subdivisions or approving the filing of plats, except as provided by Chapter 791 (Interlocal Cooperation Contracts), Government Code.

Establishes that property subject to pending approval of a preliminary or final plat is governed by Section 242.001(i) (relating to requiring that property subject to a pending preliminary or final plat application that is released from the ETJ of a municipality be subject only to county approval under certain circumstances), Local Government Code.

**Municipality or County Contracting For Collection of Certain Amounts—H.B. 2021**

*by Representative Eddie Rodriguez—Senate Sponsor: Senator Hinojosa*

There is a difference in the methods available to recover unpaid court costs on civil cases compared to the available methods to recover the respective costs for criminal cases. This bill:

Authorizes the governing body of a municipality or the commissioners court of a county to contract with a private attorney or public or private vendor for the collection of an amount owed to the municipality or county relating to a civil case, including an unpaid fine, fee, or court cost, if the amount is more than 60 days overdue.

Authorizes a municipality or county contracting with an attorney or a vendor to authorize the addition of a collection fee of 30 percent of the amount referred. Authorizes the collection fee to be used only to compensate the attorney or vendor who collects the debt.

Prohibits the application of this section to the collection of commercial bail bonds.

**Regulation of Roadside Vendors and Solicitors in Certain Counties—H.B. 2094**

*by Representative Muñoz, Jr.—Senate Sponsor: Senator Hinojosa*

Some counties consider the solicitation of business by unregulated roadside vendors to be a major problem in unincorporated areas. Current enforcement law regarding these vendors is considered time-consuming and inefficient by these counties. This bill:

Authorizes the commissioners court of a county with a population of more than 700,000 and less than 800,000 that borders the United Mexican States by order to regulate the activities described by Section 285.001(a) (relating to the promotion of public safety by the commissioners court of certain counties), Transportation Code, in the manner described by that subsection with the exceptions that the regulation of activities on or in the right-of-way of a public highway or road is limited to public highways and roads with a speed limit of 40 miles per hour or faster and the county is prohibited from prohibiting the sale of livestock.
Authorizes a county regulating vendors under Section 285.001(b) (relating to authorizing the commissioners court of certain counties to regulate the activities on roadways), Transportation Code, to require that a vendor be located not closer to the edge of the public highway or road than a distance that is equal to one-half the width of the right-of-way adjacent to the highway or road.

Financial Disclosure Reports Made by Member of County Planning Commission—H.B. 2112
by Representative Raymond—Senate Sponsor: Senator Zaffirini

Currently, statute mandates that a person who volunteers as a member of a county planning commission file a financial disclosure report. Some counties consider this requirement to be a deterrent for serving on the planning commission. This bill:

Authorizes the commissioners court of a county to require each member of the planning commission, rather than requiring a member of the planning commission, to file a financial disclosure report in the same manner as required for county officers under Subchapter B (Financial Disclosure by Other County Officers and Employees), Chapter 159 (Financial Disclosure by County Officers and Employees), Local Government Code.

Requires the planning commission member, if the commissioners court requires a financial disclosure report but has not adopted a financial disclosure reporting system under Subchapter B, Chapter 159, Local Government Code, rather than if the commissioners court of the county in which the planning commission member serves has not adopted a financial disclosure reporting system under Subchapter B, Chapter 159, Local Government Code, to file a financial disclosure report in the same manner as required for county officers under Subchapter A (Financial Disclosure by Certain County Officers), Chapter 159, Local Government Code.

Regulation of Game Rooms in Certain Counties; Providing Penalties; Authorizing a Fee—H.B. 2123
by Representative Guillen—Senate Sponsor: Senator Lucio

Some amusement redemption machine operators have changed their business model by restricting access to allow only members or known referrals. This practice makes it more difficult to investigate illegal operations of the machines. This bill:

Defines "amusement redemption machine," "game room," "game room owner," and "operator."

Establishes that the bill applies only to a county with a population of less than 25,000 that borders the Gulf of Mexico and is adjacent to two or more counties each with a population of more than 400,000.

Authorizes the commissioners court of a county to regulate the operation of game rooms and to restrict the location of game rooms to specified areas of the county, including the unincorporated area of the county. Authorizes the commissioners court of a county to prohibit the location of a game room within the distance prescribed by the commissioners court of a school, regular place of religious worship, or residential neighborhood. Authorizes the commissioners court of a county to restrict the number of game rooms that are authorized to operate in a specified area of the county.
LOCAL GOVERNMENT—GENERAL

Authorizes a county to require that an owner or operator of a game room obtain a license or permit or renew a license or permit on a periodic basis to own or operate a game room in the county. Requires that an application for a license or permit be made in accordance with regulations adopted by the county. Authorizes a county to deny, suspend, or revoke a license or permit. Authorizes a district court jurisdiction of a suit that arises from the denial, suspension, or revocation of a license or other permit by a county.

Authorizes a county to impose a fee not to exceed $1,000 on an applicant for a game room license or permit or for the renewal of the license or permit. Requires that the fee be based on the cost of processing the application and investigating the applicant.

Authorizes a peace officer or county employee to inspect a business in the county to determine how many gambling devices or amusement redemption machines that are subject to regulation under this subchapter are located on the premises of the business. Authorizes a peace officer or county employee to inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with the regulations. Establishes that a person violates the law if the person fails to allow a peace officer or county employee to conduct an inspection under this section.

Authorizes a county to sue in district court for an injunction to prohibit the violation or threatened violation of these regulations. Makes liable a person who violates these regulations to the county for a civil penalty of not more than $10,000 for each violation. Provides that each day a violation continues is considered a separate violation for purposes of assessing the civil penalty under this subsection. Authorizes a county to bring suit in district court to recover a civil penalty authorized by this subsection. Entitles the county to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, under this section, including reasonable attorney's fees, court costs, and investigatory costs.

Provides that a person commits an offense if the person intentionally or knowingly operates a game room in violation of this regulation. Makes this offense a Class A misdemeanor.

Provides that authority under these regulations is cumulative of other authority that a county has to regulate game rooms and does not limit that authority.

Establishes that these regulations do not legalize any activity prohibited under the Penal Code or other state law. Provides that a person's compliance with these regulations, including operating a game room under a license or permit issued under this chapter, is not a defense to prosecution for an offense under Chapter 47 (Gambling), Penal Code. Authorizes a person who is subject to prosecution under these regulations and any other law to be prosecuted under either or both laws.

Circumstances of a Vacancy on a Governing Body in Certain Municipalities—H.B. 2259

by Representative Moody—Senate Sponsor: Senator Rodríguez

Under current law, the office of a member of a governing body of certain municipalities may be considered vacant if the member is absent from three regular consecutive meetings of the governing body, unless certain conditions regarding the absence apply. However there have been instances where members attend a meeting but then leave before any business can be transacted. This bill:
Provides that a member of a governing body is considered absent for the purpose of Section 22.041(b) (relating to proving that the member's office is considered vacant, if a member of the governing body of a municipality is absent for three regular consecutive meetings, unless the member is sick or has first obtained a leave of absence at a regular meeting), Local Government Code, or if the member is not present at the adjournment of a meeting at which a quorum is established, unless the member is first allowed to withdraw by the unanimous vote of the members present. Establishes that provision this applies only to a municipality that is located in a county with a population of 800,000 or more that is adjacent to an international border.

Urban Land Bank Demonstration Program in Certain Municipalities—H.B. 2840

by Representative Giddings—Senate Sponsor: Senator West

To allow more developers to participate in urban land bank demonstration programs in certain municipalities, to make it easier to return undeveloped land to the tax rolls, and to reduce land bank maintenance and administrative costs, certain updates are needed. This bill:

Requires a developer, to qualify to participate in an urban land bank demonstration program, to meet certain criteria, including having built one or more housing units within the three-year period preceding the submission of a proposal to the land bank seeking to acquire real property from the land bank.

Requires the land bank, unless otherwise stated, to sell a property to a qualified participating developer within the four-year period following the date of acquisition for the purpose of construction of affordable housing for sale or rent to low-income households. Authorizes the land bank, before the completion of the four-year period, to transfer property that the land bank determines is not appropriate for residential development to the taxing units or sell certain property to a political subdivision or a nonprofit organization.

Redefines "eligible adjacent property owner."

Authorizes the land bank, notwithstanding the other provisions, to sell property to a developer to allow the construction of a grocery store that has at least 6,000 square feet of enclosed space and that offers for sale fresh produce and other food items for home consumption. Provides that a sale under this section within the four-year period following the date of acquisition of the property by the land bank satisfies all the requirements that the property be sold within that period to a qualified participating developer. Authorizes the land bank to sell property as provided by this section only after granting any rights of first refusal otherwise required by this chapter, and any completed sale under this section remains subject to the right of reverter provided by Section 379C.009(d) (relating to requiring that the deed conveying a property sold by the land bank include a right of reverter so that if the qualified participating developer does not apply for a construction permit and close on any construction financing within the three-year period following the date of the conveyance of the property from the land bank to the qualified participating developer, the property will revert to the land bank for subsequent resale in accordance with this chapter or conveyance to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law, and providing that if the property is replatted under Section 379C.0107, the right of reverter applies to the entire property as replatted), Local Government Code.
Lost, Damaged, or Overdue County Library Property; Fines; Civil Penalty—H.B. 2902
by Representative Ed Thompson et al.—Senate Sponsor: Senator Taylor

Certain law provides for the establishment and maintenance of county libraries. However, a county's ability to address the problem of unreturned library property and unpaid library fines is limited. This bill:

Authorizes the commissioners court by order to establish reasonable fines to be collected by a county library for lost, damaged, or overdue library property. Requires that the fines be deposited in the county free library fund.

Authorizes the commissioners court by order to adopt reasonable regulations that prohibit a person from abusing library services by intentionally failing to pay a library fine or return library property. Provides that a person who violates a regulation adopted by the county is liable to the county for a civil penalty of not more than $100 for each violation. Authorizes a county to bring suit in a district or county court to recover a civil penalty authorized by this subsection.

Establishment and Functions of Certain Urban Land Banks—H.B. 3447
by Representative Gutierrez—Senate Sponsor: Senator Uresti

Certain municipalities are in the process of redeveloping areas with a growing number of vacant lots with property tax delinquencies and blighted buildings that contribute to the destabilization of established neighborhoods as such properties are less desirable for new private investment. Expanding the applicability of the Urban Land Bank Demonstration Program Act could address these issues. This bill:

Provides that Chapter 379C (Public and Private Facilities and Infrastructure), Local Government Code, applies only to home-rule municipalities that have a population of 1.8 million or more, and are located predominantly in a county that has a total area of less than 1,300 square miles, rather than less than 1,000 square miles.

Authorizes a municipality to transfer to a land bank land that was part of the site of a world exposition recognized by the Bureau International des Expositions, subject to any deed restrictions the municipality adopts, after public notice and hearing, before January 1, 2014. Establishes that certain regulations do not apply to the sale of land previously described if the remainder of the world exposition site includes dedicated public squares or parks that have a total area of 18 acres or more, which may include an area for which the municipality commits to demolishing any non-park improvements within 48 months after the date of the dedication. Requires that a petition for judicial review of a sale be filed on or before the 60th day after the date the ordinance or resolution authorizing the sale is adopted. Establishes that a petition filed after that date is barred. Provides that the restrictions and requirements applicable to the sale of land by a land bank under any other law do not apply to land sold by a land bank under this bill.
Fire Suppression Standards in Certain Municipalities—H.B. 3813
by Representative Howard—Senate Sponsor: Senator Watson

The City of West Lake Hills is at a high fire risk. Because of this, it has taken several steps to protect itself from fire, but more can be done in order to guarantee flow and pressure standards within its municipal limits. This bill:

Provides that the bill applies to a general law municipality that has a population of less than 4,000, located in a certain county, and is served by a district governed by Chapter 51 (Water Control and Improvement Districts), Water Code.

Authorizes the governing body of a municipality, notwithstanding any other law, to establish water flow and water pressure standards sufficient to provide adequate pressure to fire suppression systems and require a district governed by Chapter 51, Water Code, that provides water service in the municipality to take reasonable measures to comply with those standards.

Requires the municipality and district that is governed by Chapter 51, Water Code, and that is subject to the proposed ordinance, before a municipality adopts an ordinance, to establish the scope of and estimate the costs associated with any capital improvements necessary to comply with the proposed ordinance.

Authorizes a district that is governed by Chapter 51, Water Code, to recover the costs associated with complying with an ordinance adopted through a surcharge assessed only to customers served in the municipality to the extent that complying results in additional capital improvement costs for the district and the ordinance establishes water flow and water pressure standards inside municipal boundaries that are more stringent than water flow and water pressure standards required outside municipal boundaries.

Provides that to the extent of a conflict between Section 342.901 (Fire Suppression Standards in Certain Municipalities), Local Government Code, and any other law, Section 342.901, Local Government Code, controls.

Designation of Gregg County as the Balloon Race Capital of Texas—H.C.R. 23
by Representative Simpson et al.—Senate Sponsor: Senator Eltife

Since 1978 Gregg County has hosted the annual Great Texas Balloon Race organized by Dr. William Bussey, a renowned hot air balloonist and dentist, with the help of the Longview Mall managers. Today numerous cities endorse the Great Texas Balloon Race, which brings tens of thousands of visitors to Gregg County each year benefitting the East Texas economy. Gregg County was selected by the Balloon Federation of America to host the United States National Championships from 2012 to 2014. The Texas legislature has bestowed a series of recognitions upon the county for the significance of the annual balloon race. This bill:

Commemorates the 36th anniversary of the Great Texas Balloon Race and declares Gregg County the Balloon Race Capital of Texas.
Designating Nacogdoches as the Official Garden Capital of Texas—H.C.R. 24
by Representative Clardy et al.—Senate Sponsor: Senator Nichols

Texas is renowned for the beauty and diversity of its many public gardens and parks, and the city of Nacogdoches earns particular recognition for the number and variety of its green and flowering public spaces. Since Nacogdoches's earliest existence as Nacogdoche Indian village, the land has been utilized for farming and gardening, a tradition continued by the Spanish mission established in Nacogdoches and the town when it was first established as a civil settlement. The city's gardens were noted in the diary of a famous visitor, Frederick Law Olmsted, the landscape architect of New York's Central Park. Today Nacogdoches works to preserve the state's horticulture heritage through numerous re-creations of traditional gardens. The city maintains trails and parks, and Stephen F. Austin State University Gardens, located in Nacogdoches, hosts programs to educate the general public on gardening and the preservation of native plants. This bill:

Designates Nacogdoches as the official Garden Capital of Texas.

Procedure to Fill Certain Vacancy on Governing Body of Home-rule Municipality—H.J.R. 87
by Representative Muñoz, Jr.—Senate Sponsor: Senator Hinojosa

Under current law, home-rule cities are allowed to set the terms of service of city council members at two, three, or four years. While cities with two-year terms are allowed to fill a vacancy by appointment, cities with terms lasting three or four years must fill vacancies on the city council via a mandatory special election. This resolution proposes a constitutional amendment to:

Authorizes a home-rule municipality to provide in its charter the procedure to fill a vacancy on its governing body for which the unexpired term is 12 months or less.

Access by Emergency Vehicles in Certain New Residential Subdivisions—S.B. 194
by Senator West—House Sponsor: Representative Coleman

During an evacuation resulting from an emergency, emergency vehicles and first responders may be inhibited from accessing residential subdivisions due to the subdivision having only one entrance and exit road. This bill:

Creates Section 232.0034 (Additional Requirements: Access by Emergency Vehicles), Local Government Code, establishing that it only applies to a residential subdivision that is subdivided into 1,000 or more lots in the unincorporated area of a county.

Requires the commissioners court to adopt infrastructure standards requiring at least two means of ingress and egress in the subdivision to provide for sufficient routes of travel for use by emergency vehicles and for use during evacuations resulting from fire or other natural disasters.

 Provides that this section does not limit the authority of a commissioners court under other existing laws, as applicable, to adopt infrastructure standards that are more stringent than standards required by this section.
Use of Funds of Certain Municipal Hospital Authorities—S.B. 233
by Senator Patrick—House Sponsor: Representative Fletcher

Currently, the investment of funds available to The Tomball Hospital Authority from a recent property sale is restricted by the Public Funds Investment Act. The authority would like to be able to invest its funds according to the Prudent Investor Rule applicable to trustees under Chapter 117 (Uniform Prudent Investor Act), Property Code. This bill:

Authorizes the board of directors of a hospital authority (board) (authority) to use the authority's available assets to promote public health and general welfare initiatives that the board determines will benefit the residents served by the authority if, after the sale or closing of a hospital under Section 262.033 (Sale or Closing of Hospital), Health and Safety Code, the authority does not own or operate a hospital. Establishes the types of activities the board can use the available funds for.

Prohibits the board from making an expenditure unless the board makes appropriate provisions for the satisfaction of any outstanding bonds, debt obligations, or other liabilities of the authority; the predominant purpose of the expenditure is to promote the public health and general welfare of the residents served by the authority; and the board establishes sufficient controls to ensure that the expenditure promotes the public health and general welfare of the residents served by the authority.

Provides that this bill only applies to an authority that is located in a county of 3.3 million or more; has no outstanding bonds; and does not own or operate a hospital.

Authorizes an authority, notwithstanding any other law, to invest authority funds as provided by Chapter 2256 (Public Funds Investment), Government Code, and in any investment a trustee is authorized to make under Subtitle B (Texas Trust Code: Creation, Operation, and Termination of Trusts), Title 9, Property Code.

Bond Requirements For Certain County Officials—S.B. 265
by Senator Huffman—House Sponsor: Representative Senfronia Thompson

Under current law, an official bond is required of certain county officials before they assume the duties of the office to which they were elected or appointed, and the county commissioners court is required to approve those bonds. Self-insurance against losses normally covered by this bond could create savings in the administrative time needed to secure the bond. This bill:

Establishes that a district attorney or a criminal district attorney is not required to execute the required bond of office and may perform the duties of office if the commissioners court of each county in the district or the county served by the attorney, as applicable, by order authorizes the county to self-insure against losses that would have been covered by the bond. Requires that such an order adopted by a commissioners court be kept and recorded by the county clerk.

Provides that, notwithstanding any other law requiring a county officer or employee to execute a bond as a condition of office or employment, a county officer or employee is not required to execute the bond and may perform the duties of office or employment if the commissioners court by order authorizes the county to self-insure against losses that would have been covered by the bond and the county judge approves the
adopted order if the county judge was required to approve the bond under the other law. Requires that such an order adopted by the commissioners court be kept and recorded by the county clerk.

**Preliminary Review of Complaints Filed With a County Ethics Commission—S.B. 334**

by Senator Rodríguez—House Sponsor: Representative Márquez

The Commissioners Court of El Paso County has become aware of minor inefficiencies or administrative matters that need to be addressed and have provided recommendations for revisions to the administrative statutes governing their performance. This bill:

Provides that the standing preliminary review committee (committee) consists of three persons. Authorizes a county ethics commission (commission) member to serve as the review officer for the committee.

Requires the respondent, if the alleged violation is a Category One violation, to respond not later than the 14th day after the date the respondent receives the notice and requires the committee to set the matter for a preliminary review hearing at the next committee meeting if the matter is not resolved by agreement between the standing preliminary review committee and the respondent before the 30th day after the date the committee receives the respondent's response to the notice given under Section 161.156(b) (relating to requiring a certain notice sent by the committee to the complainant and the respondent), Local Government Code.

Requires the respondent, if the alleged violation is a Category Two violation, to respond to the notice required by Section 161.156(b), Local Government Code, not later than the 14th day after the date the respondent receives the notice under Section 161.156(b) and requires the committee to set the matter for a preliminary review hearing at the next committee meeting if the matter is not resolved by agreement between the standing preliminary review committee and the respondent before the 30th day after the date the committee receives the respondent's response to the notice given under Section 161.156(b).

**Audit of Court Registry Funds in Certain Counties—S.B. 356**

by Senator Carona—House Sponsor: Representative Ratliff

Under current law, a county commissioners court is required to hire an independent certified public accountant (CPA) or a firm of independent CPAs of recognized integrity and ability to perform an annual audit of registry funds. This independent audit costs counties on average $17,500. This bill:

Requires that the registry funds be audited at the end of each county fiscal year by the county auditor or by an independent certified public accountant or a firm of independent certified public accountants of recognized integrity and ability selected by the commissioners court.

Requires that a written report of the audit be delivered to the county judge, each county commissioner, and a clerk not later than the 180th day, rather than within 90 days, after the last day of the fiscal year.
Assessments For Improvements in Regions Designated by Municipalities and Counties—S.B. 385
by Senator Carona—House Sponsor: Representative Keffer

Current law does not include certain constitutional language needed in order to enable the use of municipal funds for the purpose of implementing property assessed clean energy (PACE) financial arrangements. This bill:

Authorizes Chapter 399 (Municipal and County Water and Energy Improvement Regions), Local Government Code, to be cited as the Property Assessed Clean Energy Act and defines "local government," "program," "qualified improvement," "qualified project," "real property," and "region."

Authorizes the governing body of a local government that establishes a program to exercise powers granted under Chapter 399. Authorizes a PACE assessment to be imposed to repay the financing of qualified projects on real property located in a designated region. Prohibits a PACE assessment from being imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

Authorizes a local government to impose a PACE assessment only under a written contract with the record owner of the real property to be assessed.

Authorizes the governing body of a local government to determine that it is convenient and advantageous to establish a PACE program. Authorizes an authorized official of the local government that establishes a program to enter into a written contract with a record owner of real property in a region designated to impose an assessment to repay the owner's financing of a qualified project on the owner's property. Authorizes the financing to be repaid through assessments to be provided by a third party or, if authorized by the program, by the local government. Requires the authorized official of the local government that enters into a written contract with a property owner, if the program provides for third-party financing, to also enter into a written contract with the party that provides financing for a qualified project under the program to service the debt through assessments. Requires that the written contract, if the program provides for local government financing, be a contract to finance the qualified project through assessments. Authorizes the financing for which assessments are imposed to include the cost of materials and labor necessary for installation or modification of a qualified improvement; permit fees; inspection fees; lender's fees; program application and administrative fees; project development and engineering fees; third-party review fees, including verification review fees; and any other fees or costs that may be incurred by the property owner incident to the installation, modification, or improvement on a specific or pro rata basis, as determined by the local government.

Authorizes the governing body of a local government to determine that it is convenient and advantageous to designate an area of the local government as a region within which authorized local government officials and record property owners of real property are authorized to enter into written contracts to impose assessments to repay the financing by owners of qualified projects on the owners' property and, if authorized by the local government program, finance the qualified project. Provides that an area designated as a region by the governing body of a local government is authorized to include the entire local government and is required to be located wholly within the local government's jurisdiction. Authorizes the municipality's extraterritorial jurisdiction, for purposes of determining a municipality's jurisdiction, to be
included. Authorizes a local government to designate more than one region. Authorizes the regions, if multiple regions are designated, to be separate, overlapping, or coterminous.

Requires the governing body of a local government, to establish a program, to take specific actions in prescribed order. Sets forth the actions and the order of the actions. Authorizes the required resolution as one of the actions to incorporate the report or the amended version of the report, as appropriate, by reference. Authorizes the governing body of a local government, subject to the terms of the resolution establishing the program, to amend a program by resolution. Authorizes a local government to hire and set the compensation of a program administrator and program staff or contract for professional services necessary to administer a program. Authorizes a local government to impose fees to offset the costs of administering a program and prescribes how the fee is to be assessed.

Requires that a report for a proposed program include specific items and defines the items. Requires that the method for ensuring a demonstration of financial ability under the reporting requirement be based on appropriate underwriting factors. Requires the local government to make the report available for public inspection on the local government's Internet website and at the office of the official designated to enter into written contracts on behalf of the local government under the program.

Requires the holder of any mortgage lien on the property, before a local government is authorized to enter into a written contract with a record owner of real property to impose an assessment to repay the financing of a qualified project under this chapter, be given written notice of the owner's intention to participate in a program under this chapter on or before the 30th day before the date the written contract for assessment between the owner and the local government is executed. Requires that a written consent from the holder of the mortgage lien on the property be obtained.

Requires that a program established under this chapter require for each proposed qualified project a review of water or energy baseline conditions and the projected water or energy savings to establish the projected water or energy savings. Requires a local government, after a qualified project is completed, to obtain verification that the qualified project was properly completed and is operating as intended. Requires that a baseline water or energy review or verification review under this section be conducted by an independent third party.

Authorizes the proposed arrangements for financing a qualified project to authorize a property owner to purchase directly the related equipment and materials for the installation or modification of a qualified improvement and contact directly, including through lease, power purchase agreement, or other service contract, for the installation or modification of a qualified improvement.

Requires a local government that authorizes financing through contractual assessments under this chapter to file written notice of each contractual assessment in the real property records of the county in which the property is located. Requires that the notice contain the amount of the assessment; the legal description of the property; the name of each property owner; and a reference to the statutory assessment lien.

Provides that a contractual assessment under this chapter and any interest or penalties on the assessment is a first and prior lien against the real property on which the assessment is imposed from the date on which the notice of contractual assessment is recorded and until the assessment, interest, or penalty is paid and has the same priority status as a lien for any other ad valorem tax. Provides that the lien runs with the land, and that portion of the assessment under the assessment contract that has not yet become due is not
eliminated by foreclosure of a property tax lien. Authorizes the assessment lien to be enforced by the local
government in the same manner that a property tax lien against real property is authorized to be enforced
by the local government to the extent the enforcement is consistent with Section 50 (Homestead; Protection
from Forced Sale; Mortgages, Trust Deeds, and Liens), Article XVI, Texas Constitution. Provides that
delinquent installments of the assessments incur interest and penalties in the same manner as delinquent
property taxes. Authorizes a local government to recover costs and expenses, including attorney's fees, in
a suit to collect a delinquent installment of an assessment in the same manner as in a suit to collect a
delinquent property tax.

Authorizes the governing body of a local government to contract with the governing body of another taxing
unit, as defined by Section 1.04 (Definitions), Tax Code, or another entity, including a county assessor-
collector, to perform the duties of the local government relating to collection of assessments imposed by the
local government under this chapter.

Authorizes a local government to issue bonds or notes to finance qualified projects through contractual
assessments. Prohibits bonds or notes issued under this section from being general obligations of the local
government. Requires that the bonds or notes be secured by one or more of the following as provided by
the governing body of the local government in the resolution or ordinance approving the bonds or notes:
payments of contractual assessments on benefited property in one or more specified regions; reserves
established by the local government from grants, bonds, or net proceeds or other lawfully available funds;
municipal bond insurance, lines of credit, public or private guaranties, standby bond purchase agreements,
collateral assignments, mortgages, or any other available means of providing credit support or liquidity; and
any other funds lawfully available for purposes consistent with Chapter 399.

Provides that a local government pledge of assessments, funds, or contractual rights in connection with the
issuance of bonds or notes by the local government under this chapter is a first lien on the assessments,
funds, or contractual rights pledged in favor of the person to whom the pledge is given, without further
action by the local government. Provides that the lien is valid and binding against any other person, with or
without notice. Provides that bonds or notes issued further an essential public and governmental purpose.

Authorizes any combination of local governments to agree to jointly implement or administer a PACE
assessment. Provides that if two or more local governments implement a program jointly, a single public
hearing held jointly by the cooperating local governments is sufficient to satisfy the public hearing
requirement. Authorizes one of more local governments to contract with a third party, including another
local government, to administer a program.

Prohibits a local government that establishes a region from making the issuance of a permit, license, or
other authorization from the local government to a person who owns property in the region contingent on
the person entering into a written contract to repay the financing of a qualified project through contractual
assessments, or otherwise compelling a person who owns property in the region to enter into a written
contract to repay the financing of a qualified project through contractual assessments.
Application to Revise a Subdivision Plat; Authorizing a Fee—S.B. 552
by Senator Uresti—House Sponsor: Representative Nevárez

Current law requires that, in certain counties, notice of an application filed with the commissioners court for permission to revise a subdivision plat, including notice of the date, time, and place at which the commissioners court will meet to consider the application, be published in newspaper of general circulation in the county at least three times during a specified period before the meeting and, in some instances, requires that notice also be given to certain property owners by certified or registered mail. These costs can exceed the plat process fee and pose a financial burden on a county. This bill:

Amends the provisions relating to an application filed with a county commissioners court for permission to revise a subdivision plat applicable to real property located outside municipalities and the extraterritorial jurisdiction of municipalities with a population of 1.5 million or more and to real property subject to platting requirements in a county any part of which is located within 50 miles of an international border or in a county, other than such a county, any part of which is located within 100 miles of an international border that contains within its boundaries the majority of the area of a municipality with a population of more than 250,000.

Provides that, if the commissioners court determines that the revision to the subdivision plat does not affect a public interest or public property of any type, including, but not limited to, a park, school or road, the notice requirements do not apply to such an application and the commissioners court is required to provide written notice of the application to the owners of the lots that are within 200 feet of the subdivision plat to be revised, as indicated in the most recent records of the central appraisal district of the county in which the lots are located, and if the county maintains an Internet website, post notice of the application continuously on the website for at least 30 days preceding the date of the meeting to consider the application until the day after the meeting.

Authorizes the commissioners court to impose a fee for filing the application. Requires that the amount of the fee be based on the cost of processing the application, including publishing the required notices.

Enforcement of Certain Ordinances of a Municipality by Civil or Quasi-judicial Action—S.B. 654
by Senator West—House Sponsor: Representative Anchia

Currently, municipalities are not authorized to bring civil action for the prosecution of animal control and water conservation ordinance violations. This bill:

Authorizes municipalities to bring civil action for the enforcement of ordinances relating to animal care and control, and ordinances relating to water conservation measures, including watering restrictions.

Adds ordinances relating to animal care and control, and ordinances relating to water conservation measures, including watering restrictions, to a list of certain ordinances to which Chapter 54, Subchapter C (Quasi-Judicial Enforcement of Health and Safety Ordinances), Local Government Code, exclusively applies.
Assessments and Revenue For Public Improvement Projects—S.B. 660  
by Senator West—House Sponsor: Representative Anchia

The procedures cities follow to collect self-assessments from hoteliers within a public improvement district are not consistent with the procedures regarding the collection of local hotel occupancy taxes. This bill:

Authorizes a municipality that undertakes a project under Section 372.0035 (Common Characteristic of Use for Projects in Certain Municipalities), Local Government Code, to adopt procedures for the collection of assessments under this chapter that are consistent with the municipality's procedures for the collection of a hotel occupancy tax under Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, and to pursue remedies for the failure to pay an assessment under this chapter that are available to the municipality for failure to pay a hotel occupancy tax under Chapter 351, Tax Code.

Entitles certain municipalities to receive in the same manner all funds and revenue that a municipality to which Section 351.1015 (Certain Qualified Projects), Tax Code, applies may receive under that section and to pledge the funds and revenue for the payment of obligations incurred for the construction of qualified projects authorized under that section.

Composition and Powers of a Governing Body in Certain Municipalities—S.B. 795  
by Senator Lucio—House Sponsor: Representatives Oliveira and Lucio III

The City of Brownsville recently established a gas utility system as authorized by state law and its local charter but the charter provides for a seven-member utilities board to manage the city's electric, water, and wastewater system whereas state law calls for a five-member board. Additionally, municipalities are not currently authorized to enter into power purchase agreements to satisfy the power supply requirements of its ratepayers. This bill:

Authorizes the management and control of a utility system in a municipality located in a county with a population of at least 375,000 that is located on an international border and that borders the Gulf of Mexico to be vested in a board of trustees named in the proceedings adopted by the municipality and consisting of not more than seven members, one of whom must be the mayor of the municipality.

Authorizes the governing body, board of trustees, or other entity vested with the management and control of such a municipality's utility system to contract for the purchase of electricity under terms the governing body, board of trustees, or other entity considers appropriate.

Authority to Require Owners to Keep Their Property Free of Certain Conditions—S.B. 837  
by Senators Ellis and Garcia—House Sponsor: Representative Bohac

Currently, there is ambiguity in several of the expressed conditions that constitute "unsanitary matter" in regards to the authority of a municipality to require owners of real property to keep the property free of certain conditions. This bill:

Authorizes the governing body of a municipality to require the owner of real property in the municipality to keep the property free from a condition constituting a public nuisance as defined by Section 343.001(c)(1)
(relating to providing that a public nuisance is keeping, storing, or accumulating refuse on premises in a neighborhood unless the refuse is entirely contained in a closed receptacle), Health and Safety Code; (2) (relating to providing that a public nuisance is keeping, storing, or accumulating certain rubbish on premises in a neighborhood or within 300 feet of a public street for 10 days or more, unless the rubbish or object is completely enclosed in a building or is not visible from a public street), Health and Safety Code; or (3) (relating to providing that a public nuisance is maintaining premises in a manner that creates an unsanitary condition likely to attract or harbor mosquitoes, rodents, vermin, or disease-carrying pests), Health and Safety Code.

**Certain Correction Instruments in the Conveyance of Real Property—S.B. 887**
*by Senator Uresti—House Sponsor: Representative Orr*

Current law provides for a uniform system for correcting recorded documents without initiating a court proceeding. However, there are certain types of simple errors that are not included in the list of authorized corrections. This bill:

Authorizes a person who has personal knowledge of facts relevant to the correction of a recorded original instrument of conveyance to prepare or execute a correction instrument to make a nonmaterial change that results from certain clerical errors, including a correction of an inaccurate or incorrect element in a legal description, such as a distance, angle, direction, bearing or chord, a reference to a plat or other plat information, a lot or block number, a unit, building designation, or section number, an appurtenant easement, a township name or number, a municipality, county, or state name, a range number or meridian, a certified survey map number, or a subdivision or condominium name. Authorizes a person who has personal knowledge of facts relevant to the correction of a recorded original instrument of conveyance to prepare or execute a correction instrument to make a nonmaterial change that results from an inadvertent error, including the addition, correction, or clarification of a legal description prepared in connection with the preparation of the original instrument but inadvertently omitted from the original instrument or an omitted call in a metes-and-bounds legal description in the original instrument that completes the description of the property.

Provides that a correction instrument replaces and is a substitute for the original instrument. Authorizes a bona fide purchaser of property that is subject to a correction instrument, except as provided, to rely on the instrument against any person making an adverse or inconsistent claim. Establishes that a correction instrument is subject to the property interest of a creditor or a subsequent purchaser for valuable consideration without notice acquired on or after the date the original instrument was acknowledged, sworn to, or proved and filed for record as required by law and before the correction instrument has been acknowledged, sworn to, or proved and filed for record as required by law.

**Authorizing Broker Agreements For the Sale of Real Property by Certain Municipalities—S.B. 985**
*by Senator Zaffirini—House Sponsor: Representative Isaac*

Currently, unlike counties, municipalities do not have the authority or option to enter into a contractual agreement with a broker for the sale of a tract of real property owned by the home-rule municipality. This bill:
LOCAL GOVERNMENT—GENERAL

Defines "broker." Authorizes the governing body of a home-rule municipality to contract with a broker to sell a tract of real property that is owned by the municipality. Authorizes the governing body to pay a fee if a broker produces a ready, willing, and able buyer to purchase a tract of real property. Authorizes the governing body, on or after the 30th day after the date the property is listed, to sell the tract of real property to a ready, willing, and able buyer who is produced by any broker using the multiple-listing service and who submits the highest cash offer, if a contract is made with a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service. Authorizes the governing body to sell a tract of real property under this section without complying with the public auction requirements prescribed by Section 253.008 (Sale of Real Property by Public Auction), Local Government Code, or other law or the notice and bidding requirements prescribed by Section 272.001 (Notice of Sale or Exchange of Land by Political Subdivision; Exceptions), Local Government Code, or other law.

County and Municipal Land Development Regulation—S.B. 1599
by Senator Zaffirini—House Sponsor: Representative Lozano

There is a need for uniform standards for the regulation of the development of subdivisions in the unincorporated areas of certain counties near the international border and in certain economically distressed counties, in areas described as colonias. This bill:

Requires the secretary of state's statewide system for identifying colonias to include a method for a municipality or county, on a form prescribed by the secretary of state, to nominate an area for identification as a colonia and to authorize the system to provide for the review of a nominated area by the Texas Water Development Board (TWDB), the office of the attorney general, or any other appropriate state agency as determined by the secretary of state.

Increases the minimum subdivision lot size required for an exemption from subdivision platting requirements in certain counties near an international border from 10 or more acres to more than 10 acres.

Provides that a subdivider of land must have a plat of the subdivision prepared if at least one of the lots of the subdivision is five acres or less. Authorizes a commissioners court, by order, to require each subdivider of land to prepare a plat if none of the lots is five acres or less but at least one of the lots of a subdivision is more than five acres but not more than 10 acres.

Authorizes a commissioners court in certain economically distressed counties other than certain counties near an international border by order to require each subdivider of land in that county to prepare a plat if none of the lots is five acres or less but at least one of the lots of the subdivision is more than five acres but not more than 10 acres. Establishes that the requirement applicable to an owner of a tract of land in such a county who divides the tract in any manner that creates lots of five acres or less intended for residential purposes to have a subdivision plat prepared applies if the division of the tract creates at least one lot of five acres or less.

Authorizes TWDB's model rules for ensuring minimum standards for safe and sanitary water supply and sewer services in residential areas to impose requirements for platting or replatting under provisions requiring the model rules to provide criteria applicable to tracts that were divided into two or more parts to lay out a subdivision and were not platted or recorded before September 1, 2005, to prohibit the establishment of residential developments with lots of five acres or less in the political subdivision without
adequate water supply and sewer services, and to prohibit more than one single-family, detached dwelling to be located on each lot. Authorizes a municipality or county that has adopted the model rules, except as may be required under an agreement developed under Local Government Code provisions relating to the regulation authority of a municipality and county, to impose municipal or county platting requirements, as applicable, to real property that is required to be platted or replatted by the provisions of the model rules.

Requires a municipality to adopt and enforce the model rules if the applicant is located in the municipality, requires the applicant to demonstrate that the model rules have been adopted and are enforced in the extraterritorial jurisdiction by the municipality or the county if the applicant is located in the municipality's extraterritorial jurisdiction, and requires the county to adopt and enforce the model rules if the applicant is located outside the extraterritorial jurisdiction of a municipality before TWDB can consider an application or funding from certain funds or under certain programs administered by TWDB.

**Powers of the TexAmericas Center—S.B. 1879**

*by Senator Eltife—House Sponsor: Representative Lavender*

The closure of the Lone Star Army Ammunition Plant resulted in thousands of additional acres becoming available for redevelopment by the TexAmericas Center (authority). Current law, however, limits the purposes for which the TexAmericas Center may use grants or funds. This bill:

Provides that the authority is created to, among other things, promote or support an active military base located in the same county as the authority to prevent closure or realignment of the base and attract new military missions to the base.

Authorizes the authority to fund and carry out a project the board of directors of the authority determines will promote or support an active military base located in the same county as the authority to prevent closure or realignment of the base and attract new military missions to the base, including a project to create jobs, retain jobs, grant or loan money to a federal entity, make improvements to infrastructure, buildings, or land, or acquire land.
Study Regarding the Prohibition of Dairy Farming in Certain Areas of the State—H.B. 1081
by Representatives Mary González and Nevárez —Senate Sponsor: Senator Rodríguez

In 2001, a bovine tuberculosis outbreak resulted in the depopulation and buyout of certain dairy farms in El Paso County by the United States Department of Agriculture. Prior to 2001, El Paso County was one of the top milk-producing counties in Texas. In response to the suspected outbreak, the Texas Animal Health Commission established movement restriction zones that encompass El Paso and parts of Hudspeth County and the Legislature adopted language in H.B. 2463, 77th Legislature, Regular Session, 2001, that prevents the Department of State Health Services from issuing a permit to dairy producers located in the movement restriction zone. Since the buyout, there has been no conclusion as to what caused the outbreak, nor has there been any further investigation as to whether this area is still at significant risk for bovine tuberculosis. This bill:

Defines "commission" and "department."

Requires the Texas Animal Health Commission (TAHC) to conduct a study regarding the current risk level for bovine tuberculosis in areas of this state determined by TAHC to be infected with or at high risk for bovine tuberculosis.

Requires TAHC, not later than September 1, 2014, to submit a report to the Texas Department of Agriculture, the governor, the lieutenant governor, the House Committee on Agriculture and Livestock, the Senate Committee on Agriculture, Rural Affairs, and Homeland Security, the House Committee on Public Health, and the Senate Committee on Health and Human Services regarding the results of the study. Requires TAHC to present the report regarding the results of the study at an open meeting of TAHC as soon as practicable.

Sets forth content requirements for the report.

Transfer of Programs From Department of Rural Affairs to Department of Agriculture—H.B. 1493
by Representative Tracy O. King—Senate Sponsor: Senator Hegar

The Texas Department of Rural Affairs was recently abolished and many of its program functions were transferred to the Texas Department of Agriculture, but not all of the outdated references or duplicative provisions were amended accordingly. This bill:

Amends current law relating to the transfer of programs from the Texas Department of Rural Affairs to the Texas Department of Agriculture.

Regulatory Programs Administered by Department of Agriculture—H.B. 1494
by Representative Tracy O. King —Senate Sponsor: Senator Hinojosa

Interested parties state that statutes regarding certain regulatory programs administered by the Texas Department of Agriculture (TDA) need to be updated in order to maximize efficiencies, improve customer protection, streamline processes, and save TDA resources. This bill:
Requires a person, rather than permitting the person, to either accept the determination of the TDA regarding a violation or request a hearing within a set period after receiving notice.

Requires the commissioner of agriculture (commissioner), if the person charged with the violation fails to timely respond to the notice, to issue an order approving the determination and ordering the payment of the recommended penalty.

Requires a person, not later than the 30th day after the date of notice of the commissioner's order, to pay the penalty.

Authorizes TDA to send notice of the impending license or registration expiration to a person at the person's last known email or physical address.

Defines "commercial weighing or measuring device," "operator" or "user," and "weight or measure of a commodity."

Authorizes TDA and the attorney general to each recover reasonable expenses incurred in obtaining injunctive relief and civil penalties regarding violations of statutes or rules regarding weights and measures.

Provides that expenses recovered by TDA may be appropriated only for the administration and enforcement of Chapter 13 (Weights and Measures), Agriculture Code; and the attorney general may be appropriated only to the attorney general.

Strikes provisions defining "barrel" and "hogshead."

Defines "liquid gallon" for the purposes of the retail sale of motor fuel.

Replaces the phrase "commits an offense" under various provisions of Chapter 13 to "violates this chapter."

Imposes the requirement "knowingly" regarding certain offenses involving a weighing or measuring device.

Authorizes TDA, if it has reason to believe that a commodity or service is being sold or offered for sale by or through the use of a weighing or measuring device that is in violation of Chapter 13, to issue and enforce a written or printed order to stop the sale of the commodity or service.

Amends statutory language regarding which offenses under Chapter 13 are a Class C misdemeanor.

Expands statutory language providing a defense to prosecution to include the imposition of a civil or administrative penalty for certain violations under Chapter 13.

Grants TDA the authority, if has reason to believe that a weighing or measuring device that is not registered with TDA is being used for a commercial transaction, to inspect the device and certain records to determine whether the device is in compliance with Chapter 13.

Sets forth when TDA has reason to believe a weighing or measuring device is being used for a commercial transaction.
Clarifies that unless a commercial weighing or measuring device is exempted by TDA rule, TDA must periodically inspect and test the device for correctness.

Authorizes TDA to implement risk-based inspections, respond to complaints, and, as a term of probation, require or perform additional inspection and testing of commercial weighing or measuring devices.

Provides that a person who uses or keeps for use, or has or offers for sale, a commercial weighing device is responsible for having the device inspected and tested as required by TDA rule or order imposing a term of probation.

 Strikes a provision providing that unless TDA requires an additional inspection, a weighing or measuring device that is inspected and found correct by TDA may be kept for use, used, kept or offered for sale, or sold without further testing.

Provides that unless a commercial weighing or measuring device is exempted by TDA rule, a person who owns or operates a commercial weighing or measuring device must register the device before using the device for a commercial transaction.

Requires that the application be on a form prescribed by TDA and include any other document required by TDA and the required registration fee.

Provides that such registration is valid for one year unless a different period is established by TDA.

Requires that the registration be renewed at or before the end of each registration period and requires that the renewal application include the renewal fee required by TDA rule.

Authorizes TDA to impose a late fee if a person fails to timely renew a registration.

Strikes a provision giving the owner or user of an incorrect weighing or measuring device 30 days to repair it.

Bars the owner, operator, or user of an incorrect commercial weighing or measuring device from destroying, replacing, or otherwise disposing of it except as provided by TDA rule.

Provided that the standards of weights and measures maintained by TDA and certified by the National Institute of Standards and Technology or a metrology laboratory certified by the National Institute of Standards and Technology (laboratory) are the state's standards by which all state and local standards of weights and measures are tried, authenticated, proved, and certified.

Authorizes a laboratory approved by TDA to inspect and correct certain standards.

Authorizes TDA to:

- adopt rules to regulate the frequency and place of inspection and correction of the standards used by an individual or business licensed by TDA to perform device maintenance activities; and
- inspect any standard used by such an individual or business if TDA has reason to believe a standard is no longer in compliance with Chapter 13.
Authorizes, rather than requires, TDA to collect a fee for testing weighing or measuring devices.

 Strikes a provision making it an offense for a person to neglect to allow a weighing or measuring device under the person's control or in the person's possession to be inspected, tested, or examined by TDA if the inspection, test, or examination is required or authorized by Chapter 13.

 Adds Subchapter I (Licensing of Service Technicians and Service Companies) to Chapter 13, Agriculture Code:

 - Defines "license holder," "service company," and "service technician."
 - Sets forth when a person performs device maintenance.
 - Authorizes TDA to periodically, or in response to a complaint or previous violation, inspect an applicant's or license holder's facilities, equipment, records, and procedures in order to verify compliance with licensing requirements, trade practices, TDA rules, and Chapter 13.
 - Authorizes TDA by rule to adopt additional requirements for the issuance of a license and for the denial of an application for a license or renewal of a license.
 - Requires that such rules be designed to protect the public health, safety, and welfare and the proper inspection, testing, and operation of commercial weighing or measuring devices.
 - Authorizes TDA to adopt other rules necessary for the regulation of device maintenance activities, for the proper operation of commercial weighing or measuring devices, and to protect the health, safety, and welfare of the public and license holders.
 - Authorizes TDA to specify the date, time, and place for any inspection.
 - Exempts certain persons from the licensing requirement.
 - Prohibits an individual who is not exempt from the licensing requirement from:
   - performing or offering to perform device maintenance activities unless the individual holds a service technician license;
   - employing an individual who performs or offers to perform device maintenance activities unless the person holds a service company license; or
   - performing or offering to perform device maintenance activities as a sole proprietor unless the individual holds a service technician license and a service company license.
 - Sets forth the application procedure for a license.
 - Requires TDA to issue a license to each qualified applicant.
 - Authorizes TDA by rule to require an applicant for the issuance or renewal of a service technician license to meet certain requirements.
 - Requires an applicant for a service company license to provide proof of and maintain a current effective operations liability insurance policy.
 - Provides that licenses are valid for one year unless a TDA establishes a different term.
 - Requires a license holder to periodically renew the license by submitting an application for renewal accompanied by the required renewal fee set or by the late fee.
 - Requires a license holder to perform device maintenance activities in compliance with TDA rules and to use only equipment approved by TDA.
 - Makes it a Class B misdemeanor to violate certain provisions of this subchapter, unless the person has been previously convicted of such an offense, in which case the offense is a Class A misdemeanor.
Repeals certain provisions of Chapter 13, including Subchapter F (Inspection and Testing of Liquefied Petroleum Gas Meters), Subchapter G (Inspection and Testing of Ranch Scales), and Subchapter H (Licensed Inspectors of Weighing and Measuring Devices).

Requires the commissioner by rule to prescribe the manner for providing public notice regarding commodity producers board elections and strikes current statutory notice requirements.

Expands the definition of "citrus producer" to include certain persons who grow citrus and intend to receive income from the sale of citrus.

Provides that Chapter 2166 (Building Construction and Acquisition) and Chapter 2175 (Surplus and Salvage Property), Government Code, do not apply to the disposition, sale, or transfer of a pen, shed, or ancillary building constructed by and for TDA for the processing of livestock before export.

**Slaughter of and Compensation For Certain Fowl Infected With or Exposed to Disease—H.B. 1521**
*by Representative Clardy—Senate Sponsor: Senator Nichols*

Current law does not provide provisions relating to compensation for domestic and exotic fowl owners for the disposal of non-commercial diseased or exposed livestock. Non-commercial fowl can be responsible for the transmission of disease in fowl operations. This bill:

Authorizes the Texas Animal Health Commission (TAHC) to require the slaughter of livestock, domestic fowl, or exotic fowl, under the direction of TAHC, or the sale of livestock, domestic fowl, or exotic fowl for immediate slaughter at a public slaughtering establishment maintaining federal or state inspection if the livestock, domestic fowl, or exotic fowl is exposed to or infected with certain diseases other than bluetongue or vesicular stomatitis or if TAHC determines that action to be necessary for the protection of animal health in this state.

Authorizes TAHC to pay an indemnity to the owner of livestock, domestic fowl, or exotic fowl exposed to or infected with a disease if TAHC considers it necessary to eradicate the disease and to dispose of the exposed or diseased livestock, domestic fowl, or exotic fowl.

**Eligibility of Terminally Ill Individuals to Purchase a Resident Hunting License—H.B. 1718**
*by Representative Guillen—Senate Sponsor: Senator Estes*

Certain nonprofit organizations grant terminally ill persons a final wish to participate in hunting and fishing events throughout the United States. Many persons choose to hunt and fish in Texas for their final wish. This bill:

Redefines "resident" to include, if approved by the director of the Texas Parks and Wildlife Department, a terminally ill individual who is participating in an event sponsored by a charitable nonprofit organization.
Fever Tick Eradication—H.B. 1807
by Representative Tracy O. King—Senate Sponsor: Senator Hinojosa

The state’s cattle fever tick program was created to control and eradicate ticks capable of carrying the protozoa Babesia. The disease, commonly referred to as fever tick, often results in the death of native cattle populations. However, horses, white-tailed deer, and exotic animals such as nilgai, elk, and red deer can also serve as hosts for the ticks. Current statute provides dipping as the only treatment option for fever tick eradication but since the creation of the fever tick eradication program various other treatments options have been identified. This bill:

Defines "animal" to mean any domestic, free-range, or wild animal capable of hosting or transporting ticks capable of carrying Babesia, including livestock; zebras, bison, and giraffes; and deer, elk, and other cervid species, and "treatment" to mean a procedure or management practice used on an animal to prevent the infestation of, control, or eradicate ticks capable of carrying Babesia.

Makes conforming changes to change references of livestock to animals and dipping to treatment in sections of the Agriculture Code relating to fever tick programs.

Disposition of Confiscated Aquatic Products, Game, Animal Parts, and Animal Products—H.B. 1818
by Representative Kuempel—Senate Sponsor: Senator Deuell

Current law requires certain game, animal parts, and animal products confiscated under the Parks and Wildlife Code to be sold to the highest bidder, and the revenue from the sale is held in a suspense fund in the state treasury pending certain outcomes with respect to the prosecution of the person charged in connection with the confiscation. The Texas Parks and Wildlife Department (TPWD) has money dating back nearly 30 years because the revenue deposited in the suspense fund cannot be touched until the suspect appears in court and some suspects never appear. This bill:

Authorizes a game warden or authorized employee of TPWD to seize a fur-bearing animal, pelt, or carcass taken or possessed in violation of a provision of this code or a lawful regulation of the Texas Parks and Wildlife Commission (TPWC).

Requires that the proceeds of the sale of confiscated aquatic products; live game; fur-bearing animal, pelt, or carcass; or an alligator, alligator hide, alligator egg, or any part of an alligator sold to the highest of three bidders be deposited in the state treasury to the credit of the appropriate suspense fund, rather than account No. 900, pending the outcome of the action taken against the person charged with illegal possession.

Requires TPWD, at the time of a sale, to provide the buyer a receipt for all aquatic products, game, fur-bearing animals, pelts, or carcasses, sold to the buyer.

Provides that to the extent practicable, Subtitle A, Title 6, Health and Safety Code, applies to confiscated aquatic products, fur-bearing animal, pelt, carcass, or an alligator, alligator hide, alligator egg, or any part of an alligator sold that are intended for sale and use as human food.
Requires that all proceeds, if the person is found guilty, pleads guilty or nolo contendere, is placed on deferred adjudication, or fails to appear in accordance with a notice described by Section 12.106 (Notice to Appear), Parks and Wildlife Code, or another law requiring that, as a condition of release, the defendant subsequently appear before a court to answer for the offense, be transferred to the credit of the game, fish, and water safety account.

Requires TPWD, if the person is acquitted by the trial court, the charges against the person are dismissed, or the statute of limitations period for the prosecution of the offense has expired, to pay the proceeds of the sale to the person from whom the aquatic products; live game, fur-bearing animal, pelt, or carcass; or an alligator, alligator hide, alligator egg, or any part of an alligator were seized.

**Liability For Injuring a Trespassing Sheep or Goat—H.B. 1819**  
*by Representative Kacal—Senate Sponsor: Senator Seliger*

Current law provides that a person whose fence is insufficient to keep out a trespassing head of cattle or a horse, mule, jack, or jennet is liable for damages if the person maims, wounds, or kills such an animal. However, current law does not hold a landowner liable for damages if he or she should maim, wound, or kill sheep and goats trespassing as a result of a landowner's insufficient fence. This bill:

Provides that if a person whose fence is insufficient maims, wounds, or kills a head of cattle or a horse, mule, jack, jennet, sheep, or goat, or procures the maiming, wounding, or killing of one of those animals, by any means, including a gun or a dog, the person is liable to the owner of the animal for damages.

**Animal Identification Program—H.B. 2311**  
*by Representative Kacal et al.—Senate Sponsor: Senator Schwertner*

Over the last three years, the Texas cattle industry has placed a renewed emphasis on controlling certain foreign animal diseases. Intrastate and interstate animal identification plans were recently developed and implemented at the federal and state levels for the purpose of establishing a means to enable the cattle industry and state and federal animal health officials to more rapidly and effectively respond to animal health emergencies. It was also noted upon review of the state statute regarding the authority of the Texas Animal Health Commission (TAHC) to implement an intrastate program for Texas that certain programs at the federal level no longer exist. This bill:

Authorizes TAHC to develop and implement an animal identification program that is no more stringent than a federal animal disease traceability program or other federal animal identification program to provide for disease control and enhance the ability to trace disease-infected animals or animals that have been exposed to disease.

Authorizes TAHC to adopt rules to require the use of official identification as part of the animal identification program that is more stringent than a federal animal disease traceability or other federal animal identification program for animal disease control or animal emergency management by a two-thirds vote.

Repeals Sections 161.056(b) (relating to authorizing TAHC to recognize certain numbers as official identification numbers in the state), (g) (relating to providing that a person commits an offense if the person
fails to comply with an order or rule adopted under this section), and (h) (relating to providing that an offense under Subsection (g) is a Class C misdemeanor unless it is shown on the trial of the offense that the defendant has been convicted previously under this section, in which case the offense is a Class B misdemeanor), Agriculture Code.

**Texas Beef Council—H.B. 2312**

*by Representatives Kacal et al.—Senate Sponsor: Senator Hegar*

Previous legislation authorized a process and procedure for conducting a state beef check off program. As the Texas cattle industry continues to discuss the need for a potential state beef check off program, some clarifications are needed to ensure that if and when a state beef check off program is implemented, the process is clear and efficient for cattle producers. This bill:

Redefines "council" to mean the Beef Promotion and Research Council of Texas.

Requires the council to be the certified organization to plan, implement, and operate research, education, promotion, and marketing programs.

Clarifies text regarding membership qualifications, composition, and general powers of the council.

Authorizes the council to establish and operate a state beef check off program that is separate from the beef check off program established by federal law.

**Violation of Reporting Requirement to Trap, Transport, and Transplant Certain Animals—H.B. 2649**

*by Representative Herrero—Senate Sponsor: Senator Hinojosa*

The Texas Parks and Wildlife Department facilitates wildlife management by issuing permits for trapping, transporting, and transplanting game animals and game birds. Current law provides that if a permit holder violates a reporting requirement associated with the permit for trapping, transporting, and transplanting a white-tailed deer, the permit holder can be charged with a Class B Parks and Wildlife Code misdemeanor, which is punishable by a maximum $2,000 fine, jail time, or both, while other deer reporting requirement violations are punishable as Class C misdemeanors, which have a lower maximum fine and no jail time. This bill:

Provides that a person who violates any provision or terms of Subchapter E (Permits for Trapping, Transporting, and Transplanting Game Animals and Game Birds), Parks and Wildlife Code, commits an offense that is a Class B Parks and Wildlife Code misdemeanor.

Provides that a person commits an offense that is a Class C Parks and Wildlife Code misdemeanor if the person violates a rule or term of a permit issued relating to a reporting requirement for a permit issued under Subchapter E (Permits for Trapping, Transporting, and Transplanting Game Animals and Game Birds), Parks and Wildlife Code.
Endangered Species Habitat Conservation—H.B. 3509 [VETOED]
by Representatives Dennis Bonnen and Villalba—Senate Sponsor: Senator Seliger

Subchapter A (Federal-State Agreements), Chapter 83 (Federal-State Agreements), Parks and Wildlife Code, has not been updated in more than a decade, and during that time, the number of potential endangered species listings has risen. In the next five years, Texas will have to evaluate the listing of and respond to the listing of more than 100 species in a timely manner. The timeline for the Endangered Species Act (Act) listing process is approximately two years, but that may be rushed, extended, or disregarded by the United States Fish and Wildlife Service (U.S. Fish and Wildlife Service). This bill:

Authorizes a state agency, under the provision of Section 490E.004(c) (relating to authorizing an agency represented on the Task Force on Economic Growth and Endangered Species (task force) to hold a permit issued under the Act), Government Code, to apply for or hold a federal permit issued in connection with a habitat conservation plan, candidate conservation plan, or similar plan authorized or required by federal law in connection with a candidate, threatened, or endangered species. Requires a state agency that takes an action to notify certain other members of the task force.

Sets forth the requirements for an agency that takes an action.

Sets forth the public notice and input requirements for a state agency before it engages in an activity related to applying for a certain application.

Creates the Habitat Protection and Research Fund (fund). Provides that the fund is held by the comptroller of public accounts of the State of Texas (comptroller) and consists of certain money. Provides that the fund does not apply to activities related to species proposed for listing under the Act prior to September 1, 2013.

Authorizes money in the fund to be used only to serve certain purposes relating to research.

Provides that private money contributed to the fund under Section 403.452 (Comptroller Power and Duties), Government Code, is held by the comptroller outside the treasury.

Requires that the private funds collected pursuant to a mitigation plan be held only by the comptroller outside the treasury for the use prescribed by the plan.

Authorizes the comptroller to identify funds to reimburse state institutions of higher education from the fund for science and biology research and work related to threatened or endangered species.

Provides that information collected by certain persons in a habitat conservation plan, proposed habitat conservation plan, candidate conservation plan, or proposed candidate conservation plan is confidential and exempt from disclosure under Chapter 552 (Public Information), Government Code, if the information relates to the specific location, property owner identification, species identification, or quantity of any animal or plant life at a specific location for which a plan is under consideration or development has been established. Authorizes information to be disclosed to a state agency or state officer upon signature of a confidentiality agreement but is prohibited from being disclosed to a federal agency.

Sets forth the duties of the task force.
Authorizes the task force, if requested by a landowner, other person in this state, or a local government or a state official, to review state and local governmental efforts to address endangered species issues and provide recommendations to make those efforts more cost effective. Deletes existing text requiring the task force to consider all available options as part of its recommendations. Deletes existing text regarding the requirements for the options considered.

Authorizes a state agency that is represented on the task force, if determined by the task force, to hold a permit issued under the Act.

Requires the permit holder to inform members of the task force of any mitigation plan, including costs, at least 10 days prior to the plan being submitted to the U.S. Fish and Wildlife Service for approval.

Requires the presiding officer, with the advice of the task force, to create at least one advisory committee for each species to assist the task force with its work. Sets forth the requirements for the composition of the advisory committee. Deletes existing text authorizing the comptroller, with the advice of the task force, to create advisory committees to assist the task force with its work.

Authorizes the task force to create a Science and Biology Advisory Committee for a specific species composed of certain members.

Requires the presiding officer's office to provide administrative support and to maintain a public website for the task force.

Requires the attorney general, notwithstanding Section 402.045 (Limitation), Government Code, at the request of the task force, to provide legal advice.

Provides that except as provided under Section 490E.004(c), Government Code, the authority of the comptroller to enter into an agreement for any species other than the dunes sagebrush lizard, with the U.S. Fish and Wildlife Service, for the implementation of a candidate conservation plan or a habitat conservation plan, expires September 1, 2013.

Repeals Section 490E.006 (Coordination With Other Entities), Government Code.

Requires the task force, in collaboration with certain persons, to conduct a study to determine state policies to defend against the overreaching inclusion of species on the Endangered Species List by the U.S. Fish and Wildlife Service. Requires that the study be submitted to the governor, lieutenant governor, speaker, and members of the legislature not later than December 1, 2014.

Provides that nothing in this bill precludes a person or group of persons from working together and with the U.S. Fish and Wildlife Service to address threatened or endangered species issues.

**State or Federal Disease Control or Eradication Program For Animals—H.B. 3569**

_by Representative Kleinschmidt—Senate Sponsor: Senator Uresti_

The Texas Animal Health Commission (TAHC) has certification authority solely with respect to brucellosis, but disease and eradication programs include at least six other dangerous diseases, for which TAHC has
reported errors regarding improperly submitted tests, samples, and incorrect certificates of veterinary inspection. This bill:

Requires a person, including a veterinarian, to be authorized by TAHC in order to engage in an activity that is part of a state or federal disease control or eradication program for animals.

Authorizes TAHC to, after reasonable notice, suspend or revoke a person's authorization to engage in an activity that is part of a state or federal disease control or eradication program for animals if TAHC determines that the person has substantially failed to comply with Chapter 161 (General Disease and Pest Control), Agriculture Code, or rules adopted under this chapter.

Entitles a person to a hearing before TAHC or a hearing examiner appointed by TAHC before TAHC is authorized to revoke the person's authorization to engage in a state or federal disease control or eradication program for animals.

Authorizes TAHC by rule to provide for the issuance, including electronically, of a certificate of veterinary inspection by a veterinarian to a person transporting livestock, exotic livestock, domestic fowl, or exotic fowl.

**Feasibility Report on the Creation of a Border Agricultural Inspection Training Program—H.B. 3761**

*by Representatives Guerra and Muñoz—Senate Sponsor: Senator Hinojosa*

The United States Customs and Border Protection and United States Department of Agriculture agents are currently responsible for agricultural inspections at commercial points of entry. The limited number of federal inspectors has caused congestion in the stream of commerce at the Texas-Mexico border. State employees may be able to alleviate this issue by assisting the U.S. Customs and Border Protection and U.S. Department of Agriculture at commercial points of entry. This bill:

Requires the Texas Department of Agriculture (TDA) to consider the feasibility of creating and administering a program to train TDA employees to meet federal standards for certain agricultural inspectors performing inspections at ports of entry along the border with the United Mexican States, and to allow trained TDA employees to assist with certain agricultural inspections at ports of entry along the border with the United Mexican States to reduce the wait time for an agricultural inspection of a vehicle.

Requires TDA to determine whether any agreements with the federal government are required in order to implement a program that permits TDA employees to train and assist with certain agricultural inspections at ports of entry along the border with the United Mexican States and the nature of those agreements.

Requires TDA to submit a report to the committees of each house of the legislature with primary jurisdiction over agriculture concerning the feasibility of the proposed program and the nature of any agreements with the federal government required to implement the program.
Control of Stray Bison and Other Estrays—S.B. 174
by Senator Estes—House Sponsor: Representative Anderson

The Texas Agriculture Code does not include bison in the list of animals protected under the estray law. Bison have traditionally been regarded as wildlife and have not been owned as private property, like cattle or other livestock. A bison's current classification means that when a bison roams from its owner's land onto another person's property, the property owner is not required to provide notice to the owner of the bison, as he or she should under the estray law, and may dispose of the animal as he or she sees fit. This bill:

Redefines "estray" to include stray bison and defines a "perilous condition."

Requires the sheriff or the sheriff's designee, after receiving a report from the owner of a private property or the custodian of a public property, that an estray has been discovered on the property, to notify the owner, if known, that the estray's location has been reported, except that if the sheriff or the sheriff's designee determines that the estray is dangerous to the public, the sheriff or the sheriff's designee is authorized to immediately impound the estray without notifying the owner.

Provides that if the owner does not immediately remove the estray, the sheriff or the sheriff's designee is authorized to proceed with the impoundment process or, if a perilous condition exists, the sheriff or the sheriff's designee is authorized to proceed with disposition of the estray.

Provides that a sheriff or sheriff's designee is not required to impound an estray if a perilous condition exists.

Authorizes the sheriff or the sheriff's designee, if a perilous condition exists, to immediately dispose of the estray by any means without notifying the owner of the estray.

Requires the sheriff to make a written report of the disposition and file the report with the county clerk for placement in the county estray records.

Boll Weevil Eradication Activities and Programs—S.B. 818
by Senator Duncan—House Sponsor: Representative Darby

Boll weevil eradication programs have been generally successful in Texas and over 95 percent of the state's cotton acres are now free of this pest. However, certain areas of the state, primarily part of the Lower Rio Grande Valley still encounter hurdles to eradicate the weevil. Legislation regarding the boll weevil eradication programs need to be modified to focus primarily on maintenance, rather than eradication. This bill:

Authorizes the commissioner of agriculture (commissioner), if 30 percent or more of the cotton growers eligible to vote within a zone participating in the program present to the commissioner a petition calling for a referendum of the qualified voters on the proposition of discontinuing the program, to conduct a referendum for that purpose if the debt of the zone has been paid in full and the Texas Boll Weevil Eradication Foundation, Inc., (foundation) determines, and the commissioner approves the foundation's determination, that the cotton growers in the zone have paid more than one-half of the eradication program funds collected
by the foundation and used for the eradication program in the zone from the date of the program’s inception until the date the petition is presented to the commissioner.

Prohibits the commissioner from conducting a referendum and requires the commissioner to return the petition if the commissioner determines that certain requirements are not satisfied.

Authorizes, rather than requires, the foundation to prepare and mail billing statements to each cotton grower subject to the assessment that state the amount due and the due date.

Requires the Texas Department of Agriculture to adopt rules to prohibit the movement of cotton and regulated articles from an area infested with the boll weevil if the area is not participating in the boll weevil eradication program.

Authorizes the foundation to carry out programs to destroy and eliminate the boll weevil and the pink bollworm by cooperating through written agreements, approved by the commissioner, with appropriate associations of cotton producers or boll weevil foundations in more than one state, for the purpose of facilitating cooperation with and funding assistance to protect Texas against reinfection with the boll weevil.

Provides that an eradication zone is eligible for inclusion in a maintenance area if it meets certain criteria, including if the cotton grower steering committee has been consulted regarding the inclusion of the zone in a maintenance area, rather requesting the inclusion of the zone in a maintenance area.

Requires the board of directors of the foundation (board) to consult with cotton grower steering committees in formulating a recommendation regarding the maintenance fee that is required to be collected on a per-acre or per-bale basis at a rate to be set by the commissioner after receiving a recommendation from the board.

Authorizes the foundation, notwithstanding any provision of Subchapter D or Subchapter F, Chapter 74, Agriculture Code, with the approval of the board and the commissioner, to transfer funds, including the proceeds from the collection of assessments or maintenance fees, between eradication zones and maintenance areas as needed to fulfill the purposes of this subchapter and Subchapter D only after the affected cotton grower steering committees have been consulted.

Repeals Sections 74.105(f) (relating to requiring that eligible voters be allowed, by subsequent referenda, to vote on whether to continue their assessments) and 74.1135(b) (relating to providing the maximum amount of an assessment under this section (Alternative Method of Assessments)), Agriculture Code.

**Deer Breeding and Deer Permits—S.B. 820**

*by Senators Williams and Campbell —House Sponsor: Representative Guillen et al.*

The deer breeding industry contributes millions of dollars to the Texas economy. The internal review process currently used by the Texas Parks and Wildlife Department (TPWD) for denying or revoking a deer permit gives TPWD the authority to take such an action based on the allegations of wrong doing, rather than a conviction for a violation of the permit. Under current TPWD procedures, certain violations can
result in a deer being destroyed without the permit holder having had the opportunity to request an appeal or provide proof of an animal's disease status, lineage, or other information. This bill:

Adds Subchapter G (Refusal to Issue or Renew Certain Permits Relating to the Control, Breeding, or Management of Deer; Appeal of Certain Decisions), to Chapter 12, Parks and Wildlife Code:

- Sets forth to which permits this subchapter applies.
- Defines “applicant” and “final conviction.”
- Authorizes the Texas Department of Agriculture (TDA) to refuse to issue or renew a permit if the applicant fails to submit in a timely manner:
  - a completed application on a form supplied by TDA and all required application materials;
  - the required permit fee;
  - accurate reports as applicable; and
  - any additional information that TDA determines is necessary to process the application.
- Requires TPWD, in determining whether to issue a permit to or renew a permit for an applicant who has a final conviction or has been assessed an administrative penalty for a violation of certain specified laws or provisions, to consider:
  - the number of final convictions or administrative penalties;
  - the seriousness of the conduct on which the conviction or penalty is based;
  - the existence, number, and seriousness of other offenses or violations;
  - the length of time between the most recent conviction or administrative penalty and the permit application;
  - whether the conviction, penalty, or other offense or violation was the result of negligence or intentional conduct;
  - whether the conviction or penalty resulted from conduct by the applicant, an agent of the applicant, or both;
  - the accuracy of the permit history information provided by the applicant;
  - for a renewal, whether the applicant agreed to any special provisions recommended by TDA as conditions to the expiring permit; and
  - other mitigating factors.
- Sets forth the procedure for the refusal to issue or renew permit and the review of such refusal.
- Requires the Texas Parks and Wildlife Commission (commission) to by rule adopt procedures for review of a refusal to issue or renew a permit.
- Provides for appeal by trial de novo of such refusal to a Travis County district court.

Authorizes TPWD, at the option of the person applying for the issuance or renewal of a permit, to issue a permit that is valid for one year, three years, or five years.

Sets forth who is eligible for a three-year or five-year permit.

Defines "DNA," "genetic test," and "RNA."

Requires TPWD, after an inspection, to notify a deer breeder in writing when TPWD has reason to believe the deer breeder possesses deer that may pose a disease risk to other deer.
Requires the notice to include an explanation of the rationale used to establish the disease risk.

Requires TPWD, if genetic testing is timely conducted, to postpone any actions that may be affected by the test results until the test results are available.

Bars the results of genetic testing from being used as evidence to establish a defense against a fine imposed on a deer breeder found guilty of failure to keep records of all deer in a deer breeder facility.

Requires the commission to adopt rules as needed to implement these provisions.

Adds Subchapter X (Deer Disposition Protocol) to Chapter 43, Parks and Wildlife Code:

- Sets forth to which deer this subchapter applies.
- Defines "animal health commission," "permit," and "permit holder."
- Provides that before any deer may be destroyed:
  - an agent of the animal health commission may conduct an epidemiological assessment, if the assessment can be conducted in a timely manner and contingent on the availability of funding; and
  - TPWD must consider the results of such assessment, if conducted.
- Provides that deer may be destroyed only if TPWD determines that the deer pose a threat to the health of other deer or other species, including humans.
- Requires TPWD to carry out an order to destroy deer after notice has been provided to the permit holder.
- Sets forth the requirements for such notice.
- Authorizes a permit holder to waive the notice requirements.
- Requires the applicable permit holder to pay all costs associated with:
  - an epidemiological assessment conducted to the animal health commission; and
  - the destruction of deer to TPWD.

Requires the commission, not later than September 1, 2014, to adopt rules as needed to implement Subchapter G, as added by this Act.

Fever Tick Eradication—S.B. 1095
by Senators Hinojosa and Zaffirini—House Sponsor: Representative Tracy O. King

As fever tick eradication techniques improve, the process of "dipping" an animal for fever ticks is no longer the sole method for treating an animal for fever ticks. This bill:

Defines "animal" to mean any domestic, free-range, or wild animal capable of hosting or transporting ticks capable of carrying Babesia, including livestock, zebras, bison, giraffes, deer, elk, and other cervid species, and defines "treatment" to include any procedure or management practiced use on an animal to prevent the infestation of, control, or eradicate ticks capable of carrying Babesia.

Modifies language in current regulation relating to fever tick treatment to ensure that all animals that may host or transport ticks capable of carrying Babesia are regulated and provides that the language regarding treatment includes alternate forms of treatment other than dipping.
Concerning the Transfer of Exotic Species as a Result of the Transfers of Certain Water—S.B. 1212
by Senators Estes and Paxton—House Sponsor: Representative Phillips

The zebra mussel, a state-listed exotic harmful shellfish, was introduced to Lake Texoma in 2009. Subsequently, zebra mussels have been found in nearby water systems and the spread of zebra mussels negatively impacts aquatic resources in Texas and those depending on water supplies from sources that may be infested with zebra mussels. Section 66.007 (Exotic Harmful or Potentially Harmful Fish and Shellfish), Texas Parks & Wildlife Code, makes it unlawful to “import, possess, sell, or place into public water of this state” zebra mussels or other exotic harmful or potentially harmful fish or shellfish. This bill:

Provides that certain water transfers are not a violation of Section 66.007, Parks and Wildlife Code.

Prohibits the Texas Parks and Wildlife Department from requiring a permit for a water transfer described by added Section 66.007(m), Parks and Wildlife Code.

Provides that Section 66.007(m), Parks and Wildlife Code, applies to a water transfer by a district or authority created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution, that:

• is initially conveyed by a water intake structure that is shared by at least two districts or authorities and located on a reservoir situated on the boundary of this state and another state;
• uses a closed conveyance system approved by the United States Army Corps of Engineers in accordance with an invasive species management plan approved by the United States Army Corps of Engineers; and
• contributes to a water supply that serves at least 1.5 million people, all of whom reside in an area that borders another state, contains at least 10 contiguous counties, contains at least one county with a population of more than one million, and is adjacent to a county with a population of more than one million.

Administration of the Citrus Budwood Certification Program—S.B. 1427
by Senators Hinojosa and Zaffirini—House Sponsor: Representative Tracy O. King

Citrus greening disease, a devastating citrus bacterial disease spread by an insect vector known as the Asian citrus psyllid, was discovered in Texas in January 2012. The three internationally accepted solutions for controlling the disease are vector control, removing infected trees, and providing a source of clean, disease-free trees. This bill:

Establishes the purposes of Chapter 19 (Citrus Budwood Certification Program), Agriculture Code, by adding text to establish a certified citrus nursery program for citrus nursery stock sold in or into the citrus zone as part of an effort to produce citrus trees that are free from pathogens; provide standards for foundation groves, certified citrus nurseries, and certified citrus nursery trees; and provide for an advisory council to make recommendations on the implementation of the programs.

Defines “Asian citrus psyllid,” “certified citrus nursery,” “certified citrus nursery stock,” and “citrus nursery stock” and redefines “citrus grower” and “citrus nursery.”
Designates certain counties in the citrus zone of this state.

Establishes the citrus nursery stock certification program and provides that the Texas Department of Agriculture (TDA) administers the program.

Requires TDA to accomplish the purposes of the citrus nursery stock certification program through the certification of nurseries growing or selling citrus nursery stock in the citrus zone and requires that all citrus nursery stock grown in or sold in or into the citrus zone be grown in a certified citrus nursery.

Requires TDA, in consultation with the citrus budwood advisory council (advisory council), to set standards for certified citrus nurseries and citrus nursery stock certification, to inspect citrus nurseries and the records of citrus nurseries to ensure that citrus nurseries comply with the provisions of the citrus nursery stock certification program.

Requires TDA provide for an annual renewal of a certificate for a certified citrus nursery, including the imposition of applicable fees and requires TDA to renew the certificate if the nursery maintains certain standards set by TDA.

Requires TDA, with the advice of the advisory council, to adopt certain standards and rules necessary to administer the citrus budwood certification program and the citrus nursery certification program, regulate the sale of citrus budwood and citrus nursery trees as supplies of certified citrus budwood and certified citrus nursery trees become available, and require certain specifications for citrus nursery stock grown in or sold into the citrus zone to be propagated.

Requires TDA to establish certain procedures for the certification of citrus nurseries and citrus nursery trees.

Requires TDA to establish certain standards and procedures for certifying that citrus budwood and citrus nurseries meet requirements established under Chapter 19, Agriculture Code; verifying propagation of citrus varieties and special rootstocks for growers on request, including an inspection of the citrus nursery's books and records; maintaining appropriate records required for participation in the citrus budwood certification and citrus nursery stock certification programs; inspecting citrus nurseries to ensure that the structures in which citrus nursery stock is propagated meet certain standards set by TDA; and requiring each citrus nursery to submit source tree bud cutting reports to TDA not later than the 30th day after citrus trees are budded.

Requires a person who desires to operate a citrus nursery to propagate citrus nursery stock for sale in the citrus zone to apply for citrus nursery certification in accordance with rules adopted by TDA.

Requires TDA to establish rules regarding the revocation of foundation grove designation, citrus budwood certification, and citrus nursery certification.

Requires TDA to set and collect fees, which cover the program's administration and enforcement costs, from persons applying for foundation grove designation, citrus budwood certification, or citrus nursery certification and authorizes TDA to also accept funds from the citrus industry or other interested persons to cover the costs of administering the programs.
NATURAL RESOURCES—AGRICULTURE AND ANIMALS

Authorizes money in the credit of an account in the general revenue fund to be appropriated only to TDA for the purpose of administering and enforcing Chapter 19, Agriculture Code.

Authorizes TDA to issue a written order to stop the sale of citrus budwood, citrus nursery tree, or citrus nursery stock if a person offers citrus budwood or a citrus nursery tree for sale falsely claiming that it is certified, that it comes from a designated foundation grove, or that it comes from a certified citrus nursery, or offers citrus budwood, a citrus nursery tree, or citrus nursery stock for sale in violation of rules.

Prohibits a person from selling citrus budwood, a citrus nursery tree, or citrus nursery stock that is subject to a stop-sale order under this section until the sale is permitted by a court or TDA determines that the sale of the citrus budwood, citrus nursery tree, or citrus nursery stock is in compliance with Chapter 19, Agriculture Code, and the rules adopted under Chapter 19, Agriculture Code.

Authorizes TDA to issue a written order to stop the sale of citrus nursery stock from a citrus nursery or to stop the operation of all or part of a citrus nursery if a person propagates citrus nursery stock in a citrus nursery for sale in or into the citrus zone and the person falsely claims that the citrus nursery is certified or if the citrus nursery is certified, the person fails to comply with the rules adopted under Chapter 19, Agriculture Code.

Prohibits a person from selling citrus nursery stock out of a citrus nursery, or operating a citrus nursery or a part of a citrus nursery, that is subject to a stop-sale order until the sale is permitted by a court or TDA determines that the citrus nursery is in compliance with Chapter 19, Agriculture Code, and the rules adopted under Chapter 19, Agriculture Code.

Authorizes the person named in the order to bring suit in a court in the county where the citrus budwood, citrus nursery tree, or citrus nursery subject to the stop-sale order is located. Authorizes the court, after a hearing, to permit the citrus budwood or citrus nursery tree to be sold, or permit the citrus nursery to continue operations, if the court finds, as applicable, the citrus budwood or citrus nursery tree is not being offered for sale or that the citrus nursery is not operating in violation of Chapter 19, Agriculture Code.

Requires TDA to inspect each citrus nursery in the citrus zone not less than once every two months.

Provides that a person commits an offense if the person:

- sells or offers to sell citrus budwood, a citrus nursery tree, or citrus nursery stock falsely claiming that it is certified or that it comes from a designated foundation grove or a certified citrus nursery;
- uses, for commercial purposes, citrus budwood that is required by TDA rule to be certified and is not certified or does not come from a designated foundation grove;
- sells or offers to sell in or into the citrus zone citrus nursery stock that has not been propagated in a certified citrus nursery;
- operates, in the citrus zone for the propagation of citrus nursery stock, a citrus nursery that is not a certified citrus nursery or that is not in compliance with Chapter 19, Agriculture Code, or a rule adopted under Chapter 19, Agriculture Code;
- operates, outside of the citrus zone for the propagation of citrus nursery stock for sale into the citrus zone, a citrus nursery that is not a certified citrus nursery or that is not in compliance with Chapter 19, Agriculture Code, or a rule adopted under Chapter 19, Agriculture Code; or
• fails to comply with an order of TDA issued under Chapter 19, Agriculture Code.

Requires that a civil penalty collected under Section 19.012, Agriculture Code, in a suit filed by a county or district attorney be divided between the state and the county in which the county or district attorney brought suit, with 50 percent of the amount collected paid to the state for deposit to the credit of an account in the general revenue fund and 50 percent of the amount collected paid to the county, and authorizes funds credited to the account in the general revenue fund to be appropriated only to TDA for purposes of administering and enforcing Chapter 19 and rules adopted under Chapter 19.

Authorizes TDA to assess an administrative penalty for a violation of Chapter 19, Agriculture Code, if TDA finds that a person:
• sells or offers to sell citrus budwood, a citrus nursery tree, or citrus nursery stock falsely claiming that it is certified or that it comes from a designated foundation grove or a certified citrus nursery;
• uses citrus budwood in violation of rules adopted under Chapter 19, Agriculture Code;
• uses, for commercial purposes, citrus budwood that is required by TDA rule to be certified and is not certified or does not come from a designated foundation grove;
• sells or offers to sell citrus nursery stock in or into the citrus zone falsely claiming that the citrus nursery stock was propagated in a certified citrus nursery;
• operates, in the citrus zone for the propagation of citrus nursery stock, a citrus nursery that is not a certified citrus nursery or that is not in compliance with Chapter 19, Agriculture Code, or a rule adopted under Chapter 19, Agriculture Code;
• operates, outside of the citrus zone for the propagation of citrus nursery stock for sale into the citrus zone, a citrus nursery that is not a certified citrus nursery or that is not in compliance with Chapter 19, Agriculture Code, or a rule adopted under Chapter 19, Agriculture Code; or
• fails to comply with an order of TDA issued under Chapter 19, Agriculture Code.

Violations Relating to Trapping, Transporting, and Transplanting Certain Animals—S.B. 1432
by Senator Hinojosa—House Sponsor: Representative Guillen et al.

The Texas Parks and Wildlife Department (TPWD) facilitates wildlife management by issuing permits for trapping, transporting, and transplanting game animals and game birds. Current law provides that if a permit holder violates a reporting requirement associated with the permit for trapping, transporting, and transplanting a game animal or game bird, the permit holder can be charged with a Class B Parks and Wildlife Code misdemeanor, which is punishable by a maximum $2,000 fine, jail time, or both. However, certain other game animal and game bird reporting requirement violations are punishable as Class C misdemeanors. This bill:

Provides that a person who violates any provision of Subchapter E (Permits for Trapping, Transporting, and Transplanting Game Animals and Game Birds), Wildlife Code, or the terms of a permit issued under this subchapter commits an offense that is a Class B Parks and Wildlife Code misdemeanor, except in the situation that a person violates a rule or a term of a permit relating to a reporting requirement for a permit to trap, transport, or transplant game animals and game birds, then a person commits an offense that is a Class C Parks and Wildlife Code misdemeanor.
Greenhouse Gas Emissions Permits—H.B. 788

by Representatives Smith and Reynolds—Senate Sponsor: Senator Hinojosa

The United States Environmental Protection Agency (EPA) is currently the permitting authority for greenhouse gas emissions. Interested parties have contended that as a result, permit applications in Texas have long delays that negatively impact projects. This bill:

Authorizes the Texas Commission on Environmental Quality (TCEQ), to the extent that greenhouse gas emissions require authorization under federal law, to authorize greenhouse gas emissions in a manner consistent with Section 382.051 (Permitting Authority of Commission; Rules), Health and Safety Code.

Requires TCEQ to adopt rules, including rules that specify the procedures to transition the review by TCEQ of any applications that are pending with the EPA for approval. Requires TCEQ to prepare and submit federal program revisions to the EPA for approval.

Provides that the permit process is not subject to requirements relating to a contested case hearing.

Requires TCEQ, if authorization to emit greenhouse gas emissions is no longer required under federal law, to repeal rules adopted and prepare and submit appropriate federal program revisions to the EPA for approval.

Authorizes TCEQ to impose fees for emissions only to the extent that they are necessary to cover the direct costs of implementing authorizing greenhouse gas emissions.

Abolition of Wind Erosion Conservation Districts—H.B. 2153

by Representative Callegari—Senate Sponsor: Senator Garcia

Chapter 202 (Wind Erosion Districts) of the Agriculture Code provides for wind erosion conservation districts to conserve the soil by preventing unnecessary erosion caused by wind. This statute that created wind erosion conservation districts has not been used for over 55 years, due in part to the soil conservation programs maintained by the State Soil and Water Conservation Board. This bill:

Repeals Chapter 202, Agriculture Code.

Sets forth protocol for a county judge or county judge’s designee and a commissioners court to proceed with the dissolution of a wind erosion conservation district.

Money Authorized For Clean Air Act Local Initiative Projects Related to Vehicles—H.B. 2859

by Representative Harless—Senate Sponsor: Senator Patrick

Counterfeit or improperly issued inspection stickers cause the state to lose money and can ultimately cause more pollution. This bill:

Authorizes fees collected under Section 382.202 (Vehicle Emissions Inspection and Maintenance Program) and 382.302 (Inspection and Maintenance Program), Health and Safety Code, to be used in an amount not
to exceed $7 million, rather than $5 million, per fiscal year for certain projects of which $2 million are authorized to be used only for projects relating to reducing the use of counterfeit state inspection stickers. Authorizes the remaining $5 million to be used for any project related to certain local initiative projects that are authorized to include a program relating to vehicles, transportation system improvements, and air quality.

**Use of the Texas Emissions Reduction Plan Fund—S.B. 1727**

by: Senators Deuell and Garcia— House Sponsor: Representative Isaac et al.

The Texas Emissions Reduction Plan (TERP) program provides financial incentives to eligible individuals, businesses, nonprofits, and local governments to reduce emissions from polluting vehicles and equipment. New Environmental Protection Agency (EPA) standards could bring more areas to non-attainment or near non-attainment status. Emerging issues with increased activity at sea ports and hydraulic fracturing require more flexibility within TERP. This bill:

Requires the Texas Commission on Environmental Quality (TCEQ) and the Comptroller of Public Accounts of the State of Texas (comptroller), under TERP, to provide grants or other funding for certain programs, including:

- the regional air monitoring program established under, a health effects study as provided by, and air quality planning activities as provided by Section 386.252(a) (relating to requiring money appropriated to TCEQ to be used in a certain manner and allocated in a certain manner), Health and Safety Code;
- a contract with the Energy Systems Laboratory (laboratory) at the Texas Engineering Experiment Station (station) for computation of credible statewide emissions reductions as provided by Section 386.252(a)(14) (relating to requiring money appropriated to TCEQ to be used for certain programs, including to be allocated in a laboratory in a certain amount for the development of emissions reductions obtained through renewable energy resources), Health and Safety Code;
- the clean fleet program;
- the alternative fueling facilities program;
- the natural gas vehicle grant program and clean transportation triangle program;
- other programs TCEQ may develop that lead to reduced emissions of nitrogen oxides, particulate matter, or volatile organic compounds in a nonattainment area or affected county;
- other programs TCEQ may develop that support congestion mitigation to reduce mobile source ozone precursor emissions; and
- the drayage truck incentive program established by this bill.

Authorizes TCEQ, under TERP, to establish and administer other programs, including other grants or funding programs, as determined by TCEQ to be necessary or effective in fulfilling its duties and achieving the objectives described under Section 386.052 (Commission Duties), Health and Safety Code. Authorizes TCEQ to apply the criteria and requirements applicable to the programs under Section 386.051(b) (relating to requiring TCEQ and the comptroller, under TERP, to provide grants and other funding for certain programs), Health and Safety Code, as amended in this bill, to programs established under this subsection, and authorizes TCEQ to establish separate criteria and requirements as necessary to achieve TCEQ's objectives. Requires that the additional programs be consistent with and comply with all applicable laws,
regulations, and guidelines pertaining to the use of state funds, the awarding and administration of grants and contracts, and achieving reductions in zone precursors or particulate matter. Authorizes TCEQ, under this subsection, to place a priority on programs that address certain goals for the reduction of emissions from certain vehicles.

Requires TCEQ, notwithstanding other eligibility requirements, to by rule or policy provide specific eligibility requirements under the Texas Clean Fleet Program or projects relating to agricultural product transportation.

Provides that the determining factor for eligibility for participation in a program established under chapter 392 (Texas Clean Fleet Program), Health and Safety Code, for a project relating to agricultural product transportation is the overall accumulative net reduction in emissions of oxides of nitrogen in a nonattainment area, and affected county, or the clean transportation triangle.

Sets forth the representatives the governor is required to appoint to the TERP advisory board (advisory board).

Requires TCEQ to establish a minimum percentage reduction standards alternative to standards relating to proposed equipment as an incentive for the conversion of heavy-duty diesel on-road vehicle engines or non-road engines to operate under a dual-fuel configuration that uses natural gas and diesel fuels through an alternative fuel conversion system certified by the EPA or the California Air Resources Board. Authorizes TCEQ, in determining the emissions rate of the converted vehicle and engine to compute the emissions reductions that can be attributed to the conversion system, to take into account whether the emissions certification requirements for the system prevent full accounting for the emissions reductions. Authorizes TCEQ, if TCEQ determines it to be necessary and appropriate, to consider certified engine test information that demonstrates reductions of emissions of nitrogen oxides and other pollutants and other information to verify the emissions reductions.

Prohibits TCEQ, except as otherwise provided by statute, from awarding a grant that, net of taxes, provides an amount that exceeds the incremental cost of the proposed project.

Requires TCEQ, rather than the comptroller and TCEQ, to develop a purchase or lease incentive program for new light-duty motor vehicles (lease incentive program) and to adopt rules necessary to implement the lease incentive program.

Requires that the lease incentive program authorize statewide incentives for the purchase or lease of new light-duty motor vehicles powered by compressed natural gas, liquefied petroleum gas, or electric drives for a purchaser or lessee who agrees to register and operate the vehicle in this state for a minimum period of time to be established by TCEQ.

Sets forth the light-duty motor vehicle purchase or lease incentive requirements.

Requires that on August 1 of each year TCEQ publish a list of the new model motor vehicles eligible for inclusion on an incentive as listed for TCEQ under Section 386.155 (Manufacturer's Report), Health and Safety Code. Requires TCEQ to publish supplements to that list as necessary to include additional new vehicle models.
Requires TCEQ, rather than the comptroller, to publish, rather than distribute, the list of eligible motor vehicles on TCEQ's Internet website.

Provides that a person who purchases or leases a new light-duty motor vehicle is eligible to apply for an incentive.

Requires the purchaser or lessee of a new light-duty motor vehicle who is eligible to apply for an incentive, to receive money under an incentive program, to apply for the incentive in the manner provided by law or rule of TCEQ, rather than of the comptroller.

Sets forth the requirements for TCEQ, rather than the comptroller, to account for motor vehicle purchase or lease incentives.

Amends the heading to Section 386.151, Health and Safety Code, to read "Suspension of Purchase or Lease Incentives."

Provides that Subchapter D (Motor Vehicle Purchase or Lease Incentive Program) Chapter 386 (Texas Emissions Reduction Plan), Health and Safety Code, expires August 31, 2015.

Establishes the drayage truck incentive program. Sets forth TCEQs duties for the drayage truck incentive program. Sets forth the requirements for a drayage truck purchase incentive.

Amends the heading to Subchapter E, Chapter 386, Health and Safety Code, to read "Evaluation of Utility Commission and Comptroller Energy Efficiency Programs."

Requires the Public Utility Commission of Texas (PUC), in cooperation with the laboratory, to provide an annual report to TCEQ that, by county, quantifies the reductions of energy demand, peak loads, and associated emissions of air contaminants achieved from programs implemented by the State Energy Conservation Office (SECO) and from programs implemented under Section 39.905 (Goal for Energy Efficiency), Utilities Code.

Sets forth the requirements for the allocation of money appropriated to TCEQ for the programs under Section 386.051(b), Health and Safety Code.

Authorizes TCEQ to allocate unexpended money designated for the Texas alternative fueling facilities program to other programs described under Section 386.252(a), Health and Safety Code, after TCEQ allocates money to recipients under the alternative fueling facilities program.

Authorizes TCEQ to allocate money designated for the Texas natural gas vehicle grant program to other programs described under Section 386.252(a), Health and Safety Code, if TCEQ, in consultation with the governor and the advisory board, determines that the use of the money in the fund for that program will cause the state to be in noncompliance with the state implementation plan to the extent that federal action is likely and TCEQ finds that the reallocation of some or all of the funding for the program would resolve the noncompliance.
Prohibits TCEQ, Under Section 386.252(d) (relating to authorizing TCEQ to allocate money for the clean fleet program to other programs), Health and Safety Code, from reallocating more than the minimum amount of money necessary to resolve noncompliance.

Authorizes money allocated under Section 386.252(a), health and Safety Code, to a particular program to be sued for another plan under TERP as determined by TCEQ.

Authorizes money in TERP to be used by TCEQ for programs as added by this bill as may be appropriated for those programs.

Requires TCEQ, if the legislature does not specify amounts or percentages from the total appropriation to TCEQ to be allocated under Section 386.252(a) or (f) (relating to authorizing TCEQ to allocate money in TERP), Health and Safety Code, to determine the amounts of the total appropriation to be allocated under those subsections, such that the total appropriation is expended while maximizing emissions reductions.

Authorizes money allocated under Section 386, Health and Safety Code, to a particular program, subject to the limitations outlined in Section 386, Health and Safety Code, and any additional limitations placed on the use of the appropriated funds, to be used for another program under TERP as determined by TCEQ.

Authorizes TCEQ to establish minimum capital expenditure threshold projects under Section 386.252(b), Health and Safety Code, as explained below.

Authorizes the projects that are considered for a grant under the grant program to include new technology programs that reduce emissions of regulated pollutants from point sources, rather than from point sources, and involve capital expenditures that exceed $500 million, and electricity storage projects related to renewable energy, including projects to store electricity produced from wind and solar generation that provide efficient means of making the stored energy available during periods of peak energy use.

Requires TCEQ to award for each vehicle being replaced up to 80 percent, as determined by TCEQ, of the total cost for replacement of a heavy-duty or light-duty diesel engine.

Requires TCEQ to develop a grant schedule that assigns a standardized grant in an amount up to 90 percent, rather than in an amount between 60 and 90 percent, of the incremental cost of a natural gas vehicle purchase, lease, other commercial finance, or repowering based on certain emissions levels for natural gas vehicles and that may take into account the overall emissions reduction achieved by the natural gas vehicle.

Requires TCEQ, to ensure that natural gas vehicles purchased, leased, or otherwise commercially financed or repowered under TERP have access to fuel, and to build the foundation for a self-sustaining market for natural gas vehicles in Texas, to award grants to support the development of a network of natural gas vehicle fueling stations in certain areas, including in nonattainment areas and affected counties of the state.

Requires TCEQ, in awarding grants, to provide for certain provisions, including strategically placed in natural gas vehicle fueling stations in and between the Houston, San Antonio, and Dallas-Fort Worth areas, and in nonattainment areas and affected counties of the state, to enable natural gas vehicles to travel in those areas, rather than to travel along that triangular area, relying solely on natural gas fuel.

Prohibits TCEQ from awarding more than one grant for each station.
Prohibits grants awarded from exceeding certain amounts for compressed or liquefied natural gas stations.

Requires TCEQ to give preference to certain stations, including stations located in the triangular area between the Houston, San Antonio, and Dallas-Fort Worth areas.

Requires that an application for a grant include a certification that the applicant complies with laws, rules, guidelines, and requirements applicable to taxation of fuel provided by the applicant at each fueling facility owned or operated by the applicant. Authorizes TCEQ to terminate a grant awarded without further obligation to the grant recipient if TCEQ determines that the recipient did not comply with a law, rule, guideline, or requirement. Provides that this does not create a cause of action to contest an application or award of a grant.

Requires TCEQ, for each eligible facility for which a recipient is awarded a grant under the program, to award the grant in an amount equal to the lesser of certain amounts, including $600,000, rather than $500,000.

Repeals the following provisions:

• Section 386.051(c) (relating to requiring PUC to provide grants or other funding for the energy efficiency grant program), Health and Safety Code;
• Section 386.151(1) (defining "bin" or "emissions bin"), Health and Safety Code;
• Section 386.154 (Modification of Incentive Emissions Standards), Health and Safety Code;
• Section 386.161(a) (relating to requiring the comptroller to report to TCEQ annually regarding motor vehicle purchase or lease incentives), Health and Safety Code;
• Sections 386.201 (Definitions), 386.202 (Grant Program), and 386.203 (Administration of Grants), Health and Safety Code;
• Section 386.204 (Limitation on Duty of Participating Utility), Health and Safety Code;
• Section 386.252(a) (relating to requiring money in the fund to be used only to implement and administer programs established under the plan and the total appropriation being required to be allocated as per certain guidelines), Health and Safety Code, as amended by Chapters 589 (Senate Bill No. 20) and 892 (Senate Bill No. 385), Acts of the 82nd Legislature, Regular Session, 2011;
• Section 386.252(f) (relating to authorizing TCEQ to reallocate money in the fund if certain conditions are met), Health and Safety Code, as added by Chapter 589 (Senate Bill No. 20), Acts of the 82nd Legislature, Regular Session, 2011; and
• Chapters 393 (Texas Natural Gas Vehicle Grant Program) and 394 (Alternative Fueling Facilities Program), Health and Safety Code, as amended by Chapter 589 (Senate Bill No. 20), Acts of the 82nd Legislature, Regular Session, 2011.

Expedited Processing of Certain Permit Applications Under the Clean Air Act—S.B. 1756

by Senator Uresti—House Sponsor: Representative Villalba et al.

Current state and federal laws require companies to go through an application process with the Texas Commission on Environmental Quality (TCEQ) to obtain air quality permits. TCEQ processes all applications in a timely manner, but resource constraints prevent TCEQ from expediting requests without
expanding its workforce. According to TCEQ, the number of air permit full-time employees has decreased since 2007 and the number of projects has increased. This bill:

Authorizes an applicant, in a manner prescribed by TCEQ, to request the expedited processing of an application filed if the applicant demonstrates that the purpose of the application will benefit the economy of this state or an area of this state.

Authorizes the executive director of TCEQ (executive director) to grant an expedited processing request if the executive director determines that granting the request will benefit the economy of the state or an area of this state.

Provides that the expediting of an application does not affect a contested case hearing or applicable federal, state, and regulatory requirements, including the notice, opportunity for a public hearing, and submission of public comment required.

Authorizes TCEQ by rule to add a surcharge to an application fee for an expedited application in an amount sufficient to cover expenses incurred by the expediting, including overtime, contract labor, and other costs.

Authorizes TCEQ to authorize the use of overtime or contract labor to process expedited applications. Provides that the overtime or contract labor is not included in the calculation of full-time equivalent TCEQ employees allotted under other law.

Authorizes TCEQ to pay for compensatory time, overtime, or contract labor use to implement this bill.

Requires that a rule adopted under this bill be consistent with Chapter 2001 (Administrative Procedure), Government Code. Requires that a rule adopted regarding notice include a provision to require an indication that the application is being processed in an expedited manner.

Requires TCEQ, as soon as practicable after the effective date of this Act, to adopt rules necessary to implement Section 382.05155 (Expedited Processing of Application), Health and Safety Code, as added by this Act.
Filing of Electric Logs by Operators of Oil or Gas-Related Wells—H.B. 878
by Representatives Crownover and Keffer—Senate Sponsor: Senator Estes

Currently, all well logs are submitted to the Railroad Commission of Texas (railroad commission) on paper. To keep these logs confidential, one must send three separate letters to the railroad commission over the course of three years. This bill:

Requires an electric log to be filed with the railroad commission electronically in a certain manner.

Requires an operator to file with the railroad commission, not later than September 1, 2013, a copy of a cased hole log run after September 1, 2013, in conjunction with the drilling or deepening of a well in lieu of an electric log run after that date if a cased hole log was run and an electric log was not run.

Provides that, on filing of the request for confidentiality, the electric log becomes confidential and remains confidential for a period of three years, rather than one year, after the date that the drilling operation was completed if the well is an onshore well or, if the well is a bay or offshore well, for five years after the date that the drilling operation was completed.

Authorizes the railroad commission, if an operator fails to file an electric log, to refuse to assign an allowable or a change in allowable for production from the well for which the electric log is required until the operator files the electric log with the railroad commission if the well is completed as a producing well or to impose an administrative penalty on the operator for each well for which the operator failed to file an electric log.

Inspection of Certain Information Regarding Oil and Gas From State Land—H.B. 2571
by Representative Keffer—Senate Sponsor: Senator Fraser

Since 1993, the General Land Office (GLO) has been conducting compliance audits of oil and gas companies. Currently, there are no penalties or fines in place to ensure that oil and gas companies comply with the request to produce information pursuant to an audit.

Requires a lessee, not later than the 60th day after the date of the receipt of a request from the commissioner of the General Land Office (commissioner), the attorney general, or the governor for information relating to records of discharges of lines, tanks, and meters that are subject to inspection or examination at any time) to produce the requested information.

Requires a lessee who is unable to produce the requested information in time to, not later than the 30th day after the date of receipt of a request, reply in writing to the requestor and state the reason for the inability to provide the information and when the information will be available. Authorizes a requestor who receives a reply to extend the deadline for the production of the information by written response to the lessee. Requires the lessee, if a requestor does not extend the deadline, to produce the information not later than the later of the fifth day after the date of receipt of a written response from the requestor rejecting the extension or the 60th day after the date of receipt of the original request.
Requires a lessee who withholds requested information on a good faith legal basis to, not later than the 60th day after the date of the receipt of a request for the information, provide the requestor with a detailed explanation of the basis for withholding the information.

Requires a lessee to have 30 days from the date of the receipt of an audit billing notice or a notice of a penalty assessment in which to pay the audit deficiency assessment or penalty or to request a hearing before the commissioner or the commissioner’s representative for redetermination of the assessment or to challenge the assessment of the penalty.

Authorizes the commissioner, except as provided below, to assess an administrative penalty against a lessee who fails to produce requested information in the time required by intentionally withholding information to which GLO is legally entitled. Prohibits the penalty from exceeding certain amounts.

Prohibits the commissioner from assessing a penalty against a lessee who withholds information until the commissioner determines that the requestor is entitled to the information.

Foreclosure Sale of Property Subject to an Oil or Gas Lease—H.B. 2590 [VETOED]

by Representative Keffer—Senate Sponsor: Senator Eltife

In the event of a foreclosure in a well bore tract on a horizontally drilled well, there is a potential that the well will never be developed and produced because the entity that takes ownership, typically a bank or federal agency, rarely shows any interest in leasing to operators. As a result, mineral owners face uncertainty regarding whether the well in the foreclosed land will ever be developed. This bill:

Provides that, notwithstanding any other law, an oil or gas lease covering real property subject to a security interest that has been foreclosed remains in effect after the foreclosure sale if the oil or gas lease has not terminated or expired on its own terms and was executed and recorded before a certain time.

Requires that any royalty payment under an oil or gas lease due to the owner of the real property that was subject to the security interest that has been foreclosed be paid to the purchaser of the foreclosed real property.

Requires the lessee of the oil or gas lease to indemnify the purchaser and any mortgagee of the foreclosed real property from actual damages resulting from the lessee’s operations conducted pursuant to the oil or gas lease.

Provides that if an oil or gas lease is executed and recorded in the real property records of the county after the date a security interest in the affected real property is recorded and the property is subsequently sold in a foreclosure sale, the foreclosure sale terminates and extinguishes the lessee’s right to use the surface of the real property pursuant to the oil or gas lease.

Provides that a subordination agreement between a lessee of an oil or gas lease and a mortgage of real property controls over any conflicting provision of Section 66.001 (Sale of Property Subject to Oil or Gas Lease), Property Code, as added by this bill.
Temporarily Closing a Beach or Beach Access Point—H.B. 2623
by Representative Oliveira et al.—Senate Sponsor: Senator Lucio

The Federal Aviation Administration (FAA) has the power to authorize certain space flight launch operations from a private site, such as the proposed vertical launch site in the Boca Chica area near Brownsville, Texas. Interested parties assert that the development of such launch sites provides a significant and direct economic impact on the surrounding communities by providing jobs and other economic opportunities. The parties note that, for safety reasons, areas within a certain radius of a launch site must be closed before a launch, potentially including areas of state-owned beaches. Current law provides for restricted access to certain areas, including beaches, to preserve safety, health, and the public welfare and to hold certain events. This bill:

Requires the commissioner of the General Land Office (GLO) to promulgate rules, consistent with the policies established in Section 61.011 (Policy and Rules), Natural Resources Code, on the closure of beaches for space flight activities.

Provides that Section 61.132 (Closing of Beaches for Space Flight Activities), Natural Resources Code, applies only to a county bordering on the Gulf of Mexico or its tidewater limits that contains a launch site the construction and operation of which have been approved in a record of decision issued by the FAA following the preparation of an environmental impact statement by that administration. Requires a person planning to conduct a launch in a county to which Section 61.132, Natural Resources Code, applies to submit to the commissioners court proposed primary and backup launch dates for the launch. Authorizes the commissioners court, to protect the public health, safety, and welfare, by order to temporarily close a beach in reasonable proximity to the launch site or access points to the beach in the county on a primary or backup launch date. Prohibits the commissioners court from closing a beach or access points to the beach on a primary launch date consisting of any of the following days without the approval of GLO the Saturday or Sunday preceding Memorial Day; Memorial Day; July 4; Labor Day; or a Saturday or Sunday that is after Memorial Day but before Labor Day. Requires the commissioners court to comply with the county's beach access and use plan adopted and certified under Section 61.015 (Beach Access and Use Plans), Natural Resources Code, and dune protection plan adopted and certified under Chapter 63 (Dunes), Natural Resources Code, when closing a beach or access point.

Authorizes GLO to approve or deny a beach or access point closure request, enter into a memorandum of agreement with the commissioners court of a county to govern beach and access point closures made under Section 61.132, Natural Resources Code, and adopt rules to govern beach and access point closures made under Section 61.132, Natural Resources Code.

Bids For Construction Contracts For Conservation and Reclamation Districts—H.B. 2704
by Representative Callegari—Senate Sponsor: Senator Hegar

Currently, water districts do not have the ability to accept project bids through electronic means. This bill:

Prohibits the aggregate of change orders, which are changes in plans or specifications, from increasing the original contract price by more than 25 percent, rather than more than 10 percent.
Authorizes a district to receive bids through electronic transmission if the board of the district adopts rules to ensure the identification, security, and confidentiality of electronic bids and to ensure that the electronic bids remain effectively unopened until the proper time.

Requires that, notwithstanding any other provision of Chapter 49 (Provisions Applicable to All Districts), Water Code, an electronic bid or proposal is to be sealed. Provides that a provision of Chapter 49, Water Code, that applies to a sealed bid applies to a bid received through electronic transmission in accordance with the adopted rules.

*Treatment and Recycling of Certain Oil and Gas Drilling or Production Waste—H.B. 2767*
*by Representative Phil King et al.—Senate Sponsor: Senator Estes*

The treatment and re-use of oil and gas wastewater allows for oil and gas companies to use less fresh and produced water. Current law does not clearly define oil and gas wastewater or who owns the wastewater. This bill:

Defines “fluid oil and gas waste.”

Provides that unless otherwise expressly provided by a contract, bill of sale, or other legally binding document, when fluid oil and gas waste is transferred to a person who takes possession of that waste for the purpose of treating it for a subsequent beneficial use, the transferred material is considered to be the property of the person who takes possession of it until the person transfers the water or treated waste to another person for disposal or use and when a person who takes possession of fluid oil and gas waste for the purpose of subsequent disposal or beneficial use, the transferred product or byproduct is considered to be the property of the person to whom the material is transferred.

Provides that, except as stated below, a person who takes possession of fluid and gas waste, produces from that waste a treated product generally considered in the oil and gas industry to be suitable for use in connection with the drilling for or production of oil or gas, and transfers the treated product to another person with the contractual understanding that the treated product will be used in connection with the drilling for or production of oil or gas, it is not liable in tort for a consequence of the subsequent use of the product by the person to whom the product is transferred or by another person.

Provides that this does not affect the liability of a person that treats fluid oil and gas waste for beneficial use in an action brought by a person for damages for personal injury, death, or property damage arising from exposure to fluid oil and gas waste or a treated product.

Requires the Railroad Commission of Texas to adopt rules to govern the treatment and beneficial use of oil and gas waste.

*Access to and Protection of Certain Coastal Areas—H.B. 3459*
*by Representative Eiland—Senate Sponsor: Senator Taylor*

Texas has a history of keeping the dry or sandy area of the beach open to the public. The state does not own that property, but the public has an easement across the property. The easement has always been
considered a rolling easement, meaning that as erosion moved the beach back, the public easement rolled with it. In 2009, *Severance v. Patterson* challenged this assertion when the Texas Supreme Court issued an opinion stating that the easement may roll with gradual erosion, but in an "avulsive event," which is when the beach moves dramatically, the beach does not roll. The Texas Supreme Court did not define an avulsive event. This bill:

Requires the commissioner of the General Land Office (commissioner) to promulgate rules, consistent with the policies established in Section 61.011 (Policy and Rules), Natural Resources Code, on certain matters, including the temporary suspension under Section 61.0171 (Temporary Suspension of Line of Vegetation Determination), Natural Resource Code, as added by this bill, the determination of "line of vegetation" or the "natural line of vegetation."

Provides that the "line of vegetation" is dynamic and may move landward or seaward due to the forces of erosion or natural accretion. Requires that for the purposes of determining the public beach easement, if the "line of vegetation" is obliterated due to a meteorological event, the landward boundary of the area subject to the public easement be the line established by order under the bill or as determined by the commissioner.

Redefines "line of vegetation."

Authorizes the commissioner by order to suspend action on conducting a line of vegetation determination for a period of up to three years from the date the order is issued if the commissioner determines that the line of vegetation was obliterated as a result of a meteorological event. Requires the public beach, for the duration of the order, to extend to a line 200 feet inland from the line of mean low tide as established by a licensed state land surveyor. Sets forth the requirements for an order.

Provides that an order is purely within the discretion of the commissioner. Provides that Section 61.0171, Natural Resources Code, does not create a duty on the part of the commissioner to issue an order related to the line of vegetation or a private cause of action for issuance of an order or failure to issue an order.

Provides that Chapter 2007 (Governmental Action Affecting Private Property Rights), Government Code, does not apply to an order issued.

Provides that if the commissioner issues an order, a limitations period is suspended and does not run against this state, the public, or private land owners for the period the order is in effect.

Requires the commissioner, following the expiration of an order, to make a determination regarding the line of vegetation and taking into consideration the effect of the meteorological event on the location of the public beach easement.

Authorizes the commissioner to consult with the Bureau of Economic Geology of The University of Texas at Austin or a licensed state land surveyor and consider other relevant factors when making a determination regarding the annual erosion rate for the area of beach subject to the order issued.

Requires that the line of vegetation, as determined by the commissioner, constitute the landward boundary of the area subject to public easement until it moves landward due to a subsequent meteorological event, erosion, or public use, or until a final court adjudication establishes the line in another place.
Authorizes the commissioner by order to suspend for a period of three years, rather than two years, from the date the order is issued the submission of a request that an attorney general file a suit to obtain a temporary or permanent court order or injunction, either prohibitory or mandatory, to remove a house from a public beach if the commissioner makes a certain determination.

Provides that the legislature finds that:

1. the Galveston-Houston region and the region's economic and strategic infrastructure are at risk due to exposure to potential catastrophic storm surge;

2. to protect the Galveston-Houston region's five million residents and the region's economic and strategic infrastructure, various federal, state, and local entities, led by Texas A&M University at Galveston, are studying and developing conceptual designs for a coastal barrier to protect the region from hurricane-induced storm surge;

3. as currently envisioned, a project referred to as the "Ike Dike" would extend the protection afforded by the Galveston Seawall along the rest of Galveston Island and along the Bolivar Peninsula by creating a 17-foot-high revetment (sand covered dune with hardened cores) near the beach or by raising coastal highways;

4. the addition of floodgates at Bolivar Roads, at the entrance to the Houston, Texas City, and Galveston Ship Channels, and at San Luis Pass would complete a coastal spine that would provide a barrier against all gulf surges into Galveston Bay;

5. a research team is being led by Texas A&M University at Galveston through its Center for Texas Beaches and Shores using strong partnerships with the U.S. Department of Homeland Security Coastal Hazards Center of Excellence at Jackson State University, the Netherlands' Delft University of Technology's Department of Hydraulic Engineering, and the University of Houston C. T. Bauer College of Business's Institute for Regional Forecasting;

6. the General Land Office is a sponsor of and nonfederal partner for a United States Army Corps of Engineers study of the upper Texas coast to develop a list of specific recommended projects that may become eligible for federal appropriations;

7. the United States Army Corps of Engineers study, which encompasses Brazoria, Galveston, Harris, Chambers, Jefferson, and Orange Counties, includes the coastal barrier/"Ike Dike" concept; and

8. as a result of the studies and recommendations described by this section, the legislature may need to enact or amend state law to accommodate the building of a coastal barrier to protect the region from hurricane-induced storm surge.

Requires the legislature to establish a joint interim committee to conduct a study of the effectiveness of the implementation of the changes in law made by this Act and the feasibility and desirability of creating and maintaining a coastal barrier system that includes a series of gates and barriers to prevent storm surge damage to gulf beaches or coastal ports, industry, or property and authorizing coastal property owners to
grant easements to governmental entities to construct and maintain stabilized dunes in connection with or separately from the system.

Sets forth the composition of the committee.

Requires the lieutenant governor and the speaker of the house of representatives to jointly designate a chair, or, alternatively, designate two co-chairs from among the committee membership.

Authorizes the committee to adopt rules necessary to carry out its duties.

Requires the committee, not later than December 1, 2014, to report to the governor and the legislature the findings of the study and any recommendations developed.

**Waste Compact Commission and Disposal of Low-Level Radioactive Waste—S.B. 347**

*by Senator Seliger— House Sponsor: Representative Lewis*

The Texas Low-Level Radioactive Waste Compact Commission (compact commission) was created in 1993. Its responsibilities include administering the provisions of the Low-Level Radioactive Waste Compact, to which Texas and Vermont are party. This bill:

Sets forth the fees assessed under Section 401.052 (Rules for Transportation and Routing), Health and Safety Code, and provides that they include certain provisions, including the authority to provide additional revenue to support the activities of the compact commission; a requirement to be used by the Department of State Health Services or other department designated by the executive commissioner of the Health and Human Services Commission (department) for emergency planning for and response to transportation accidents involving low-level radioactive waste, including first responder training in counties through which transportation routes are designated in accordance with Section 401.052(a) (relating to adopting rules for the transportation and routing of radioactive material and waste), Health and Safety Code; and prohibiting the fees from being collected on waste disposed of at a federal waste disposal facility. Deletes existing text requiring that the fees assessed be used exclusively by the department for emergency planning for and response to transportation accidents involving low-level radioactive waste and requiring that the fees be suspended when the amount collected reaches $500,000, except that if the balance of the fees is reduced to $350,000 or less, the assessments are required to be reinstituted to bring the balance of fees collected to $500,000.

Requires the department, rather than the department or the Texas Commission on Environmental Quality (TCEQ), to deposit security provided to the department to the credit of the perpetual care account. Requires TCEQ to deposit security provided to TCEQ to the credit of the environmental radiation and perpetual care account (care account). Requires TCEQ to provide that security is required to be paid to the credit of the care account.

Requires the department, rather than the Radiation Control Agency (agency), to use the security provided by the license holder to pay the costs of actions that are taken or that are to be taken under Section 401.152 (Corrective Action and Measures), Health and Safety Code. Requires the department, rather than the agency, to send to the comptroller of public accounts of the State of Texas (comptroller) a copy of its
order together with necessary written requests authorizing the comptroller to take certain actions, including disburse from the security in the care account the amount necessary to pay the costs.

Requires TCEQ to use the security provided by the license holder to pay the costs of actions taken or to be taken, including costs associated with the compact commission. Requires TCEQ to send to the comptroller a copy of its order together with necessary written requests authorizing the comptroller to enforce security supplies by the license holder; convert an amount of security to cash, as necessary; and disburse from the security in the care account the amount necessary to pay the costs.

Authorizes the compact waste facility license holder, beginning September 1, 2015, to accept nonparty compact waste for disposal at the facility only in certain circumstances.

Provides that if volume reduction of a low-level radioactive waste stream would result in a change of waste classification to a class higher than Class C, the payment of the fee and compliance with certain exceptions relating to a license holder accepting nonparty waste do not apply.

Authorizes TCEQ to assess an additional fee on a nonparty compact waste generator for failing to comply with the volume reduction requirements. Requires that the fee be deposited to the credit of the low-level radioactive waste fund under Section 401.249 (Low-Level Radioactive Waste Fund), Health and Safety Code. Authorizes fees deposited to be transferred and used only to support the operations of the compact commission under Section 401.251 (Low-Level Radioactive Waste Disposal Compact Commission Account), Health and Safety Code.

Prohibits the compact waste disposal facility license holder (license holder) from collecting a fee under Section 401.152, Health and Safety Code, or entering into a contract for the disposal of nonparty low-level radioactive waste that has been designated as Class A low-level radioactive waste under 10 C.F.R. Section 61.55 and TCEQ rule unless the waste is containerized. Authorizes the license holder to collect a fee and dispose of certain amounts of waste.

Authorizes the legislature by general law to establish revised limits under Section 401.207(e) (relating to certain fees collected for waste, Health and Safety Code, as added by this bill, after considering the results of the study under Section 401.208 (Study of Capacity), Health and Safety Code.

Requires that the surcharge collected be deposited to the credit of the care account, rather than to the low-level radioactive waste fund.

Requires TCEQ, not later than December 1, 2016, rather than December 1, 2012, to submit a final report of the results of the study to the standing committees of the senate and the house of representatives with jurisdiction over the disposal of low-level radioactive waste.

Authorizes TCEQ's executive director, in addition to the fees charged to support the operations of the compact commission, to charge a license holder a fee to cover the administrative costs of the executive director's action to adjust, correct, or otherwise modify a license.

Authorizes TCEQ to transfer money from the low-level radioactive fund to the care account to make payments required by TCEQ under Section 401.303 (Payment for Maintenance, Surveillance, or Other
Care), Health and Safety Code. Requires TCEQ to notify the compact commission of an action TCEQ takes in this regard.

Requires TCEQ to deposit in the account the portion of the fee collected under Section 401.245 (Party State Compact Waste Disposal Fees), Health and Safety Code, that is calculated to support the activities of the compact commission as required by the Texas Low-level Radioactive Waste Disposal Compact.

Requires that the fee be assessed for party state compact waste and nonparty compact waste.

Requires the comptroller, on the first day of each fiscal year, to transfer from the low-level radioactive waste fund to the compact commission account an amount equal to the amount appropriated for that state fiscal year. Requires the comptroller, on September 30 of each fiscal year, to transfer the unexpended and unencumbered money from the previous fiscal year in the compact commission account to the low-level radioactive waste fund. Deletes existing text requiring TCEQ to deposit in the account the portion of the fee collected under Section 401.245 that is calculated to support the activities of the compact commission as required.

Authorizes money in the compact commission account to be used only to support the operations of the compact commission. Deletes existing text authorizing money in the account to be appropriated only to support the operations of the compact commission.

Requires, rather than authorizes, TCEQ and the department to require that each person who holds a specific licensed issued by the agency to pay to the agency an additional five percent of the appropriate fee.

Requires that fees collected by the department be deposited to the credit of the perpetual care account.

Requires that fees collected by TCEQ to be deposited to the care account. Provides that the holder of a specific license authorizing the extraction, processing, or concentration of uranium or thorium from ore is not required to pay the additional fee before the beginning of operations under the license.

Requires the licensing agency, if a license holder satisfies the obligations under chapter 401.303 (Radioactive Materials and Other Sources of Radiation), Health and Safety Code, to have the comptroller promptly refund to the license holder from the perpetual care account or the care account, as applicable, the excess of the amount of certain payments.

Provides that the care account is an account in the general revenue fund to support the activities of the compact commission.

Sets forth the requirements of TCEQ regarding deposit to the credit of the care account money and security. Authorizes money in the administration of the radiation and perpetual care account to be used only for certain purposes related to public health and safety. Prohibits money and security in the account from being used for normal operating expenses of TCEQ. Authorizes TCEQ to use money in the account to pay for certain measures.

Authorizes TCEQ to provide, for the terms of a contract or lease entered into between TCEQ and any person, or by the terms of a license issued to any person, for the decontamination, closure,
decommissioning, reclamation, surveillance, or other care of a site or facility subject to TCEQ jurisdiction under Chapter 401 (Radioactive Materials and Other Sources of Radiation), Health and Safety Code, as needed to carry out the purposes of Chapter 401.

Provides that the existence of the care account does not make TCEQ liable for the costs of decontamination, transfer, transportation, reclamation, surveillance, or disposal of radioactive substances arising from a license holder's abandonment of radioactive substances arising from a license holder's abandonment of such substances, default on a lawful obligation, insolvency, or inability to meet the requirements of Chapter 401 or TCEQ rules.

Sets forth requirements of the perpetual care account and the care account and the requirements for the caps of the perpetual care account and the care account. Provides that Section 401.307 (Perpetual Care Account and Environmental Radiation and Perpetual Care Account Caps), Health and Safety Code, does not relieve a generator from liability for a transportation accident involving low-level radioactive waste.

Repeals Section 401.245(h) (relating to requiring an administrative law judge to issue a proposal for decision on fees proposed by TCEQ by a certain date), Health and Safety Code.

Repeals Section 401.2455(b) (relating to prohibiting an extension period of interim rates and requiring disposal at a facility to cease if the State Office of Administrative Hearings has not issued a proposal for a decision before a certain expiration date), Health and Safety Code.

Repeals Section 401.301(e) (relating to authorizing the department or TCEQ to use money in the perpetual care account to pay for certain measures relating to public health and safety), Health and Safety Code.

Repeals Section 403.0052 (Biennial Reports to Legislature), Health and Safety Code.

Sets forth the requirements for TCEQ to adopt rules to implement Section 401.207(d-1) (relating to authorizing a license holder to accept nonparty compact waste) and Section 401.218(d) (relating to authorizing the executive director of TCEQ to charge fees to a license holder for administrative costs to modify a license), Health and Safety Code, as added by this Act.

Requires TCEQ and the Department of State Health Services, as soon as practicable after the effective date of the Act but not later than January 1, 2014, to update the portion of the memorandum of understanding between the two agencies that governs each agency's role regarding the regulation and oversight of radioactive materials and sources of radiation.

**Disposal of Demolition Waste From Abandoned or Nuisance Buildings—S.B. 819**

*by Senator Duncan— House Sponsor: Representative Susan King*

S.B. 1258 (relating to the disposal of demolition waste from abandoned or nuisance buildings in certain areas), passed during the 82nd Legislature, Regular Session, 2011, granted the Texas Commission on Environmental Quality (TCEQ) authority to adopt rules to create a process by which to issue a permit to authorize a city or county with a population of 10,000 or less to dispose of demolition waste from an abandoned building or a building found to be a nuisance. This bill:
Authorizes TCEQ to issue a permit by rule to authorize the governing body of a county or municipality with a population of 12,000, rather than 10,000 or less, to dispose of demolition waste from a building if the disposal occurs on land that the county or municipality owns or controls and would qualify for an arid exemption under TCEQ rules.

Facilities to Which Chapter 68 (Ship Channel Security Districts), Water Code, Applies—S.B. 1225

by Senator Taylor— House Sponsor: Representative Smith

Chapter 68 (Ship Channel Security Districts), Water Code, was added in 2007 by H.B. 3011 (relating to prohibiting the use or retention of zip codes obtained by businesses in verifying the identity of customers, and providing a civil penalty), which provides for the creation and administration of ship channel security districts in a county with a population of 3.3 million or more that has a ship channel in the county. This bill:

Provides that Chapter 68, Water Code, applies to certain types of facilities in the ship channel security district created under Chapter 68, including a facility included in one or more of certain categories and codes of the 2007 North American Industry Classification System: petrochemical manufacturing, 3251, rather than petroleum manufacturing 325110; all other chemical manufacturing, 325995, rather than all other chemical and other manufacturing, 311111-339999; and transportation, including rail, water, and road transportation and pipelines, 482111-482112, 483111-483114, 484110-484230, 486110-486990, 488210, 488390, and 488490.

Certain Audits Under the Texas Environmental, Health, and Safety Audit Privilege Act—S.B. 1300

by Senators Eltife and Hegar— House Sponsor: Representative Lewis et al.

The Texas Environmental, Health, and Safety Audit Privilege Act (Act) provides certain benefits, such as immunity from civil and administrative penalties and the creation of a confidentiality privilege for audit reports for the purpose of encouraging voluntary compliance with environmental and occupational health and safety laws. Facility owners or operators must meet certain requirements to be eligible for the immunity from civil and administrative penalties in the Act. Prior notice to appropriate regulatory agencies of the audit and prompt, voluntary disclosure of violations discovered during the audit are two of these requirements. Prospective buyers in transactions involving facilities subject to environmental, health, and safety regulation often perform due diligence reviews of those facilities. The reviews are evaluations of the facilities and are comparable to a full compliance audit covered by the Act. If the transaction closes and the prospective buyer becomes the owner of the facility, the new owner inherits compliance issues. Despite the new owner's efforts to evaluate compliance at the facility during due diligence and to correct issues identified following the closing on the transaction, the new owner is not eligible for the benefits afforded under the Act. This bill:

Authorizes a person that begins an audit before becoming the owner of a regulated facility or operation to continue the audit after the acquisition closing date if the person gives a certain notice.

Requires that an audit, unless an extension is approved by the governmental entity with regulatory authority over the regulated facility or operation based on reasonable grounds, be completed within a reasonable time not to exceed six months after the date the audit is initiated or the acquisition closing date if the person continues the audit under the previous provision. Deletes existing text requiring an audit, once initiated, to
be completed within a reasonable time not to exceed six months unless an extension is approved by the governmental entity with regulatory authority over the regulated facility or operation based on reasonable grounds.

Provides that the previous provision related to the date the audit is initiated does not apply to an audit conducted before the acquisition closing date by a person that is considering the acquisition of the regulated facility or operation.

Provides that disclosure of an audit or any information generated by an environmental or health and safety audit does not waive the privilege established in this Act if a certain disclosure is made to address or correct a matter raised by the environmental or health and safety audit and is made only to certain persons, including a person considering the acquisition of the regulated facility or operation that is the subject of the audit or an employee, temporary employee, contract employee, legal representative, officer, director, partner, or independent contractor of a person described above.

Provides that a disclosure is voluntary only if certain actions are taken, including if the disclosure was made not more than the 45th day after the acquisition closing date, if the violation was discovered during an audit conducted before the acquisition closing date by a person considering the acquisition of the regulated facility or operation.

Requires the person making the disclosure, for a disclosure described above, to certify in the disclosure that before the acquisition closing date the person was not responsible for the environmental, health, or safety compliance at the regulated facility or operation that is subject to the disclosure; the person did not have the largest ownership share of the seller; the seller did not have the largest ownership share of the person; and the person and the seller did not have a common corporate parent or a common majority interest owner.

 Provides that a penalty that is imposed should, to the extent appropriate, be mitigated by certain factors, such as the period of ownership of the regulated facility or operation.

Requires that a facility conducting an environmental or health and safety audit, in order to receive immunity, provide, rather than give, notice to an appropriate regulatory agency of the fact that it is planning to commence the audit. Sets forth the requirements of the notice. Provides that this does not apply to an audit conducted before the acquisition closing date by a person considering the acquisition of the regulated facility or operation that is the subject of the audit.

Authorizes a person that begins an audit before becoming the owner of the regulated facility or operation to continue the audit after the acquisition closing date if, not more than the 45th day after the acquisition closing date, the person provides notice to an appropriate regulatory agency of the fact that the person intends to continue an ongoing audit. Sets forth the requirements for the notice. Requires the person to certify in the notice that before the acquisition closing date the person was not responsible for the scope of the environmental, health, or safety compliance being audited at the regulated facility or operation; the person did not have the largest ownership share of the seller; the seller did not have the largest ownership share of the person; and the person and the seller did not have a common corporate parent or a common majority interest owner.
According to the Texas Water Development Board (TWDB), Texas' population is expected to increase 82 percent between 2010 and 2060, which will bring an expected 22 percent increase in water demand. Existing water supplies are projected to decrease, while water supply needs will increase.

The State Water Plan presents information regarding recommended conservation and other types of water management strategies that would be necessary to meet the state's needs during a drought, the cost of the strategies, and estimates of the state's financial assistance that would be required to implement the strategies. The State Water Plan is based on 16 regional water plans. At the end of each five-year regional water planning cycle, TWDB staff compiles the information from the regional water plans and other sources to develop the State Water Plan, which is adopted and then submitted to the governor, the lieutenant governor, and the legislature. This bill:

Restructures TWDB to include three members. Requires one member to have experience in engineering, one to have experience in public or private finance, and one to have experience in law or business. Requires the governor to make appointments that reflect the diverse geographic regions and populations of the state and that do not have any conflicts of interest prohibited by state or federal law.

Sets forth the terms of office for TWDB members. Sets forth the requirements for the chairman of TWDB. Sets forth the requirements for regular meetings. Requires that each member of TWDB serve on a full-time basis. Sets forth the requirements for the executive administrator who will serve at the will of TWDB.

Creates the State Water Implementation Fund for Texas (SWIFT) as a special fund in the state treasury outside the general revenue fund for the purpose of implementing the State Water Plan. Sets forth the requirements for the management and investment of SWIFT. Requires that, of the money disbursed from SWIFT during the five-year period between the adoption of a State Water Plan and the adoption of a new State Water Plan, TWDB undertake and apply not less than 10 percent to support bond enhancement agreement projects that are for rural political subdivisions or agricultural water conservation and 20 percent to support bond enhancement agreement projects, including agricultural irrigation projects, that are designed for water conservation or reuse. Sets forth the requirements for bond enhancement agreements. Requires each regional planning group to prioritize projects in its respective water plan. Sets forth the required minimum standards for prioritizing each project. Requires TWDB to create a stakeholders committee composed of certain members of each regional water planning group to establish uniform standards to be used in prioritizing projects. Requires TWDB to prioritize projects included in the State Water Plan. Sets forth a point system for prioritizing projects.

Creates the State Water Implementation Fund for Texas Advisory Committee (advisory committee) and sets forth the membership, duties, and requires the advisory committee to submit comments and recommendations to TWDB regarding the use of money in SWIFT. Provides that the advisory committee is subject to the Texas Sunset Act. Provides that unless continued in existence, the advisory committee is abolished.

Requires TWDB to adopt rules providing for use of the money in SWIFT and sets forth the requirements for the rules.
Creates the State Water Implementation Revenue Fund for Texas (SWIRFT) as a special fund in the state treasury outside of the general revenue fund to be used by TWDB only for the purpose of providing financing for certain projects included in the State Water Plan. Requires that money deposited to the credit of SWIRFT be invested as determined by TWDB. Authorizes the fund to be invested with the state treasury pool. Authorizes money in SWIRFT, except as authorized for use as a source of revenue or security for revenue bonds issued by TWDB or other bonds issued by TWDB; a bond enhancement agreement to acquire certain assets; or to pay the necessary and reasonable expenses incurred by TWDB in administering the fund, to be used only by TWDB to provide financing or refinancing, under terms specified by TWDB, for projects included in the State Water Plan. Sets forth the requirements for the issuance of revenue bonds for the purpose of providing money for SWIRFT.

Water Shortage Reporting—H.B. 252
by Representatives Larson and Burnam—Senate Sponsor: Senators Hegar and Schwertner

The Texas Commission on Environmental Quality (TCEQ) currently cannot require public water systems to self-report conditions regarding water availability. As a result, the agency has spent a significant amount of time and resources in order to monitor public water systems that have come close to exhausting their available water supply. This bill:

Requires that a retail public utility and each entity from which the utility is obtaining wholesale water service notify TCEQ when the utility or entity is reasonably certain that the water supply will be available for less than 180 days.

Requires that TCEQ adopt rules to implement the above requirement and requires TCEQ to prescribe the form and content of the notice.

Boater Education and Examinations to Prevent the Spread of Certain Aquatic Life—H.B. 597
by Representatives Guillen and Lozano—Senate Sponsor: Senator Eltife

The introduction of certain harmful or potentially harmful exotic aquatic species threatens the recreational and ecological value of Texas lakes. Education can be an important tool to prevent the further spread of certain species from penetrating lakes that are currently unaffected. This bill:

Requires that a boater education course or equivalency examination include information on how to prevent the spread of exotic harmful or potentially harmful aquatic plants, fish, and shellfish, including methods, as approved by Texas Parks and Wildlife Department, for cleaning a boat, a boat's motor, fishing and other equipment, and a boat trailer on or before January 1, 2014.

Coastal Management Program—H.B. 622
by Representative Eiland—Senate Sponsor: Senator Hegar

Current law requires the General Land Office (GLO) to prepare two annual reports on the Texas Coastal Management Program (program) and to send the reports to the legislature on a biennial basis. This bill:
Requires GLO to prepare a biannual report and to send the report to the legislature on or before January 15 of each odd-numbered year.

**Exemptions From Dam Safety Regulatory Requirements—H.B. 677**  
_by Representative Geren et al.—Senate Sponsor: Senator Eltife_

Current law exempts owners of dams located on private property from Texas Commission on Environmental Quality (TCEQ) dam safety regulatory requirements, should the dam meet certain qualifications, including that the dam impounds less than 500 acre-feet of water, has a hazard classification of low or significant, is located in a county with a population of less than 215,000, and is not located within the corporate limits of a municipality. This bill:

Requires that the owner of a dam located on private property within a county with a population of less than 350,000, rather than with a population of less than 215,000, is exempt from meeting TCEQ requirements related to dam safety.

**Collection of Contributions by a Water and Sewer Utility on Behalf of a Library—H.B. 693**  
_by Representative Phillips—Senate Sponsor: Senator Deuell_

Currently, under the Water Code, a utility may choose to collect a voluntary contribution on behalf of a volunteer fire department or an emergency medical service as a part of its billing process. This bill:

Authorizes a water and sewer utility to collect from its customers a voluntary contribution on behalf of a local library, a voluntary fire department, or an emergency medical service.

**Irrigation Water Rights—H.B. 752**  
_by Representative Longoria—Senate Sponsor: Senator Hinojosa_

The Agua Special Utility District (Agua) in the Rio Grande Valley is a special utility district and therefore not subject to certain provisions of the Water Code regarding the subdivision of non-agricultural land on water rights. The provision in the Water Code was added in order to address the water supply needs of urbanizing areas along the Rio Grande. Adding a water supply corporation to the definition of a municipal supplier would give developers and Agua the ability to buy or lease additional water at prices that are certain and could be less than the market rate. This bill:

Updates the definition of a municipal water supplier to include a special utility district converted from a water supply corporation.

**Water Audits by Certain Retail Public Utilities—H.B. 857**  
_by Representatives Lucio III and Burnam—Senate Sponsor: Senator Ellis_

The Water Code requires annual water audits for retail public utilities that receive financial assistance from the Texas Water Development Board (TWDB). Retail public utilities that do not receive TWDB assistance are required to perform water audits once every five years. This bill:
Requires a retail public utility providing potable water, except as stated below, to perform and file with TWDB an annual water audit computing water loss during the preceding year.

Requires a retail public utility providing potable water that does not receive financial assistance from TWDB and is providing service to 3,300 or fewer connections to perform and file with TWDB a water audit computing the utility's most recent annual water loss every five years.

Requires a retail public utility to submit its initial annual water audit no later than May 1, 2014.

**TCEQ Production Area Authorization Applications—H.B. 1079**

*by Representative Smith et al.—Senate Sponsor: Senators Hancock and Lucio*

In situ leaching is a process that uses injection and extraction wells to remove uranium in aquifers by dissolving uranium and then pumping the solution to the surface. The solution is then treated to turn the uranium into a solid form. In order to operate and mine in Texas, uranium mining companies must obtain an area permit and a production area authorization from the Texas Commission on Environmental Quality (TCEQ). An area permit authorizes injection for uranium recovery for 10 years and is subject to public notice and contested case hearings. A production area is a mining zone located within a permit area. Approval from TCEQ is required for each new production area. Uranium mines must obtain a production area authorization to mine areas within the initial permit area. This bill:

Requires a new, amended, or renewed permit to incorporate a table representing the range of groundwater quality within the permit boundary and area of review, as provided by TCEQ rule, for each water quality parameter used to measure groundwater restoration in a TCEQ-required restoration table. Sets forth the requirements for the values in the permit range table. Provides that wells used for that purpose are limited to those that have documented completion depth and screened intervals that correspond to a uranium production zone aquifer identified within the permit boundary.

Provides that notwithstanding certain sections of the Water Code relating to permits and contested case hearings, an application for an authorization is an uncontested matter not subject to a contested case hearing or certain hearing requirements if the authorization is for a production zone located within the boundary of a permit that incorporates a range table of groundwater quality restoration values used to measure groundwater restoration by TCEQ, the application includes groundwater quality restoration values falling at or below the upper limit of the range established, and the authorization is for a production zone located within the boundary of a permit that incorporates groundwater baseline characteristics of the wells for the application required by TCEQ rule.

Sets forth the requirements for the range of restoration values in the range table.

Provides that, as an alternative to the application for an authorization not being a contested matter that is not subject to a contested case hearing if certain requirements are met, the first application for an authorization issued for a production zone located within the boundary of a permit issued is subject to the requirements for a contested case hearing. Requires that the first authorization application contain certain provisions relating to baseline water quality tables, groundwater quality restoration values, and groundwater baseline characteristics of the wells.
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Provides that if a first authorization has previously been issued for a production zone located within the boundary of a permit, that authorization is effective. Provides that a subsequent authorization application for a production zone that is located within the same permit boundary as a production zone for which an authorization was issued, if the first application authorization issued for a production zone located within the boundary of a permit issued is subject to the requirements for a contested case hearing is not subject to an opportunity for a contested case hearing or the hearing requirements under the Government Code, unless the subsequent application would authorize the use of groundwater from a well that was not previously approved in the permit for supplemental production of water, expansion of the permit boundary, or application monitoring well locations that exceed well spacing requirements or reduce the number of wells required by TCEQ rule.

Deletes existing text providing that an application seeking approval for an application for an authorization as an uncontested matter not subjected to a contested case hearing or certain hearing requirements unless the authorization seeks an amendment to a restoration table value; the initial establishment of monitoring wells for any area covered by the authorization, including the location, number, depth, spacing, and design of the monitoring wells, unless the executive director of TCEQ uses the recommendation of an independent third-party expert chosen by TCEQ; or an amendment to the type or amount of bond-required for groundwater restoration to assure that there are sufficient funds available to the state for groundwater restoration or the plugging of abandoned wells in the area by a third-party contractor is subject to public notice and contested hearing requirements.

Identification of Vessels in State Waters—H.B. 1106
by Representative Larson—Senate Sponsor: Senator Estes

The Texas Parks and Wildlife Department (TPWD) receives $3.8 million in federal funds for the purpose of recreational boating safety. In a recent audit, the United States Coast Guard noted that Texas laws do not match federal laws that require boaters to have a visual distress signal for certain vessels during the day and for all vessels at night. As a result, federal funds are in jeopardy. This bill:

Deletes the requirement that TPWD issue a block or blocks of certificates of numbers to each county tax assessor-collector for awarding applicants on receipt of applications.

Provides that, except for an owner identifier as prescribed by 33 C.F.R. Section 174.17 (Contents of Application for Certificate of Number), all ownership records of TPWD made or kept under Chapter 31 (Water Safety), Parks and Wildlife Code, are public records.

Requires the owner or operator of a vessel livery, before the vessel is rented or let for hire, to obtain a certificate of number for a vessel being used as a motorboat.

Requires that the application for the certificate of number under Section 31.024 (Application for Number) or for a certificate of title under Section 31.046 (Application for Certificate of Tile) state that the applicant is a vessel livery within the meaning of Chapter 31.

Sets forth the requirements for the certificate of title's form.
Provides that an original certificate of title bears an assigned title number. Provides that a replacement certificate of title consists of a new, printed title that bears a new number. Provides that the previous title number is void when the replacement certificate is issued.

Prohibits any person from operating on the coastal water a vessel that is 16 feet or more in length, or any vessel operating as an uninspected passenger vessel, unless it is equipped with readily accessible visual distress signals approved for day and night use in the number required by the commandant of the United States Coast Guard.

Prohibits a person, between sunrise and sunset, from operating a vessel that is 16 feet or more in length unless it is equipped with readily accessible visual distress signals approved for night use in the number required by the commandant of the United States Coast Guard.

Prohibits a person from operating a vessel on coastal waters unless each visual distress signal required is in serviceable condition and the service life of the signal, if indicated by a date marked on the signal, has not expired.

**Transfers of CCNs in Certain Municipalities—H.B. 1160 [VETOED]**

by Representative Geren—Senate Sponsor: Senators Nelson and Eltife

A certificate of convenience and necessity (CCN) is issued by the Texas Commission on Environmental Quality (TCEQ) and authorizes a utility to provide water or sewer service to a specific area. A CCN obligates the utility to provide continuous and adequate service to every customer who requests service in that area. This bill:

Requires that notwithstanding any other law, on application by the Cities of Tyler and Blue Mound, the agency with authority over CCNs for water and sewer service transfer, at such time and under such circumstances as specified by a trial court, a CCN for water and sewer service from a public utility to the municipality for the public's utility service area located in the municipality's corporate limits if the municipality has instituted a condemnation proceeding to acquire the property of the public utility's water and sewer system in the municipality's corporate limits and will possess the capability to provide adequate water and sewer service to the area to the satisfaction of or in accordance with the orders of a trial court at the time of the transfer.

Prohibits the transfer of the CCN from being effective unless a judgment that transfers the real property of the public utility to the municipality becomes final and is not subject to further appeal and the municipality has paid to the public utility the fair market value compensation due, as set by agreement or as ordered by a court judgment, for that taking of real property.

**Adoption of Rules to Protect Public Water From the Spread of Invasive Aquatic Species—H.B. 1241**

by Representatives Guillen and Lozano—Senate Sponsor: Senator Deuell

The Texas Parks and Wildlife Department (TPWD) regulates the possession and transport of certain harmful aquatic species, but it can be challenging to apply certain regulations to the microscopic life stages of aquatic species. Certain harmful or potentially harmful aquatic species pose a significant environmental
and industrial threat to public bodies of water. Experts note that rapidly proliferating harmful aquatic species may be spread through the transportation of water in livewells, cooling systems, or other intake systems of boats that have been operated on infested waters and are subsequently operated on unaffected waters. This bill:

Defines "public water," "salt water," and "vessel" in this section.

Authorizes the Texas Parks and Wildlife Commission (TPWC) to adopt rules requiring a person leaving or approaching public water to drain from a vessel or portable container on board the vessel any water that has been collected from or has come in contact with public water, excluding salt water.

Requires TPWC to consider the effects on boaters, anglers, and local interests while maintaining the ability to prevent the spread of harmful or potentially harmful exotic fish, shellfish, and aquatic plants when promulgating rules.

Authorizes certain employees of TPWD to inspect a vessel leaving or approaching public water to ensure compliance with the rules adopted by TPWC.

Exclusion of Land From Certain Water Districts—H.B. 1324
by Representative John Davis—Senate Sponsor: Senator Taylor

Currently, the Clear Lake Water Authority is able to charge taxes to Kaneka North America, even though it is not receiving services. This bill:

Requires the board of a district that has a total area of more than 10,000, rather than 5,000, acres to call a hearing on the exclusion of land from the district on or before the 60th day after receiving a written petition filed with the secretary of the board by one or more owners of land more than half the acreage of which has been for more than 20 years included in and taxable by the district, rather than on the exclusion of land from the district on a written petition filed with the secretary of the board by a landowner whose land has been included in and taxable by the district for more than 28 years, if any bonds issued by the district payable in whole or in part from taxes of the district are outstanding and the petition is signed by the owners of a majority of the acreage proposed to be excluded, as reflected by the most recent certified tax roll of the district; includes a claim that the district does not provide the land with retail utility service; describes the property to be excluded; and provides facts necessary for the board to make the findings required. Deletes existing text requiring that the petition be filed before August 31, 2007.

Requires, rather than authorizes, the board of a district to exclude certain land if the district does not provide retail utility service to the land described by the petition, and the district has imposed a tax on more than half of the acreage of the land for at least 20 years.

Provides that, if on or before the date of the exclusion hearing required, the district and the owner or owners enter into an agreement for utility service to the land proposed to be excluded, the district is not required to enter an order excluding the land from the district. Provides that an owner of all or part of the land is not required to enter into a utility agreement that as of the date of the petition is not comparable economically or in the level of service provided to the land to the owner's current source of utility service, as may be determined by the owner or does not include all utility services required to serve the land.
Requires that a copy of an order excluding the land and redefining the boundaries of the district be filed in the deed records of each county in which the district is located and with the Texas Commission on Environmental Quality (TCEQ).

Sets forth the districts to which the bill does not apply.

Provides that excluded land that has been pledged as security for any outstanding debt of the district remains pledged for the excluded land's share of district debt until the excluded land payment is paid. Entitles a district to continue to levy and collect debt service taxes on the excluded land until the termination date at the same rate those taxes are levied on the land remaining in the district. Provides that from the exclusion date to the termination date, the excluded land remains in the district for the purpose of assessment and collection of such taxes. Provides that after the termination date, the excluded land is excluded from the district for all purposes, and the district is prohibited from levying any further tax on the excluded land.

Requires the district to apply the taxes collected on the excluded land only to payment of the excluded land payment, which is required to be reduced by the amount of taxes collected.

Entitles a person to pay to the district the excluded land payment, in whole or in part, at any time on or after the exclusion date by delivering payment to the district tax assessor-collector. Provides that if partial payment is made, the payment is credited first against all carry costs due and owing, and any remainder is credited against the excluded land's share of district debt. Provides that after a partial payment, carry costs must be calculated and assessed and collected only on the remaining excluded land's share of district debt.

Deletes existing text providing that land excluded from a district under Section 49.03076 (Exclusion for Failure to Provide Sufficient Services; Bonds Outstanding), Water Code, that is pledged as security for any outstanding debt of the district remains pledged for its pro rata share of the debt until final payment is made. Requires the district to continue to levy and collect taxes on the excluded land at the same rate levied on land remaining in the district until the amount of taxes collected from the excluded land equals the land's pro rata share of the district's debt outstanding at the time the land was excluded from the district.

Deletes existing text requiring the district to apply the taxes collected on the excluded land to the payment of the land's pro rata share of the debt.

Deletes existing text authorizing the owner of any part of the excluded land to pay in full the owner's share of the pro rata share of the district's outstanding debt at the time the land is excluded.

Requires a landowner who signs a petition for the exclusion of land that is filed with a district to submit a copy of the petition to TCEQ. Requires the executive director of TCEQ (executive director), on receipt of a copy of a petition, to review the certain recent financial information for the district to confirm that an exclusion of land does not adversely affect the interests of district bondholders. Requires the executive director to notify the landowner and the district when the review is complete.

Provides that, except as provided by Section 49.3077 (Tax Liability of Excluded Land; Bonds Outstanding), Water Code, as added by this bill, on issuance of an order excluding property, that property is no longer a part of the district and is not entitled to water service from the district.
Provides that, except as provided by Section 49.3077, Water Code, once land is excluded, the landowner has no further liability to the district for future taxes, assessments, or other charges of the district.

Repeals Section 49.3076(a-1) (relating to requiring the board of a district that is more than 1,000 acres and not more than 5,000 acres to call a hearing on the exclusion of land from the district), Water Code.

**Provision of Water by Certain Entities For Use in Fire Suppression—H.B. 1973**  
*by Representative Lucio III et al.—Senate Sponsor: Senator Hegar*

Currently, water provider services are only required to provide fire flow service to those in certain cities. This bill:

Authorizes the governing body of a municipality, by ordinance, to adopt standards set by the Texas Commission on Environmental Quality (TCEQ) requiring a utility to maintain a minimum sufficient water flow and pressure to fire hydrants in a residential area located in the municipality or the municipality's extraterritorial jurisdiction.

Requires TCEQ by rule to establish standards for the adoption of a municipality. Sets forth the requirements of the standards.

Prohibits an ordinance from requiring a utility to build, retrofit, or improve infrastructure in existence at the time the ordinance is adopted.

Requires a municipality with a population of less than 1.9 million that adopts standards or seeks to use a utility's water for fire suppression to enter into a written memorandum of understanding with the utility to provide for the necessary testing of hydrants and other relevant issues pertaining to the use of the water and maintenance of the hydrants to ensure compliance.

Authorizes a municipality to notify TCEQ of a utility's failure to comply with an adopted standard.

Requires TCEQ, on receiving notice, to require a utility in violation of a standard to comply within a reasonable time established by TCEQ. Authorizes TCEQ to approve infrastructure improvements and make corresponding changes to the tariff or rate schedule of a utility that is a public utility as needed to permit compliance.

Provides that notwithstanding any provision of Chapter 101 (Tort Claims), Civil Practice and Remedies Code, to the contrary, a utility is not liable for a hydrant's or metal flush valve's inability to provide adequate water supply in a fire emergency. Provides that this subsection does not waive a municipality's immunity under Subchapter I (Adjudication of Claims Arising Under Written Contracts With Local Governmental Entities), Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, or any other law and does not create any liability on the part of the municipality under a joint enterprise theory of liability.
Efficiency Reviews of River Authorities—H.B. 2362
by Representative Keffer—Senate Sponsor: Senator Birdwell

River authorities are created to develop and manage state water. Each river authority is granted certain powers regarding the conservation, storage, use, and distribution of the water and of its respective area for the benefit of area residents. A lack of oversight and review of the entities has been cited by interested parties. This bill:

Provides that a district that is a river authority is subject to an efficiency review by the Legislative Budget Board (LBB).

Authorizes LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority.

Requires LBB to report the findings of a review and analysis to the governor and the legislature.

Excepts all information, documentary or otherwise, prepared or maintained in conducting the review and analysis or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, from required public disclosure as audit working papers. Provides that this does not affect whether information is confidential or excepted from required public disclosure under a law other than Section 552.116 (Exception: Audit Working Papers), Government Code.

Requires LBB to conduct an efficiency review of both the Lower Colorado River Authority and the Brazos River Authority before conducting a review of other river authorities.

Use of State Water—H.B. 2615
by Representative Johnson—Senate Sponsor: Senator Fraser

A water right holder is required to submit an annual water use report to the Texas Commission on Environmental Quality (TCEQ). The current penalty for not submitting the report is $25, plus $1 a day for each day the holder fails to pay the statement after March 1. The maximum penalty is currently $150. This bill:

Provides that a person who fails to file an annual report with TCEQ or fails to timely comply with a request by TCEQ to make information available is liable for a penalty for each day the person fails to file the statement or comply with the request after the applicable deadline in an amount not to exceed $100 per day if the person is the holder of a water right authorizing the appropriation of 5,000 acre-feet or less per year or $500 per day if the person is the holder of a water right authorizing the appropriation of more than 5,000 acre-feet per year.

Deletes existing text providing that a person who fails to file an annual report with TCEQ as required is liable to a penalty of $25, plus $1 per day for each day the person fails to file the statement after March 1. Provides that the maximum penalty is $150.

Authorizes the state to sue to recover a penalty.
Requires the executive director of TCEQ (executive director) to establish a reasonable deadline by which a person is required to make available information required by TCEQ.

Requires TCEQ to establish a process by which a report required may be submitted electronically through the Internet.

Provides that a permit, certified filing, or certificate of adjudication or a portion of a permit, certified filing, or certificate of adjudication is exempt from cancellation under certain circumstances, including to the extent the nonuse resulted from the implementation of certain water conservation measures; the suspension, adjustment, or other restriction on the use of the water authorized to be appropriated under the permit, certified filing, or certificate of adjudication imposed under an order issued by the executive director; or an inability to appropriate the water authorized to be appropriated under the permit, certified filing, or certificate of adjudication due to drought conditions.

Rainwater Harvesting and Water Conservation Initiatives—H.B. 2781  
by Representative Fletcher—Senate Sponsor: Senator Campbell

In 2011, public water suppliers were indemnified from liability to a homeowner who collects rainwater. That legislation resulted in numerous complications that interfered with the intent of the law. This bill:

Requires that the procedural standards adopted require that on-site reclaimed water system technologies, including rainwater harvesting, condensate collection, or cooling tower blow down, or a combination of those system technologies, for potable and nonpotable indoor and outdoor water use, rather than for potable and nonpotable indoor use and landscape watering, be incorporated into the design and construction of certain state buildings, including each new state building with a roof area measuring at least 10,000 square feet.

Requires the Texas Commission on Environmental Quality (TCEQ) by rule to provide that if a structure has a rainwater harvesting system and uses a public water supply for an auxiliary water source, the structure is required to have appropriate cross-connection safeguards. Deletes existing text requiring TCEQ by rule to provide that if a structure is connected to a public water supply system and has a rainwater harvesting system for indoor use, the structure is required to have appropriate cross-connection safeguards.

Requires that a privately owned rainwater harvesting system with a capacity of more than 500 gallons that has an auxiliary water supply have a backflow prevention assembly or an air gap installed at the storage facility for the harvested rainwater to ensure physical separation between the rainwater harvesting system and the water supply. Provides that a rainwater harvesting system that meets the requirements is considered connected to a public water supply system only for purposes of compliance with minimum water system capacity requirements as determined by TCEQ rule. Deletes existing text requiring TCEQ to work with the Texas Department of Health (TDH) to develop rules regarding the installation and maintenance of rainwater harvesting systems that are used for indoor potable purposes and connected to a public water supply system. Deletes existing text that sets forth the required criteria for the rules.

Requires a person who intends to use a public water supply system as an auxiliary water source give written notice of that intention to the municipality in which the rainwater harvesting system is located to the owner or operator of the public water supply system. Authorizes the public water supply system to be
connected only to the water storage tank and prohibits it from being connected to the plumbing of a structure. Deletes existing text requiring a person who intends to connect a rainwater harvesting system to a public water supply system for use for potable purposes to give written notice of that intention to the municipality in which the rainwater harvesting system is located or the owner or operator of the public water supply system before connecting the rainwater harvesting system to the public water supply system.

Requires certain members of the permitting staff of certain counties whose work relates to permits involving rainwater harvesting and each member of the permitting staff of each county and municipality with a population of more than 10,000, rather than 100,000, whose work relates directly to permits involving rainwater harvesting to receive training regarding rainwater harvesting standards and their relation to permitting at least once every five years. Provides that certain members of the permitting staffs of counties and municipalities and members of the staffs of counties with a population of 10,000 or less, rather than 100,000 or less, whose work relates directly to permits involving rainwater harvesting are encouraged to receive the training.

Sets forth the updates and requirements for the seller's disclosure notice.

Requires TCEQ, not later than January 1, 2014, to adopt rules to implement Section 341.042 (Standards for Harvested Rainwater), Health and Safety Code, as amended by the bill.

Repeals Section 341.042(b-1) (relating to requiring TCEQ to work with TDH to develop certain rules regarding rainwater harvesting systems) and (b-2) (relating to requiring a person who installs and maintains rainwater harvesting systems connected to a public water supply system used for potable purposes to be licensed by the Texas State Board of Plumbing Examiners in a certain manner), Health and Safety Code.

**Interbasin Transfers of State Water—H.B. 3233**

*by Representative Ritter et al.—Senate Sponsor: Senator Fraser*

An interbasin transfer is defined as the taking or diverting of state water from a river basin and transferring of such water to any other river basin. Section 11.085 (Interbasin Transfers), Water Code, prohibits a person from taking or diverting state water from a river basin and transferring that water to any other river basin without first applying for or receiving a water right or an amendment to a permit, certified filing, or certificate of adjudication from the Texas Commission on Environmental Quality (TCEQ) authorizing the transfer. This bill:

Deletes the requirement that an application include the projected effect on user rates and fees for each class of ratepayers.

Provides that an evidentiary hearing on application to transfer water under an existing water right is limited to considering issues related to the requirements of Section 11.085, Water Code.

Requires the applicant to cause the notice of application for a transfer to be published in two different weeks within a 30-day period, rather than once a week for two consecutive weeks, in certain newspapers.

Authorizes TCEQ to grant, in whole or in part, an application for a transfer only to the extent that the detriments to the basin of origin during the transfer period are less than the benefits of the receiving basin.
during the transfer period, as determined by TCEQ based on certain factors relating to the need for the transfer and certain factors identified in the applicable approved regional water plans.

Requires that, if the transfer is based on a contractual sale of water, the new water right or amended permit, certified filing, or certificate of adjudication authorizing the transfer contain a condition for a term or period not greater than the term of the contract, rather than the contract term, including any extension or renewal of the contract.

Provides that the provisions of Section 11.085, Water Code, except the provision relating to obtaining a water right or amendment to a permit, certified filing, or certificate of adjudication, do not apply to certain proposals and requests, including a proposed transfer from the part of the geographic area of a county or municipality, or a certain part of the retail service area of a retail utility, that is within the basin of origin for use in that part of the geographic area of the county or municipality, or that contiguous part of the retail service area of the utility, not within the basin of origin.

Deletes existing text providing that provisions of Section 11.085, Water Code, except the provision relating to obtaining a water right or amendment to a permit, certified filing, or certificate of adjudication, do not apply to certain proposals and requests, including a proposed transfer from a basin to a county or municipality or the municipality's retail service area that is partially within the basin for use in that part of the county or municipality and the municipality's retail service area not within the basin.

Creation of an Offense For Uprooting Certain Seagrass Plants—H.B. 3279

by Representative Morrison—Senate Sponsor: Senator Hegar

Seagrass meadows serve various beneficial roles in a coastal environment. The Texas Parks and Wildlife Commission appointed the Coastal User Working Group to discuss and recommend solutions to ensure the protection of seagrass habitats and to reduce user conflict in the bays and estuaries of the Texas coast. One of the working group’s recommendations was to develop a regulation protecting seagrasses statewide. This bill:

Defines "seagrass plant."

Prohibits a person from uprooting or digging out any rooted seagrass plant from a bay bottom or other saltwater bottom area in the jurisdiction of this state by means of a propeller, except as that uprooting or digging out may be authorized by a commercial license or permit issued by the Texas Parks and Wildlife Department.

Provides a defense to prosecution if a person uproots or digs up a seagrass plant in certain situations.

Provides that a person who violates this section or a proclamation of the Parks and Wildlife Commission under this section commits an offense that is a Class C Parks and Wildlife Code misdemeanor.
Adjudication of Certain Claims Under a Written Contract With Certain Entities—H.B. 3511
by Representative Ritter—Senate Sponsor: Senator Eltife

Certain special purpose districts or authorities sell water for the purpose of electric generation. This bill:

Adds Chapter 113 (Water Supply Contract Claim Against Local District or Authority) to the Civil Practice and Remedies Code.

Provides that a local district or authority that enters into a written contract stating the essential terms under which the district or authority is to provide water to a purchaser for use in connection with the generation of electricity waives sovereign immunity for the purpose of adjudicating a claim that the local district or authority breached the contract by not providing water, or access to water, according to the contract's terms.

Authorizes, except as provided below, remedies awarded in a proceeding adjudicating a claim under Chapter 113, to include any remedy available for breach of contract that is not inconsistent with the terms of the contract, including the cost of cover and specific performance. Prohibits remedies awarded in a proceeding adjudication a claim from including consequential or exemplary damages.

Provides that Chapter 113 does not waive a defense or a limitation on damages available to a party or contract other than sovereign immunity to suit, immunity to suit in federal court, or immunity to suit for a cause of action for a negligent or intentional tort.

Provides that Chapter 113 does not grant any user of water any new or additional rights to water or any new or additional priority water rights and does not confer any rights inconsistent with the terms of the contract that is the subject of a dispute under Section 113.002 (Waiver of Immunity to Suit For Claim Regarding Water Supply Contract), Civil Practice and Remedies Code, as added by this bill.

Provides that Chapter 113 does not limit the authority of the Texas Commission on Environmental Quality (TCEQ) or any other state regulatory agency. Provides that compliance with an order of TCEQ or any other state regulatory agency that expressly curtails water delivery to a specific electric generating facility is not considered a breach of contract for the purposes of Chapter 113.

Provides that Chapter 113 waives sovereign immunity only for the benefit of certain parties.

Prohibits, except for an assignment described by Section 113.002(a)(2) (relating to waiving sovereign immunity for certain parties, including certain assignees of a party to the contract), Civil Practice and Remedies Code, a party authorized by Chapter 113 to sue for a cause of action of breach of contract from transferring or assigning that cause of action to any person.

Provides that, except as provided below, the total amount of money awarded in an adjudication brought against a local governmental entity for breach of a contract is limited to certain fees and amounts.

Authorizes actual damages, specific performance, or injunctive relieve to be granted in an adjudication brought against a local governmental entity for breach of a certain contract.
Implementation of a Water Conservation Plan and Drought Contingency Plan—H.B. 3604
by Representatives Burnam and Lucio III—Senate Sponsor: Senator Hegar

When the governor declares a drought disaster, a water utility within the area is required to implement either a drought contingency plan or a water conservation plan. This bill:

Requires a person or entity, on receipt of notice relating to requiring a county to give notice of the declaration to certain persons or entities located in a county that is required to develop certain plans, to immediately implement the person's or entity's water conservation plan and drought contingency plan, as applicable.

Authorizes the Texas Water Development Board (TWDB) to notify the Texas Commission on Environmental Quality (TCEQ) if TWDB determines a person or entity has not implemented either plan. Provides that, notwithstanding Section 7.051(b) (relating to providing that the subchapter does not apply to violations of certain chapters), Water Code, a violation is enforceable in the manner provided by Chapter 7 (Enforcement), for a violation of a provision of the Water Code within TCEQ's jurisdiction or of a rule adopted by TCEQ under a provision of the Water Code within TCEQ's jurisdiction.

Financial Assistance Awarded by TWDB For Water Supply Projects—H.B. 3605
by Representative Burnam et al.—Senate Sponsor: Senator Hegar

Water utilities can apply for state assistance to increase water supplies despite having water losses in their pipe distribution system. The average loss in 2011 was more than 16 percent. This bill:

Requires a retail public utility providing potable water that receives from the Texas Water Development Board (TWDB) financial assistance to use a portion of that assistance, or any additional financial assistance provided by TWDB for the purpose described by Subsection 16.0121 (Water Audits), Water Code, to mitigate the utility's system under this section, the water loss meets or exceeds the threshold established by TWDB rule.

Requires TWDB to adopt certain rules for retail public utilities serving certain populations.

Requires TWDB, in passing on an application for financial assistance from a retail public utility that provides public water service to 3,300 or more connections, to evaluate for compliance with TWDB's best management practices the utility's water required conservation plan and issue a report to a utility detailing the results of the evaluation.

Requires TWDB, not later than January 1 of each odd-numbered year, to submit to the legislature a written summary of the results of the evaluations.

Requires the governing body of each political subdivision receiving financial assistance from TWDB to require all contracts for the construction of a project to meet certain standards, including that payment of the retainage remaining due upon completion of the contract is required to be made only after certain approvals, including certification by the executive administrator in accordance with the rules of TWDB that the work to be done under the contract that has been completed and performed in a satisfactory manner.
and in accordance with approved plans and specifications, rather than in a timely manner and in accordance with sound engineering principles and practices.

Requires that plans and specifications submitted to TWDB in connection with an application for financial assistance include a seal by a licensed engineer affirming that the plans and specifications are consistent with and conform to current industry design and construction standards.

**1944 Treaty With Mexico Regarding Water Resources—H.C.R. 55**  
*by Representative Lucio III et al.—Senate Sponsor: Senators Hinojosa and Zaffirini*

According to the 1944 United States-Mexico water treaty, Mexico owes the United States in excess of 390,000 acre-feet of water in the current five-year cycle, which began in 2010. If repaid, that water can supply Texas cities along the lower Rio Grande for up to two years. Mexico claims that it is experiencing exceptional drought conditions, which, according to the treaty, allows it to withhold annual water deliveries. Based on a review of North American drought monitoring data for Mexican tributaries in the Rio Grande basin that were identified in the treaty, exceptional drought conditions have not existed in Mexico since May 2012. This bill:

Provides that the 83rd Legislature of the State of Texas respectfully urges the United States Department of State and the United States Section of the International Boundary and Water Commission to take appropriate action to ensure that Mexico complies with the 1944 Treaty and that it takes all necessary steps to make deliveries to the United States a priority during its annual water allocation deliberations and that the Texas secretary of state forward official copies of the resolution to the secretary of state of the United States and to the commissioner of the International Boundary and Water Commission, United States and Mexico.

**Creation of a Joint Interim Committee to Study Seawater Desalination—H.C.R. 59**  
*by Representative Hunter et al.—Senate Sponsor: Senator Lucio*

Seawater desalination plants are used to convert sea water to drinking water on ships and in many arid regions of the world, and to treat water in other areas that is fouled by natural and unnatural contaminants. Seawater desalination may be able to be used to bolster the state's water supply. Some cities, including El Paso and San Antonio, are already augmenting traditional water resources with desalination operations. This bill:

Provides that the 83rd Legislature of the State of Texas requests the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study water desalination in Texas and that the committee's proceedings and operations be governed by such general rules and policies for joint interim committees as the 83rd Legislature may adopt.
Drought-Resistant Landscaping and Water-Conserving Natural Turf—S.B. 198
by Senator Watson—House Sponsor: Representative Dukes

Current law allows a homeowners' association to require landscape plans to be approved, but it does not address using drought-resistant landscaping or water-conserving natural turf. Because of the current drought, certain individuals have expressed interest in using those types of landscaping in order to save money and manage water bills. This bill:

Prohibits a property owners' association from including or enforcing a provision in a dedicatory instrument that prohibits or restricts a property owner from implementing or installing certain items, including using drought-resistant landscaping or water-conserving natural turf.

Provides that this bill does not restrict, prohibit, or require certain requirements, including prohibiting a property owners' association from requiring an owner to submit a detailed description or plan for the installation of drought-resistant landscaping or water-conserving natural turf for review and approval by the property owners' association to ensure, to the extent practicable, maximum aesthetic compatibility with other landscaping in the subdivision.

Prohibits a property owners' association from unreasonably denying or withholding approval of a proposed installation of drought-resistant landscaping or water-conserving natural turf or unreasonably determining that the proposed installation is aesthetically incompatible with other landscaping in the subdivision.

Saltwater Pipeline Facilities—S.B. 514
by Senator Davis—House Sponsor: Representative Wu

The transportation of wastewater is one of the main culprits of road damage in areas of high energy production. The expanded use of what are known as saltwater pipelines could alleviate the costs of local and state governments and minimize the need for overweight trucks. This bill:

Entitles a saltwater pipeline operator to install, maintain, and operate a saltwater pipeline facility (facility) through, under, along, across, or over a public road only if the facility complies with applicable rules adopted by TxDOT and applicable county and municipal regulations regarding the Texas Transportation Commission (TTC) and applicable county and municipal regulations regarding the accommodation of utility facilities on a public road or right of way, including regulations relating to the horizontal or vertical placement of the facility; the saltwater pipeline operator ensures that the public road and associated facilities are promptly restored to their former condition of usefulness after the installation or maintenance of the facility is complete; and the saltwater pipeline operator leases the right-of-way or area in which the facility installed and pays to the applicable governmental entity the fair market value of the operator's use of the right-of-way or area, unless the operator is authorized by other law to install, maintain, and operate the pipeline facility through, under, along, across, or over the public road.

Authorizes TTC, the commissioners court of a county, or the governing body of a municipality, as applicable, except as provided by Section 203.092 (Reimbursement for Relocation of Utility Facilities), Transportation Code, to require a saltwater pipeline operator to relocate a facility at the cost of the saltwater pipeline operator to accommodate construction or pipeline facility at the cost of the saltwater pipeline
operator to accommodate construction or expansion of a public road or any other public work unless the saltwater pipeline operator has a property interest in land occupied by the facility to be relocated.

Requires TTC, the commissioners court of a county, or the governing body of a municipality, as applicable, to give to the saltwater pipeline operator 30 days’ written notice of the requirement. Requires that the notice identify the pipeline facility to be relocated and indicate the approximate location on the new right-of-way where the saltwater pipeline operator may place the facility.

Prohibits Subchapter T (Saltwater Pipelines), Natural Resources Code, as added by this bill, from being construed to limit the authority of a saltwater pipeline facility to use a public right-of-way under any other law; affect the authority of a municipality to regulate the use of a public right-of-way by a saltwater pipeline operator under any other law, or require payment of any applicable charge under Section 182.025 (Charges by a City), Tax Code; or require a municipality to grant a right to a saltwater pipeline operator that applies to a public road or right-of-way and that is broader than the county’s or municipality’s legal interest in the public road or right-of-way or grant more than a surface right to a saltwater pipeline operator in a right-of-way acquired by prescription.

Provides that Section 212.153(e) (relating to prohibiting a municipality from enforcing a certain deed restriction or restrict certain rights granted to public utilities), Local Government Code, and Sections 203.092 (Use of Department Facilities), 224.008 (Utility Relocation Costs), and 502.1981(c)(4) (relating to authorizing money credited to the fund to only be used for the relocation of utilities for road or highway purposes), Transportation Code, apply to saltwater pipeline operators and facilities in the same manner as they apply to utilities and utility facilities.

**Power of North Fort Bend Water Authority to Impose Charge on Certain Wells—S.B. 595**

*by Senator Hegar—House Sponsor: Representative Zerwas*

The North Fort Bend Water Authority (authority) was created to deliver surface water to users within its boundaries. Wells subject to groundwater reduction requirements subsidence districts are included within the authority’s groundwater reduction plan. The authority has built and financed water infrastructure for delivery of non-groundwater sources and has financed hundreds of millions of dollars of infrastructure costs. If the subsidence districts were to remove wells from the groundwater reduction requirements and if such wells ceased paying groundwater pumpage fees, the action could significantly increase the financial burden on the remaining wells included in the authority’s groundwater reduction plan and impair the authority’s ability to pay for the water infrastructure that it is constructing. This bill:

Provides that for purposes of Section 8813.103(d) (relating to exempting certain wells that are not subject to certain groundwater reduction requirements located in Harris County or Fort Bend County), Special District Local Laws Code, a well is subject to a groundwater reduction requirement if the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable, rather than if the applicable subsidence district, has adopted or adopts a requirement or rule that groundwater withdrawals from the well, or from the well and other wells collectively, be reduced, including a groundwater reduction that is not required until a future date.

Authorizes the authority, notwithstanding Section 8813.103(d), Special District Local Laws Code, to impose a charge under Section 8813.103(b) (relating to authorizing the authority to charge a fee to the owner of a
certain well according to the amount of water pumped from the well), Special District Local Laws Code, on a well or class of wells located in Harris or Fort Bend County that, on or after February 1, 2013, ceases to be subject to groundwater reduction requirements imposed by the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable, or is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable.

Provides that the authority has all rights, powers, privileges, authorities, duties, and functions that it had before this Act becomes effective.

Provides that the legislature validates and confirms all governmental acts and proceedings of the authority that were taken before the effective date of this Act. Provides that this does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

Irrigation Powers and Functions of Certain Water Districts—S.B. 611
by: Senator Lucio—House Sponsor: Representative Lucio III

Due to urbanization and changing circumstances, districts that previously provided only irrigation water are now delivering larger amounts of raw, untreated water to municipal suppliers for municipal and/or industrial use. This bill:

Provides that a water supply project financed, in whole or in part, with water development bonds, as defined under Section 16.001 (Definitions), Water code, that is undertaken by a district having operations of facilities located in not less than four counties, and that is included in a regional water plan under Section 16.053 (Regional Water Plans), Water Code, is of fundamental and paramount importance and is to be given priority over the activities, rules, regulations, ordinances, or any requirement for a permit, bond, or fee of a preservation district, which is required to be inapplicable to the construction of the project.

Provides that governmental immunity of a preservation district is waived in an action brought by a certain water supply district for the acquisition of land, easements, or other property for a certain water supply project, if the preservation district is the owner of the land or property.

Requires that venue, notwithstanding any other law, lie in Travis County for an action previously described and brought by a certain water supply district.

Provides that Section 51.091 (Projects of Certain Districts), Water Code, expires September 1, 2039.

Requires each person who desires to receive irrigation water at any time of the year, if required by the board of directors of a district (board), to furnish the secretary of the board a written statement of the acreage the person intends to irrigate and the different crops the person intends to plant with the acreage of each crop.
Authorizes the board to require each person who desires to use irrigation water during the year to enter into a contract with the district which states certain information, including the acreage to be irrigated, rather than watered.

Requires a person, if the person irrigates more acreage, rather than land, than the person's contract specifies, to pay for the additional service.

Authorizes the board to require a person using irrigation water to execute a negotiable note or notes for all or part of the amount owed under the contract.

Provides that the contract is not a waiver of the lien given to the district under Section 51.309 (Lien Against Crops), Water Code, against the crops of a person using irrigation water for the service furnished to the person.

Authorizes the board to adopt, alter, and rescind rules, regulations, and standing and temporary orders which do not conflict with the provisions of Subchapter G (Water Charges and Assessments), Chapter 51 (Water Control and Improvement Districts), Water Code, and which govern assessments, charges, fees, rentals, or deposits for maintenance and operation; payment and the enforcement of payment of the assessments, charges, fees, rentals, or deposits, furnishing irrigation water to persons who did not apply for it before the date of assessment if required; and furnishing water to persons who wish to take water for irrigation in excess of their original applications or for use on land not covered by their original applications if required.

Requires the board, on or as soon as practicable after the date fixed by standing order of the board, to estimate the expenses of maintaining and operating the district's water delivery system, rather than the irrigation system, for the next 12 months.

Requires the board by order to allocate a portion of the estimated maintenance and operating expenses that are required to be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. Requires that this assessment be levied against all irrigable land in the district on a per-acre basis, whether the land is actually irrigated. Deletes existing text requiring that not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses be paid by assessment against all land in the district to which the district can furnish water through its irrigation system or through an extension of its irrigation system.

Requires the board to determine from year to year the proportionate amount of the expenses which will be borne by all water users receiving water delivery from the district. Deletes exiting text requiring that the assessments be levied against all irrigable land in the district on a per-acre basis, whether the land is actually irrigated.

Requires that the remainder of the estimated expenses be paid by assessments, charges, fees, rentals, or deposits required of persons in the district who use or who make applications to use water. Requires the board to prorate the remainder among the applicants for irrigation water and to consider certain factors related to water used for irrigation and nonirrigation uses. Deletes existing text requiring that the remainder of the estimated expenses be paid by assessments against persons in the district who make applications to use water. Deletes existing text requiring the board to prorate the remainder as equitably as possible.
among the applicants for water and to consider the acreage each applicant will plant, the crop the applicant will grow, and the amount of water per acre the applicant will use.

Authorizes a landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or a part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit to file a petition under Section 11.041 (Denial of Water: Complaint), Water Code. Provides that the petition filed with the Texas Commission on Environmental Quality (TCEQ), is the sole remedy available to a landowner or user of water.

Requires that public notice of all assessments imposed under Section 31.305(a) (relating to requiring the board to allocate a portion of operation and maintenance expenses that are required to be paid by assessment against certain irrigable and nonirrigable land), Water Code, be given by posting the printed notice of the assessment in at least one public place, rather than posting printed notices of the assessment in at least three public places, in the district.

Requires that the notice, not later than the fifth day before the date on which the assessment is due, be mailed to each landowner at the address the landowner is required to furnish to the board.

Requires that notice of special assessments be given within 10 days after the assessment is levied. Deletes existing text requiring that the notice be posted in a public place and mailed to each landowner five days before the assessment is due, and that notice of special assessments be given within 10 days after the assessment is levied.

Requires that all assessments imposed under Section 31.305(a), Water Code, be paid in installments at the times fixed by the board.

Requires the assessor and collector, or other person designated by the board, under the direction of the board, to collect all assessments imposed under Section 51.305(a), Water Code, for maintenance and operating expenses.

Requires the assessor and collector to execute a bond in an amount determined by the board, conditioned on the faithful performance of the duties of the assessor and collector, and accounting for all money collected.

Requires the assessor and collector to file with the secretary of the board a statement of all money collected once each month, rather than once each week.

Requires the district to have a first lien, superior to all other liens, against all crops grown on a tract of land in the district, rather than each tract of land in the district, to secure the payment of an assessment imposed against the tract under Section 31.305(a), Water Code, interest, and collection or attorney's fees.

Requires the owner of the crops, if the crops against which the district has a lien under Section 51.309 (Lien Against Crops), Water Code, are cultivated on a basis other than annual replanting, to record with the county clerk of the county where the land on which the crops are cultivated is located a legally sufficient description of the land, including a metes and bounds description or a plat reference.
Requires that assessments imposed under Section 51.305(a), Water Code, not paid when due become delinquent on the first day of the month following the date payment is due, and requires the board to keep posted in a public place in the district a correct list of all persons who are delinquent in paying assessments. Authorizes a person, if the person who owes an assessment has executed a note and contract as provided by Section 51.302 (Contracts with Person Using Water), Water Code, to not be placed on the delinquent list until after the maturity of the note and contract. Deletes existing text requiring that assessments not paid when due become delinquent on the first day of the month following the date the payment is due and requiring the board to post in a public place in the district a list of all persons who are delinquent in paying their assessments and requiring the board to keep posted a correct list of all persons who are delinquent in paying assessments. Deletes existing text requiring a person, if a person who owes an assessment has executed a note and contract as provided in Section 51.302 of this code, to not be placed on the delinquent list until after the maturity of the note and contract.

Requires the landowner's or person's water supply, if a landowner fails or refuses to pay a water assessment or a person fails to pay a charge, fee, rental, or deposit imposed under Chapter 51, Water Code, or Chapter 49 (Provisions Applicable to All Districts), Water Code, when due, to be cut off, and prohibits water from being furnished to the land until all back assessments or other amounts owed to the districts are fully paid. Provides that the discontinuance of water service is binding on all persons who own or acquire an interest in land for which assessments or other amounts owed to the district are due.

Authorizes a landowner or person whose water service has been discontinued under the previous provision to request that the board reconsider the discontinuance related to a charge, fee, rental, deposit, or penalty, and prohibits them from requesting that the board reconsider a discontinuance related to an assessment. Authorizes the landowner or person, if the board declines to reconsider the discontinuance, to file a petition under Section 11.041, Water Code. Provides that that petition filed with TCEQ is the sole remedy available to a landowner or person described by Section 51.311 (Water Service Discontinued), Water Code.

Authorizes suits for delinquent water assessments or other amounts owed to the district under Subchapter G, Water Code, rather than authorizes suits for delinquent water assessment, to be brought either in the county in which the district is located or the county in which the defendant resides. Provides that all landowners are personally liable for assessments imposed under Section 51.305(a), Water Code. Deletes existing text providing that all landowners are personally liable for assessments provided in this subchapter.

Requires that all assessments imposed under Section 51.305(a), Water Code, bear interest from the date payment is due at the rate of 15 percent a year. Provides that assessments not paid by the first day of the month following the date payment is due are, rather than shall become, delinquent, and a penalty of up to 15 percent of the amount of the past-due assessment is required to be added to the amount due.

Requires each person desiring to receive irrigation water at any time during the year, if required by the board, to furnish the secretary of the board with certain information.

Requires the board by order to allocate a portion of the estimated maintenance and operating expenses required to be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. Requires that this assessment be levied against all irrigable land in the district on a per-acre basis, whether the land is actually irrigated. Deletes existing text providing that not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses are required to be paid by assessment against all land in
the district to which the district can furnish water through its irrigation system or through an extension of its irrigation system.

Requires the board to determine from year to year the proportionate amount of the expenses which will be borne by all water users receiving water delivery from the district, rather than which will be borne by water users under Section 55.354 (Distribution of Assessment), Water Code.

Requires that the remainder of the estimated expenses be paid by assessments, charges, fees, rentals, or deposits required of, rather than against, persons in the district who use or who make application to use water and other charges approved by the board. Requires the board to prorate the remainder among the applicants for irrigation water and consider certain factors, rather than to prorate the remainder as equitably as possible among the applicants for water and to consider certain factors.

Authorizes a landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit to file a petition under Section 11.041, Water Code. Provides that that petition filed with TCEQ is the sole remedy available to a landowner or user of water.

Requires that public notice of all assessments imposed under Section 55.354(a) (relating to allocating a portion of maintenance and operating expenses that are required to be paid by assessment against all land to which the district can furnish irrigation water), Water Code, be given by posting printed notice of the assessment in at least one public place in the district. Deletes existing text requiring that public notice of all assessments be given by posting printed notices of the assessment in at least three public places in the district. Requires that notice not later than the fifth day before the date on which the assessment is due, be mailed to each landowner at the address the landowner is required to furnish to the board. Deletes existing text requiring that printed notices be mailed to each landowner at the address the landowner is required to furnish to the board.

Requires that notice of special assessments be given within 10 days after the assessment is levied, rather than requiring that notice be posted in a public place and mailed to the landowner five days before the assessment is due, and notice of special assessments be given within 10 days after the assessment is levied.

Requires that all assessments imposed under Section 55.354(a), Water Code, be paid in installments at the times fixed by the board.

Sets forth the requirements for the collection of assessments by the tax assessor-collector.

Sets forth the provisions for contracts with a person using irrigation water.

Requires the district to have a first lien, superior to all other liens, against all crops on a tract of land in the district to secure the payment of an assessment imposed against the tract under Section 55.354(a), Water Code, interest, and collection or attorney’s fees.

Requires the owner of the crops, if the crops against which the district has a lien are cultivated on a basis other than annual replanting, to record with the county clerk of the county where the land on which the
crops are cultivated is located a legally sufficient description of the land, including metes and bounds
description or a plat reference.

Requires that assessments imposed under Section 55.354(a), Water Code, not paid when due become
delinquent on the first day of the month following the date payment is due and requires the board to keep
posted in a public place in the district a correct list of all delinquent assessments. Prohibits a person, if the
person who owes an assessment has executed a note and contract as provided in Section 55.358
(Contracts with Person Using Water), Water Code, from being placed on the delinquent list until after the
maturity of the note and contract. Deletes existing text requiring that assessments not paid when due
become delinquent on the first day of the month following the date payment is due and requiring the board
to post in a public place in the district a list of all persons who are delinquent in paying their assessments
and keep posted a correct list of all delinquent assessments. Deletes existing text prohibiting persons, if
persons who owe assessments have executed notes and contracts as provided in Section 55.358, Water
Code, from being placed on the delinquent list until after the maturity of the notes and contracts.

Authorizes a landowner or person whose water service has been discontinued to request that the board
reconsider the discontinuance related to a charge, fee, rental, deposit or penalty, and prohibits the person
from requesting that the board reconsider a discontinuance related to an assessment. Authorizes the
landowner or person, if the board declines to reconsider the discontinuance, to file a petition under Section
11.041, Water Code. Provides that that petition filed with TCEQ is the sole remedy available to a certain
landowner or person.

Authorizes suits for delinquent water assessments or other amounts owed to the district to be brought
either in the county in which the irrigation district is located in or the county in which the defendant resides.
Provides that all landowners are personally liable for all assessments imposed under Section 55.354(a),
Water Code, rather than for all assessments provided in Subchapter H (Water Assessments), Chapter 55,
Water Code.

Requires that all assessments imposed under Section 55.354(a), Water Code, bear interest from the date
payment is due at the rate of 15 percent a year. Provides that assessments not paid by the first day of the
month following the date payment is due are delinquent, rather than shall become delinquent, and a penalty
of up to 15 percent of the amount of the past due assessment is required to be added to the amount due.

Requires that each person who desires to receive irrigation water at any time of the year, if required by the
board, rather than each person who desires to receive water at any time during the year, to furnish the
secretary with the acreage the person intends to irrigate and the different crops the person intends to plant
with the acreage of each crop.

Requires the person, if a person irrigates more acreage, rather than land, than the person's contract
specifies, to pay for the additional service.

Authorizes the board to require a person using irrigation water to execute a negotiable note or notes for all
or part of the amount owed under the contract.

Sets forth the board's authority to determine certain rules and regulations.

Sets forth the requirements for the board's estimate of maintenance and operating expenses.
Requires the board by order to allocate a portion of the estimated maintenance and operating expenses that are required to be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. Requires that this assessment be levied against all irrigable land in the district on a per-acre basis, whether the land is actually irrigated. Deletes existing text requiring that not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses be paid by assessment against all land in the district to which the district can furnish water through its irrigation system or through an extension of its irrigation system.

Requires the board to determine from year to year the proportionate amount of the expenses which will be borne by all water users receiving water delivery from the district. Deletes existing text requiring the assessments from being levied against all irrigable land in the district on a per-acre basis, whether the land is actually irrigated.

Requires that the remainder of the estimated expenses be paid by charges, fees, rentals, or deposits required of persons, rather than by assessments against persons, in the district who use or who make application to use water and other charges approved by the board. Requires the board to prorate the remainder among the applicants for irrigation water and authorizes them to consider the acreage each applicant will plant, the crop the applicant will grow, and the amount of water per acre used for irrigation purposes and other factors deemed appropriate by the board with respect to water used for nonirrigation uses. Deletes existing text requiring the board to prorate the remainder as equitably as possible among the applicants for water and authorizing them to consider the acreage each applicant will plant, the crop the applicant will grow, and the amount of water acre the applicant will use.

Authorizes a landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit to file a petition under Section 11.041, Water Code. Provides that that petition filed with TCEQ is the sole remedy available to a landowner or user of water.

Requires that public notice of all assessments imposed under Section 58.305(a) (relating to allocating a portion of maintenance and operating expenses that are required to be paid by assessment against certain irrigable land), Water Code, be given by posting printed notice of the assessment in at least one public place, rather than in at least three public places, in the district.

Requires that notice of special assessments be given within 10 days after the assessment is levied. Deletes existing text requiring that notice be posted in a public place and mailed to each landowner five days before the assessment is due, and that notice of special assessments be given within 10 days after the assessment is levied.

Requires that all assessments imposed under Section 58.305(a), Water Code, be paid in installments at the times fixed by the board.

Requires the assessor and collector, or other person designated under the board, by the direction of the board, to collect all assessments imposed under Section 58.305(a), Water Code, for maintenance and operating expenses.
Requires the assessor and collector to execute a bond in an amount determined by the board, conditioned on the faithful performance of the duties of the assessor and collector and accounting for all money collected.

Requires the assessor and collector to file with the secretary of the board a statement of all money collected once each month, rather than once each week.

Requires the district to have a first lien, superior to all other liens, against all crops grown on a, rather than on each, tract of land in the district to secure the payment of an assessment imposed against the tract under Section 38.305(a), Water Code, interest, and collection or attorney’s fees.

Requires the owner of the crops, if the crops against which the district has a lien are cultivated on a basis other than annual replanting, to record with the county clerk of the county where the land on which the crops are cultivated is located a legally sufficient description of the land, including a metes and bounds description or a plat reference.

Requires that assessments imposed under Section 58.305(a), Water Code, not paid when due to become delinquent on the first day of the month following the date payment is due, and requires the board to keep posted in a public place in the district a correct list of all persons who are delinquent in paying assessments. Authorizes a person, if the person who owes an assessment has executed a note and contract as provided by Section 58.302 (Contracts with Person Using Water), Water Code, to not be placed on the delinquent list until after the maturity of the note and contract. Deletes existing text requiring that assessments not paid when due become delinquent on the first day of the month following the date the payment is due and requiring the board to post in a public place in the district a list of all persons who are delinquent in paying their assessments and requiring the board to keep posted a correct list of all persons who are delinquent in paying assessments. Deletes existing text prohibiting a person, if a person who owes an assessment has executed a note and contract as provided in Section 58.302 of this code, from being placed on the delinquent list until after the maturity of the note and contract.

Sets forth the requirements for the discontinuation of water service.

Sets forth the provisions for suits for delinquent assessments.

Requires that all assessments imposed under 38.305(a), Water Code, bear interest from the date payment is due at the rate of 15 percent a year. Provides that assessments not paid by the first day of the month following the date payment is due are, rather than shall become, delinquent, and a penalty of up to 15 percent of the amount of the past-due assessment is required to be added to the amount due.

Repeals Section 58.137 (Investigation and Report of Engineer), Water Code.

Provides that a district whose fiscal year begins on a date other than September 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date of this Act.
Composition of the Drought Preparedness Council—S.B. 662
by Senator Carona—House Sponsor: Representative Villalba

In 1999, the 76th Legislature, Regular Session, passed H.B. 2660 (relating to state drought planning and preparation), which established a statewide Drought Preparedness Council (council) to coordinate the drought-response portion of the State Water Plan. The council, led by the Texas Division of Emergency Management, consists of representatives appointed by the administrative heads of various agencies. This bill:

Provides that the council is composed of one representative from certain entities, appointed by the administrative head of that entity, including the Texas A&M AgriLife Extension Service, the Texas A&M Forest Service, the Public Utility Commission of Texas, and the independent organization certified under Section 39.151 (Essential Organizations), Utilities Code, for the Electric Reliability Council of Texas power region.

Operations, Powers, Duties of Certain Water Districts—S.B. 902
by: Senator Fraser—House Sponsor: Representative Callegari

There are more than 1,000 active water districts within the state. In general, the districts have the authority to issue bonds and levy taxes in order to supply treated and untreated water, treat wastewater, implement drainage and flood control projects, develop and maintain parks and recreational facilities, and, in some cases, build roads. Water districts are also considered political subdivisions. Most water districts are governed by elected boards that have the authority to adopt and enforce a variety of rules and regulations. This bill:

Provides that, except as provided below, Section 388.005 (Energy Efficiency Programs in Institutions of Higher Education and Certain Governmental Entities), Health and Safety Code, does not apply to the electricity consumption of certain districts defined in the Water Code that relates to the operation and maintenance of facilities or improvements for wastewater collection and treatment, water supply and distribution, or storm water diversion, detention, or pumping. Requires a political subdivision that is a certain district as defined in the Water Code, to at least once every five years, for district facilities described above, evaluate the consumption of electricity, establish goals to reduce the consumption of electricity, and identify and implement cost-effective energy efficiency measures to reduce the consumption of electricity.

Prohibits the board of directors of a district (board), except as provided below, from imposing an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under chapter 375 (Municipal Management Districts in General), Local Government Code, on single-family detached residential property, duplexes, triplexes, and fourplexes, rather than quadraplexes.

Provides that Section 375.161 (Certain Residential Property Exempt), Local Government Code, does not apply to a tax authorized or approved by the voters of a district or a required payment for a service provided by the district, including water and sewer services.

Authorizes a municipality to enter into a contract with a water district or with a corporation organized to be operated without profit under which the district or corporation will acquire for the benefit of and convey to the municipality, either separately or together, one or more projects. Deletes existing text authorizing a
municipality to enter into a contract with a water district or with a corporation organized to be operated
without profit under which the district or corporation will acquire for the benefit of and convey to the
municipality, either separately or together, a water supply or treatment system, a water distribution system,
a sanitary sewage collection or treatment system, or works or improvements necessary for drainage of land
in the municipality.

Authorizes the municipality, if the contract provides that the municipality assumes ownership of the project,
rather that ownership of the water, sewer, or drainage system, on completion of construction or at the time
that all debt incurred by the district for corporation in the acquisition, construction, improvement, or
extension of the project, rather than the system, is paid in full, to make payments to the district or
corporation for project services, rather than water, sewer, or drainage services, to part or all of the residents
of the municipality. Authorizes that the contract provide that any payments due are payable from and are
secured by a pledge of a specified part of the revenues of the municipality, including certain revenues.

Provides that Section 552.014 (Contracts With Water Districts or Nonprofit Corporations), Local
Government Code, does not authorize a water district or corporation to participate in a project that the
water district or corporation is not authorized to participate in under other law.

Authorizes any district created under authority of either Sections 52(b)(1) (relating to authorizing certain
entities to issue bonds or lend its credit for the improvement of certain water resources) and (2) (relating to
authorizing certain entities to issue bonds or lend its credit for the improvement of certain water resources),
Article III, or Section 59 (Conservation and Development of Natural Resources and Parks and Recreational
Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution, (district), regardless of
how created, to employ or contract with any person to serve at the district’s tax assessor and collector who
is an individual certified as a registered Texas assessor-collector or a firm, organization, association,
partnership, corporation, or other legal entity if an individual certified as a registered Texas assessor-
collector owns an interest in or is employed by the firm, organization, association, partnership, corporation,
or other legal entity.

Provides that a tax assessor and collector employed or contracted for is not required to be a natural
person.

Requires a firm, organization, association, partnership, corporation, or other legal entity serving as district
tax assessor and collector to give a bond as required for a natural person.

Provides that the validity of an action taken at a board meeting is not affected by failure to provide notice of
the meeting if the meeting is a regular meeting, an insubstantial defect in notice of the meeting, or failure of
a county clerk to timely or properly post or maintain public access to a notice of the meeting if notice of the
meeting is furnished to the county clerk in sufficient time for posting under certain sections of the
Government Code. Deletes existing text requiring that neither failure to provide notice of a regular meeting
nor an insubstantial defect in notice of any meeting affect the validity of any action taken at the meeting.

Requires that an election, before issuing any bonds or other obligations, be held within the boundaries of
the proposed district on the uniform election date provided by Section 41.001 (Uniform Election Dates),
Election Code, to determine if the proposed district is required to be established and, if the directors of the
district are required by law to be elected, to elect permanent directors.
Requires that notice of a confirmation or director election state certain information related to the election and, if applicable, the number of directors to be voted on.

Requires that the ballots, if the district has received an application by a write-in candidate, also have blank places after the names of the temporary directors in which a voter is authorized to write the names of any candidates appearing on the list of write-in candidates required by Section 146.031 (List of Write-in Candidates), Election Code. Deletes existing text requiring that the ballots also have blank places after the names of the temporary directors in which a voter is authorized to write the names of other persons for directors.

Requires the elected directors, unless otherwise agreed, to decide the initial terms of office by lot, with a simple majority of the elected directors serving until the second succeeding directors election and the remaining elected directors serving until the next directors election.

Requires the members of the board of a district, except as provided by Section 49.102 (Confirmation and Director Election), Water Code, to serve staggered four-year terms. Requires that an election, after confirmation of a district, be held on the uniform election date, provided by Section 41.001, Water Code, rather than on the uniform election date established by the Election Code, in May of each even-numbered year to elect the appropriate number of directors.

Provides that Section 49.1045 (Certification of Election Results in Less Populous Districts), Water Code, applies only to a district that has 10 or fewer registered voters and holds an election jointly with a county in which the district is wholly or partly located.

Authorizes a district to provide for an inquiry into and certification of the voting results of an election under Section 49.1045, Water Code, if the election results indicate that the number of votes cast in the election was greater than the number of registered voters in the district, the board determines that the election results are likely to be disputed in court, and the board can determine from the official list of registered voters prepared by the county voter registrar or county elections administrator for the district election which voters were qualified to vote in the district election and can determine from the signature roster from the joint election who voted in the joint election.

Requires the board by rule to certify the district votes, to adopt a procedure to determine for each person who signed the signature roster as a voter in the joint election whether the person's address on the day of the election was in the district and how the person voted in the district election.

Provides that the certified votes are the official election results.

Provides that certification of the results does not preclude the filing of an election contest.

Authorizes, rather than requires, the vacancy or vacancies, if the number of directors is reduced to fewer than a majority or if a vacancy continues beyond the 90th day after the date the vacancy occurs, to be filled by appointment by the Texas Commission on Environmental Quality (TCEQ) if the district is required by Section 49.181 (Authority of Commission Over Issuance of District Bonds), Water Code, to obtain TCEQ approval of its bonds or by the county commissioners court if the district was created by the county commissioners court, regardless of whether a petition has been presented to the board in a certain manner.
Requires the current members of the board or temporary board holding the positions not filled at such election, in the event of a failure to elect one or more members of the board by a district resulting from the absence of, or failure to vote by, the qualified voters in an election held by the district, from being deemed to have been elected, rather than reelected, and are required to serve an additional term of office, or, in the case of a temporary board member deemed elected, the initial term of office.

Requires that a substantially final form of the contract, on or before the first day for early voting by personal appearance at an election held to authorize a contract, be filed in the office of the district and be open to inspection by the public. Provides that the contract is not required to be attached as an exhibit to the order calling the election to authorize the contract.

Authorizes a single contract to contain multiple purposes or provisions for multiple facilities authorized by one or more constitutional provisions. Authorizes the contract to generally describe the facilities to be acquired or financed by the district without reference to specific constitutional provisions. Authorizes a contract described to be submitted for approval in a single proposition in an election.

Provides that a contract between districts to provide facilities or services is not required to specify the maximum amount of bonds or expenditures authorized under the contract if the contract meets certain standards.

Authorizes the governing board of a district (board) to appoint a person, including a district officer, employee, or consultant to serve as the district's agent under Section 31.123 (Appointment of Agent During Election Period), Election Code.

Provides that the notice requirements for the appointment of a presiding election judge under Section 32.009 (Notice of Appointment), Election Code, do not apply to an election held by a district.

Requires a person, to serve as an election judge in an election held by a district, to be a registered voter of the county in which the district is wholly or partly located. Provides that to the extent of any conflict with Section 32.051 (General Eligibility Requirements), Election Code, Section 49.110, Water Code, controls.

Sets forth the exemptions from the use of accessible voting systems.

Sets forth the provisions for the cancellation of an election and the removal of a ballot measure.

Sets forth the notice requirements for filing for place on a ballot.

Authorizes the board to allow for disbursements of district money to be transferred by federal reserve wire system or by electronic means.

Provides that a district's bond anticipation notes or tax anticipation notes are negotiable instruments within the meaning and purposes of the Business & Commerce Code, notwithstanding any provision to the contrary in that code. Deletes existing text authorizing the board to declare an emergency in the matter of funds not being available to pay principal of and interest on any bonds of the district payable in whole or in part from taxes or to meet any other needs of the district and authorizing the board to issue negotiable tax anticipation notes or negotiable bond anticipation notes to borrow the money needed by the district without advertising or giving notice of the sale.
Authorizes bond anticipation notes to be issued for any purpose for which bonds of the district may be issued, rather than for which bonds of the district have previously been voted or may be issued, for the purposes of refunding previously issued bond anticipation notes.

Prohibits a district from issuing bonds to finance a project for which TCEQ has adopted rules requiring review and approval unless TCEQ determines that the project is feasible and issues an order approving issuance of the bonds.

Requires the board, except as provided below, after the board has approved the audit report, to submit a copy of the report to the executive director of TCEQ (executive director) for filing within 135 days after the close of the district's fiscal year.

Requires a special water authority to submit a copy of the audit report to the executive director for filing not later than the 160th day after the date the special water authority's fiscal year ends.

Provides that a charge or fee is not an impact fee under Chapter 395 (Financing Capital Improvements Required by New Development in Municipalities, Counties, and Certain Other Local Governments), Local Government Code, if the charge or fee imposed by a district for the construction, installation, or inspection of a tap or connection to district water, sanitary sewer, or drainage facilities, including all necessary service lines and meters, for capacity in storm water detention or retention facilities and related storm water conveyances, or for wholesale facilities that serve such water, sanitary sewer, drainage, or storm water detention or retention facilities and the charge or fee meets certain standards relating to service.

Authorizes actual costs, as determined by the board in its reasonable discretion, to include nonconstruction expenses attributable to the design, permitting, financing, and construction of those facilities, and reasonable interest on those costs calculated at a rate not to exceed the net effective interest rate on any district bonds issued to finance the activities.

Authorizes the district to take certain actions relating to payments and fees, including collecting a fee that is reasonably related to the expense incurred by the district in processing the payment by credit card. Deletes existing text authorizing the district to take certain actions related to payments and fees, including collecting a fee, not to exceed five percent of the amount of the fee or charge being paid, that is reasonably related to the expense incurred by the district in processing the payment by credit card.

Requires any peace officer who is directly employed by a district, before beginning to perform any duties and at the same time of appointment, to take an oath and execute a bond conditioned on faithful performance of such officer's duties in the amount of $1,000 payable to the district.

Provides that a peace officer contracted for by the district, individually or through a county, sheriff, constable, or municipality, is an independent contractor, and the district is responsible for the acts or omissions of the peace officer only to the extent provided by law for other independent contractors.

Requires the board, for contracts over $75,000, rather than $50,000, to advertise the letting of the contract, including the general conditions, time, and place of opening of sealed bids. Authorizes, rather than requires, the notice to be published in a certain manner. Deletes existing text providing that if one newspaper meets both notice requirements, publication in such newspaper is sufficient. Requires that the
notice be published in a certain manner and the first publication to be not later than the 14th, rather than the 21st, day before the date of the opening of the sealed bids.

Requires the board, for contracts over $25,000 but not more than $75,000, rather than not more than $50,000, to solicit written competitive bids on uniform written specifications from at least three bidders.

Authorizes a district providing potable water or sewer service to household users to, separately or jointly with another district, municipality, or other political subdivision, establish, operate, and maintain, finance with ad valorem taxes, mandatory fees, or voluntary contributions, and issue bonds for a fire department to perform all fire-fighting services within the district and to provide for the construction and purchase of necessary buildings, facilities, land, and equipment and the provision of an adequate water supply. Deletes existing text authorizing a district providing potable water or sewer service to household users to establish, operate, and maintain a fire department to perform all fire-fighting services within the district and to issue bonds or impose a mandatory fee, with voter approval, for financing a plan approved in accordance with Section 49.351 (Fire Departments), Water Code, including the construction and purchase of necessary buildings, facilities, land, and equipment and the provision of an adequate water supply.

Requires the district or districts, after complying with the requirements of Section 49.351, Water Code, to provide an adequate system and water supply for fire-fighting purposes; authorizes the district or districts to purchase necessary land, construct and purchase necessary buildings, facilities, and equipment; and to employ or contract with a fire department to employ all necessary personnel including supervisory personnel to operate the fire department. Deletes existing text requiring the district or districts, after approval of the district electors of a plan to operate, jointly operate, or jointly fund the operation of a fire department, and after complying with certain subsections in the Water Code relating to fire-fighting, to provide an adequate system and water supply for fire-fighting purposes. Deletes existing text authorizing the district or districts to purchase necessary land, construct and purchase necessary buildings, facilities, and equipment and to employ or contract with a fire department to employ all necessary personnel including supervisory personnel to operate the fire department.

Requires that bonds and ad valorem taxes for financing a plan approved in a certain manner be authorized and authorizes them to be issued or imposed as provided by law for the authorization and issuance of other bonds and the authorization and imposition of other ad valorem taxes of the district. Deletes existing text requiring that bonds for financing a plan approved be authorized and issued, and requiring a district to be authorized to levy a tax to pay the principal of and interest on such bonds, as provided by law for authorization and issuance of other bonds of the district.

Requires the district, before a district imposes an ad valorem tax or issues bonds payable wholly or partly from ad valorem taxes to finance the establishment of a fire department, rather than before a district establishes a fire department, contracts to cooperate a joint fire department, or contracts with another person to perform fire-fighting services within the district, to comply with certain subsections, rather than comply with the provisions of certain subsections.

Requires the district, after approval of a plan by TCEQ, to hold an election to approve the plan, approve bonds payable wholly or partly from ad valorem taxes, and impose ad valorem taxes for financing the plan. Authorizes the election to be held in conjunction with an election required by Section 49.102 (Confirmation and Director Election), Water Code. Deletes existing text requiring the district to submit to the electors of the district at the election to approve bonds or to impose a mandatory fee for financing the plan, or if no
bonds or fees are to be approved, at an election called for approval of the plan, which may be held in conjunction with an election required by Section 49.102, the proposition of whether the plan should be implemented or entered into by the district. Deletes existing text setting forth the requirements for the ballots at the election.

Authorizes a district providing potable water or sewer service to household users to, as part of the billing process, collect from its customers a voluntary contribution on behalf of organizations providing fire-fighting services to the district.

Requires the district, if a customer makes a partial payment of a district bill for water or sewer service and includes with the payment a voluntary contribution for fire-fighting services, to apply the contribution first to the bill or water sewer service, including any interest or penalties imposed. Requires the district to use any amount remaining for fire-fighting services.

Sets forth the requirements and provisions for recreational facilities on sites acquired for water, sewer, or drainage facilities.

Prohibits the outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities supported by ad valorem taxes, rather than payable from any source, from exceeding an amount equal to one percent of the value of the taxable property in the district or, if supported by contract taxes, from exceeding an amount equal to one percent of the value of the taxable property in the districts making payments the contract as shown by certain tax rolls of the central appraisal district at the time of the issuance of the bonds, notes, and other obligations or an amount greater than the estimated cost provided in the park plan, whichever is smaller. Authorizes the district, to establish the value of the taxable property in a district, to use an estimate of the value provided by the central appraisal district. Deletes existing text authorizing a district all or part of which is located in a certain county to issue bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities only if the bonds are authorized by a majority vote of the qualified voters of the district voting in an election held from that purpose.

Requires the board, on or before the 10th day before the first day for early voting by personal appearance at an election held to authorize the issuance of bonds for the development and maintenance of recreational facilities, rather than not later than the 10th day before an election is held to authorize the issuance of bonds for the development and maintenance of recreational facilities, to file in the district office for review by the public a park plan covering the land, improvements, facilities, and equipment to be purchased or constructed and the estimated cost, together with maps, plats, drawings, and data fully showing and explaining the park plan. Provides that the park plan is not part of the proposition to be voted on, does not create a contract with voters, and is authorized to be amended at any time after the election held to authorize the issuance of bonds for the development and maintenance of recreational facilities provided under the plan. Prohibits the estimated cost stated in the amended park plan from exceeding the amount of bonds authorized at that election.

Sets forth the requirements for a person to be qualified for election as a director.

Prohibits the district from usurping functions or duplicating a service already adequately exercised or rendered by another governmental agency except as provided below.
Authorizes the district to finance, develop, and maintain recreational facilities under Subchapter N (Recreational Facilities), Chapter 49 (Provisions Applicable to All Districts), Water Code, even if similar facilities may be provided by a political subdivision or other governmental entity included wholly or partly in the district.

Sets forth the requirements for the ballot for an election under Subchapter L (Tax Plan), Chapter 51 (Water Control and Improvement Districts), Water Code.

Authorizes the board, after bonds issued for the defined area or designated property are fully paid or defeased, to declare the defined area dissolved or to appeal the designation of the designated property. Requires the board, after the declaration or repeal, to cease imposing any special taxes authorized under the adopted tax plan on the property located in the defined area or on the designated property.

Authorizes a city to provide in its written consent for the inclusion of land in a district that is initially located wholly or partly outside the corporate limits of the city that a contract between the district and city be entered into prior to the first issue of bonds, notes, warrants, or other publications of the district.

Authorizes a district, subject to the provisions of Section 54.236 (Street or Security Lighting), Water Code, to purchase, install, operate, and maintain street lighting or security lighting within public utility easements or public rights-of-way or property owned by the district, rather than lighting within public utility easements or public rights-of-way within the boundaries of the district.

Prohibits a district from issuing bonds supported by ad valorem taxes to pay for the purchase, installation, and maintenance of street or security lighting, except as authorized by Section 54.234 (Acquiring Road Powers), or Subchapter N, Chapter 49, Water Code.

Authorizes land within the district boundaries subject to taxation that does not need or utilize the services of the district, after the district is organized and has obtained voter approval for the issuance of, or has hold, bonds payable wholly or partly from ad valorem taxes, to be excluded and other land not within the boundaries of the district to be included within the boundaries of the district without impairment of the security for payment of the bonds or invalidation of any prior bond election, as provided by this section and certain sections under Chapter 54 (Municipal Utility Districts), Water Code. Deletes existing text authorizing land within the district boundaries subject to taxation that does not need or utilize the services of the district, after the district is organized and acquires facilities with which to function for the purposes for which it was organized, and votes, issues, and sells bonds for such purpose, to be excluded and other land not within the boundaries of the district to be included within the boundaries of the district without impairment of the security for payment of the bonds or invalidation of any prior bond election, as provided by this section and certain sections under Chapter 54, Water Code.

Requires that the lands proposed for inclusion, if the district has any outstanding bonds or contract obligations payable in whole or partly by a pledge of net revenues from the ownership or operation of the district’s facilities at the time the board considers an application, to be deemed to be sufficient to avoid impairment of the security for payment of obligations of the district if the projected net revenues to be derived from the lands to be included during the succeeding 12-month period, as determined by the district’s engineer, equals or exceeds the projected net revenues that would otherwise have been derived from the lands to be excluded during the same period.
Provides that the taxable value of included land means the market value of the land if, before or contemporaneously with the inclusion of land in the district, the owner of the land waives the right to special appraisal of the land as to the district under Section 23.20 (Waiver of Special Appraisal), Tax Code.

Repeals Section 49.103(g) (relating to authorizing the district, if required under this section to change the terms of office of directors to four-year terms or to change the date on which the district holds a director election, to extend the terms of office of directors serving the district), Water Code.

Provides that the legislature finds that an agreement entered into before September 1, 2013, by a municipality and a municipal utility district is an allocation agreement only if the municipal utility district is initially located wholly or partly outside the corporate limits of the municipality, the agreement strictly complies with the requirements of Section 54.016(f), Water Code, as that section existed immediately before the effective date of this Act, and the agreement is specifically designated by the parties to the agreement as an "allocation agreement" under Section 54.016(f), Water Code.

Requires TCEQ, not later than December 1, 2014, to adopt any rules or amendments to existing rules necessary to implement Section 49.4641, Water Code, as added by this Act.

Sale by the Brazos River Authority of Certain Real Property—S.B. 918

by Senator Estes—House Sponsor: Representative Keffer

Possum Kingdom Lake (lake) is a reservoir maintained by the Brazos River Authority (authority), primarily in Palo Pinto County. The authority is responsible for certain residential and commercial land management at the lake. H.B. 3031, 81st Legislature, Regular Session, 2009, authorized the authority to seek bids for the purchase of the residential and some commercial leased land at the lake in a single bulk sale. This allowed nearly all of those previously leasing land from the authority to purchase their lots. However, due to restrictions placed on some leased lands by the Federal Energy Regulatory Commission (FERC) in accordance with the authority's license to operate a hydroelectric power plant at the dam, not all of the lease sites were able to be included in the bulk sale. FERC is in the process of decommissioning the hydroelectric power plant, which means that the remaining leased land will be available for sale. This bill:

Amends the definition of "Captive Property To Be Sold" to include certain tracts of real property owned by the authority at the lake.

Defines "close" or "closing."

Requires a closing to occur not later than the first anniversary of the effective date of this Act.

Sets forth the procedure for the surveying, appraisal, sale, and transfer of certain property.

Provides for the extension of the closing deadline if the survey is timely delivered to the authority.

Provides that a sale under this Act is subject to certain specified requirements.

Adds Section 8502.0133 (Sale of Authority Property on and Associated With Costello Island), to the Special District Local Laws Code:
• Requires the authority, following the date of decommissioning, to offer for sale to the offeree the Costello Island Property for not less than the fair market value and contingent upon the termination of any leases encumbering all or any portion of the Costello Island Property at the time of sale.
• Sets forth the procedure for the appraisal and determination of the fair market value of the property.
• Provides that the timelines for the appraisal process may be extended upon joint agreement of the authority and the offeree.
• Requires the offeree to provide the authority with a survey meeting certain specified requirement and to pay all closing costs associated with the sale of the property.
• Requires the authority to provide a special warranty deed, subject only to certain specified restrictions, covenants, and other conditions.
• Requires the offeree to release and agree to hold the authority harmless from any damages, claims, or other harm caused by or arising from any temporary flooding of any portion of the Costello Island Property.
• Requires that any sale of the Costello Island Property grant the authority the right to enter onto the Costello Island Property and the lake and other bodies of water as reasonably necessary for the authority to fulfill its obligations or for public safety, health, and welfare.
• Provides for certain notice before the authority may exercise such rights.
• Requires the authority to use reasonable efforts to avoid interfering with the offeree's use of the Costello Island Property and to promptly repair any damage to the property caused by the authority's entrance.
• Waives any claim to governmental immunity on behalf of the authority with respect to the recovery of any damage caused by the authority's breach of these provisions.
• Provides that certain specified statutory provisions do not apply to such sale of property.
• Authorizes the authority to use proceeds from the sale for any authority purpose.
• Requires the authority to reserve its interest in all oil, gas, and other minerals in and under the property to be sold.
• Provides that if the conveyance described by this section is not completed before the second anniversary of the effective date of this Act, this section expires.
• Provides that to the extent of any conflict with other laws of this state, this section prevails.


Authorizes the authority for a period of two years after the Date of Decommissioning to sell the Remaining Leased Tract in whole or in part and makes conforming changes.
Requires the authority to permit the leaseholder to purchase such Leaseholder’s individual Leased Tract at only assessed value without any exemptions (as determined by the appraisal district) for the year 2012 if the tract is part of the Remaining Leased Tract.

Sets forth requirements regarding the leaseholders’ payment or financing regarding such sale.

Requires the authority to offer a new 99-year lease at a rental rate of 6 percent of the year 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract.

Requires the authority to offer a new 20-year lease if the leaseholder has received the ad valorem tax exemption for a structure on the leaseholder's individual Leased Tract by January 1, 2013, if the tract is part of the Remaining Leased Tract.

Requires that such leases include an option for the leaseholder to purchase the applicable portion of the Leased Tract at the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract.

Sets forth when such purchase must be completed.

Provides for the extension of any Ground Lease that would otherwise expire to permit such leaseholder the full two-year period to deliver an application of intent to purchase the individual Remaining Leased Tract and to complete such transaction.

Sets forth the restrictions that apply to certain specified property.

Inserts "any Amendments to the Restrictions" following certain references to "the Restrictions." Strikes references to the FERC License and other provisions regarding FERC.

Changes certain references to "FERC Project Area" to "1000 foot contour line" or "Authority Land."
Requires the owners, purchasers, and leaseholders of a portion of the Leased Tract that is part of any other subdivision to comply with the terms and conditions of the covenants and restrictions governing the subdivision.

Provides that the restrictions and covenants governing the subdivision will control in the event of a conflict between the covenants, restrictions, and conditions governing the subdivision and the Restrictions and Amendments to the Restrictions.

Changes certain references to "owner" to "person."

Requires that any subdivision by an owner of the owner's portion of the Leased Tract is subject to all applicable laws, rules, regulations, codes, and ordinances, rules, and restrictions.

Makes provisions regarding a Buffer Zone concerning certain Remaining Leased Tracts.

Provides that the requirement that the authority conduct a sale of certain Remaining Leased Tracts expires on December 31, 2016, if the FERC License is not terminated by decommissioning or otherwise.

McMullen GCD—S.B. 1012
by Senator Zaffirini—House Sponsor: Representative Guillen

When the McMullen Groundwater Conservation District (McMullen GCD) was created, it was placed incorrectly in statute. When the Texas Legislative Council began codifying special law districts and placing the enabling legislation into the Special District Local Laws Code, McMullen GCD was not able to be codified due to a conflict of election dates set forth in statute. This bill:

Establishes the McMullen GCD.

Sets forth the general provisions, provisions related to the board of directors, powers and duties, and general financial provisions of McMullen GCD.


Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

Edwards Aquifer Authority's Regulation of Wells With Limited Production Capabilities—S.B. 1241
by Senator Hegar—House Sponsor: Representative Doug Miller
The Edwards Aquifer Authority Act (Act) narrowly defines exempt wells. When the Act was first created, it did not take into account wells that use small amounts of water. This bill:

Provides that a well serving a subdivision requiring platting does not qualify for an exempt use.

Provides that a well drilled before June 1, 2013, for any purpose authorized under this article is exempt from the requirement to obtain a withdrawal permit provided that the well is not capable of producing more than 1,250 gallons of water a day or is metered and does not produce more than 1.4 acre-feet of water in a calendar year.

**Deadlines For Proposals for Adoption of Desired Future Conditions of Certain Aquifers—S.B. 1282**

*by Senators Duncan and Seliger—House Sponsor: Representative Price*

S.B. 660 (relating to the review and functions of the Texas Water Development Board (TWDB), including the functions of the board and related entities in connection with the process for establishing and appealing desired future conditions in a groundwater management area), enacted into law in 2011, made significant changes to the process by which groundwater conservation districts (GCDs) in groundwater management areas (GMAs) adopt desired future conditions (DFCs) for relevant aquifers. Recently adopted TWDB regulations require GMAs to consider groundwater availability models and propose the next round of DFCs no later than five years from the date the DFCs were last adopted. Most GMAs are facing DFC submittal deadlines during 2015. TWDB's new regulatory timeframe for a DFC adoption would put GMAs under time constraints to adopt new DFCs. This bill:

Provides that a proposal for the adoption of DFCs for the relevant aquifers within a management area is not required before May 1, 2016, notwithstanding Section 36.108(d) (relating to requiring districts to consider management area models and certain information and to propose for adoption DFCs for relevant aquifers within the management area), Water Code, and regardless of the date on which a proposal may have been voted on before September 1, 2013. Provides that this subsection does not prevent districts in a management area from voting on a proposal for the adoption of DFCs for the relevant aquifers within their management area before May 1, 2016. Provides that this subsection expires January 1, 2018.

**Powers of the West Harris County Regional Water Authority—S.B. 1299**

*by Senator Patrick—House Sponsor: Representative Callegari*

The Houston region is highly susceptible to subsidence caused by groundwater withdrawals. The Harris County Subsidence District and the Fort Bend Subsidence District regulate withdrawals in the area. The regulations include requirements that certain users convert from using groundwater to surface water. The West Harris County Regional Water Authority (authority) was created to facilitate groundwater to surface water conversions for users within its boundaries and its groundwater reduction plan (plan). The authority built and financed infrastructure for the delivery of non-groundwater sources and has made a large investment in bonds to finance infrastructure. Debt service for the infrastructure is supported by fees charged by the authority to regulated well users within its boundaries. As certain wells or classes of wells are no longer subject to groundwater reduction requirements, the financial burden on remaining wells in the authority's plan will increase and impair the authority's ability to pay for future water infrastructure. This bill:
Requires the board of directors of the authority (board), for wells located in Harris County or Fort Bend County, to exempt from the charge under Section 4.03(b) (relating to authorizing the authority to charge the owner of a certain well a fee or user fee according to the amount of water pumped from the well), Water Code, the classes of wells that are not subject to any groundwater reduction requirement imposed by the Harris-Galveston Coastal Subsidence District or the Fort Bend Subsidence District, as appropriate. Authorizes the authority, if any of those classes of wells become subject to a groundwater reduction requirement imposed by the Harris-Galveston Coastal Subsidence District or the Fort Bend Subsidence District, as appropriate, to impose the charge under Section 4.03(b), Water Code, on those wells. Provides that a well is subject to a groundwater reduction requirement if the Harris-Galveston Coastal Subsidence District or the Fort Bend Subsidence District, as appropriate, has adopted or adopts a requirement or regulation that the well reduce groundwater withdrawals or that the well join with other wells to collectively reduce groundwater withdrawals, including a groundwater reduction that is not required until a future date.

Authorizes the authority, notwithstanding the preceding subsection, to impose a charge under Section 4.03(b), Water Code, on a well or class of wells located in Harris County or Fort Bend County that, on or after February 1, 2013, ceases to be subject to a groundwater reduction requirement imposed by the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable, or is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the Harris-Galveston Subsidence District or the Fort Bend Subsidence District, as applicable.

Authorizes the board by rule to exempt any other classes of wells from the charge under Section 4.03(b), Water Code. Prohibits the board from applying the charge to a well with a casing diameter of less than five inches that solely serves a single-family dwelling or regulated under Chapter 27 (Injection Wells), Water Code.

by Senator Hinojosa—House Sponsor: Representative Hunter

As part of its dissolution activities, the Lower Nueces River Water Supply District (district) was supposed to transfer its assets to the City of Corpus Christi (city) by August 1, 1986. Documentation of the district formally conveying the assets back to the city were inadvertently misplaced for 25 years. Once discovered, the city recorded those transactions in the appropriate counties. In order to avoid potential adverse possession claims against the city, a validation act is needed to perfect the land transfers in the now-dissolved district back to the city. This bill:

Provides that on or before August 1, 1986, the board of directors of the district paid or provided for the payment of all debts and liabilities of the district and transferred all district assets to the city, including all district rights to real property. Provides that the district’s enabling legislation was repealed and the district was dissolved.

Provides that the governmental acts and proceedings of the district taken to comply with Chapter 844, Acts of the 69th Legislature, Regular Session, 1985 (Chapter 844), relating to the 1986 transfer to the City of
Corpus Christi of district rights to real property included in the 1986 quitclaim deed recordings described by Section 3 of this act are validated and confirmed as of the dates the transfers occurred. Prohibits the Acts and proceedings from being held invalid because they were not performed in accordance with Chapter 51 (Water Control and Improvement Districts), Water Code, or other law.

Prohibits the 1986 transfer of rights to real property included in the 1986 quitclaim deed recordings by the district to the city from being held invalid on the ground that the transfer, in the absence of this bill, was invalid.

Provides that the city is the owner of the rights to real property transferred to the city in accordance with Chapter 844 and included in the 1986 quitclaim deed recordings described by this bill.

Provides that this does not apply to any matter that on the effective date of the bill is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

Provides that the property transfers made in 1986 as quitclaim deeds in accordance with Chapter 844, transferring property from the district to the city, have been filed in a certain manner.

**Authorization of Injection Wells That Transect or Terminate in the Edwards Aquifer—S.B. 1532**

*by Senator Zaffirini—House Sponsor: Representative Eddie Rodriguez*

At current rates, firm-yield water supplies in Austin will be depleted within the next two decades. New water supplies to meet this growing demand are scarce and increasingly expensive. With emerging desalination technologies, the saline portion of the Edwards Aquifer is a potentially large new water supply for a broad swath of Central and Southwest Texas. Current law prohibits any injection of water that has been physically, chemically, or biologically altered either into or through the Edwards Aquifer without any distinction between whether the Edwards water is fresh, brackish, or saline. The prohibition was put in place specifically to protect the freshwater Edwards aquifer, but was not intended to be applicable to the brackish or saline zones. This bill:

Provides that Section 27.0516 (Permits For Injection Wells That Transect or Terminate in Portion of Edwards Aquifer Within External Boundaries of Barton Springs-Edwards Aquifer Conservation District), Water Code, applies only to the portion of the Edwards Aquifer that is within the geographic area circumscribed by the external boundaries of the Barton Springs-Edwards Aquifer Conservation District (district) but is not in that district's territory or the territory of the Edwards Aquifer Authority (EAA).

Provides that Section 27.0516, Water Code, prevails over Section 27.051(i) (relating to prohibiting the Texas Commission on Environmental Quality (TCEQ) from authorizing by rule or permitting an injection well that transfers or terminates in the Edwards Aquifer), Water Code, to the extent of a conflict.

Prohibits, except as provided by Section 27.0516, Water Code, TCEQ by rule or permit from authorizing an injection well that transects or terminates in the Edwards Aquifer.

Authorizes TCEQ by rule to authorize the injection of fresh water withdrawn from the Edwards Aquifer into a well that transects or terminates in the Edwards Aquifer for the purpose of providing additional recharge.
or the injection of rainwater, storm water, flood water, or groundwater into the Edwards Aquifer by means of an improved natural recharge feature such as a sinkhole or cave located in a karst topographic area for the purpose of providing additional recharge.

Authorizes TCEQ by general permit to authorize:

- an activity described above;
- an injection well that transects and isolates the saline portion of the Edwards aquifer and terminates in a lower aquifer for the purpose of injecting concentrate from a desalination facility or fresh water as part of an engineered aquifer storage and recovery facility;
- an injection well that terminates in that part of the saline portion of the Edwards Aquifer that has a total dissolved solids concentration of more than 10,000 milligrams per liter for the purpose of injecting into the saline portion of the Edwards Aquifer concentrate from a desalination facility, and provided that the injection well is required to be at least three miles from the closest outlet of Barton Springs or fresh water as part of an engineered aquifer and storage recovery facility, provided that each well used for injection or withdrawal from the facility is required to be at least three miles from the closest outlet of Barton Springs;
- an injection well that transects or terminates in the Edwards Aquifer for aquifer remediation, the injection of a nontoxic tracer dye as part of a hydrologic study, or another beneficial activity that is designed and undertaken for the purpose of increasing protection of an underground source of drinking water from pollution or other deleterious effects.

Requires TCEQ to hold a public meeting before issuing a general permit under Section 27.0516, Water Code.

Sets forth the provision for rules adopted under a general permit issued under Section 27.0516, Water Code.

Authorizes a certain monitoring well, if properly sited and completed, to be used to monitor a saline water projection well.

Provides that a project is considered to be a small-scale research project if the project consists of one production well and one injection well that are operated on a limited scale to provide requisite scientific and engineering information. Provides that such a project is considered to be a small-scale research project regardless of the borehole size of the wells or the equipment associated with the wells or whether the wells are subsequently incorporated into a larger-scale commercial facility.

Authorizes a general permit, notwithstanding Section 27.0156(h)(3) (relating to prohibiting rules adopted from authorizing an injection well under certain subsections unless the well is designed in a certain manner), Water Code, to authorize the owner of a certain injection well to continue operating the well for the purpose of implementing the desalination or engineered aquifer storage and recovery project following completion of the small-scale research project, provided that:

- the injection well owner timely submits the information collected as part of the research project, including monitoring reports and information regarding the environmental impact of the well, to TCEQ;
- the injection well owner, following the completion of studies and monitoring adequate to characterize risks to the fresh water portion of the Edwards Aquifer and other fresh water
associated with the continued operation of the well, and at least 90 days before the date the owner initiates commercial well operations, files with TCEQ a notice of intent to continue operation of the well after completion of the research project; and

- TCEQ, based on the studies and monitoring, the report provided by Texas State University--San Marcos (Texas State), and any other reasonably available information, determines that continued operation of the injection well as described in the notice of intent does not pose an unreasonable risk to the fresh water portion of the Edwards Aquifer or other fresh water associated with the continued operation of the well.

Requires TCEQ, not later than the 15th day after the date of receipt of the results of the studies and monitoring, to provide the information received to Texas State and requires Texas State, not later than the 60th day after the date of receipt of the information, to review and analyze the information and report its findings to TCEQ.

Requires TCEQ to make the information provided by the owner of the injection well and the report provided by Texas State easily accessible to the public in a timely manner. Authorizes the permit to authorize the owner of the well to continue operating the well following completion of the research project pending the determination by TCEQ.

Requires TCEQ, if TCEQ preliminarily determines that continued operation of the injection well would pose an unreasonable risk to the fresh water portion of the Edwards Aquifer or other fresh water associated with the continued operation of the well, to notify the operator and specify, if possible, what well modifications would be adequate to prevent that unreasonable risk. Requires TCEQ, if the operator fails to modify the injection well as specified by TCEQ, to require the operator to cease operating the well.

Expansion of the Boundaries of Cibolo Creek Municipal Authority—S.B. 1771
by Senator Campbell—House Sponsor: Representative Kuempel

Retail customers and water districts to which the Cibolo Creek Municipal Authority (CCMA) provides wholesale water sewer services have requested that the boundaries of CCMA be adjusted. This bill:

Sets forth the revised boundaries of CCMA. Deletes existing text setting forth the boundaries of CCMA.

Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

Fort Bend Subsidence District—S.B. 1811
by Senator Hegar—House Sponsor: Representative Zerwas

The Fort Bend Subsidence District (district) was created in 1989 to control and prevent subsidence within the district by reducing groundwater withdrawals. The legislature created the North Fort Bend Water Authority (authority) to aid in the water conversion process. The district's statute is in need of an update in order to recognize the large aggregate permit in addition to the aggregate permits issued for other
groundwater reduction plans. Several administrative changes are also needed to clarify certain permit exemptions, provide for appointment of an investment officer, and to define certain terms. This bill:

Provides that notwithstanding Section 36.052 (Other Laws Not Applicable), Water Code, Chapter 8834 (Fort Bend Subsidence District), Water Code, prevails over any other law in conflict or inconsistent with this Chapter 8834.

Requires the board of directors of the district (board), each year, at the first meeting after the new directors take office, to select a chair, rather than a president, a vice chair, rather than a vice president, and a secretary.

Requires the chair, rather than the president, to preside over meetings of the board. Requires the vice chair, rather than the vice president, if the chair, rather than the president, is not present, to preside.

Requires the secretary to ensure that all records and books of the district are properly kept and attest to the chair's signature on all documents. Authorizes the board to authorize another director, the general manager, or any employee or contractor to execute documents on behalf of the district and to certify the authenticity of any record of the district.

Requires the board to hold regular meetings, rather than to hold one meeting each month, at a time set by the board. Authorizes the board to hold a special meeting at the call of the chair, rather than the president, or on the written request of at least three directors.

Provides that a meeting of a committee of the board is not subject to chapter 551 (Open Meetings), Government Code, if less than a quorum of the board is present at the meeting.

Sets forth the requirements for those to whom the district is required to deliver or mail notice of the hearing.

Requires the district, not later than the 10th day before the date set for a hearing, to take certain actions, including provide a copy of the notice, rather than post notice, of the hearing to the county clerk to be posted at the county courthouse of each county in the district in the place where notices are usually posted.

Authorizes the board, notwithstanding Section 2256.005(f) (relating to designating certain persons to be an investment officer in each investing entity), Government Code, to contract with a person to act as investment officer of the district.

Sets forth the training requirements for an investment officer, the requirements for those conducting training, and the requirements regarding the subjects of the training.

Authorizes the board to issue permits to drill new wells and by rule to provide exemptions from the permit requirements. Requires the district to grant a permit to drill and operate a new well inside a platted subdivision if water service from a retail public utility is not available to the lot where the well is to be located.

Sets forth the well permit requirements to which Chapter 8834, Special District Local Laws Code, do not apply.
Requires a well owner, rather than the owner of a well located in the district, to obtain a permit from the board before taking certain actions related to the well.

Requires the board to issue a permit to an applicant if the board finds on sufficient evidence relating to compliance and that there is no other adequate and available substitute or supplemental source of alternative water supplies, rather than surface water, at prices competitive with the prices charged by suppliers of alternative water supplies, rather than surface water in the district.

Requires a well owner who is required to hold, rather than who holds, a permit under Chapter 8834, Special District Local Laws Code, before January 31 each year, to submit to the board a report stating certain identifying information and technical information regarding the well.

Requires a well owner whose well is aggregated with other wells permitted and managed by a regional water supplier to file the report with the regional water supplier instead of the district. Requires a regional water supplier to submit to the board the report required for all wells owned, managed, or permitted by that supplier not later than March 31 of each year.

Requires an investment officer for the district who holds that office on the effective date of this Act to attend training not later than the first anniversary of the effective date of this Act unless that person has already taken the training during the previous calendar year.

**Voter-Approved Tax in Calhoun County Groundwater Conservation District—S.B. 1835**

*by Senator Hegar—House Sponsor: Representative Morrison*

During the 82nd Legislature, Regular Session, 2011, S.B. 1290 (relating to the creation of the Calhoun County Groundwater Conservation District, and providing authority to issue bonds) was passed, creating the Calhoun County Groundwater Conservation District (district). The temporary district directors failed to call for the initial election. This bill:

Requires the temporary directors to meet and to order an election to be held in the district not later than December 31, 2016, to confirm the creation of the district. Deletes existing text requiring the temporary directors, not later than October 1, 2011, to meet and to order an election to be held in the district not later than September 1, 2012, to confirm the creation of the district.

Sets forth the language required to be printed on the ballot for the election.

Prohibits the district from imposing an ad valorem tax at a rate that exceeds two cents on each $100 valuation of taxable property in the district, and requires that any tax imposed to first be approved by the property in the district at the election held to confirm the creation of the district or at a separate election held in accordance with Section 36.201 (Levy of Taxes), Water Code.

Provides that the legislature validates and confirms all governmental acts and proceedings of the Calhoun County Commissioners Court relating to the appointment of temporary directors of the district and of that district that were taken before the effective date of this Act.
Provides that this does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

**Creation of the Deep East Texas Groundwater Conservation District—S.B. 1840**

*by Senator Nichols—House Sponsor: Representatives Paddie and Ashby*

Currently, the lack of a groundwater conservation district in Sabine, San Augustine, and Shelby Counties hinders efforts to keep a sustainable approach to manage the aquifers in those areas. This bill:

Sets forth standard language for the creation of the Deep East Texas Groundwater Conservation District (district) in Sabine, San Augustine, and Shelby Counties. Sets forth standards, procedures, requirements, and criteria for creation, purpose, and approval of the district; size, composition, appointment, and terms of the board of directors, including the appointment of temporary directors and the creation of a municipal election; powers and duties of the district; and general financial provisions of this district.

Prohibits the district from exercising the power of eminent domain.

Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

**Creation of the West Fort Bend Water Authority—S.B. 1870**

*by Senator Hegar—House Sponsor: Representative Zerwas*

The West Fort Bend Water Authority (authority) would mostly encompass Regulatory Area B, as designated by the Fort Bend Subsidence District (district), which consists mostly of unincorporated areas of Fort Bend County (county). Because surface water projects are extremely expensive, it is difficult, if not impossible, for small municipalities and unincorporated areas to finance and construct projects. Regional cooperation through the authority would reduce water project costs through economies of scale. This bill:

Sets forth standard language for the creation of the authority in the county. Sets forth standards, procedures, requirements, and criteria for:

Definitions, creation, and approval of the authority, including municipal annexation of the authority and its effect on the power of a municipality; size, composition, appointment, and terms of the board of directors of the authority; powers and duties of the district; general financial provisions and authority to impose a tax and to issue bonds and obligations for the district; power of eminent domain.

Sets forth the initial boundaries of the district.
Sets forth the boundaries of the five single-member district precincts.

Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

Provides that Section 8878.118 (No Eminent Domain Power), Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C (Powers and Duties), Chapter 8878 (West Fort Bend Water Authority), Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8878.118 to prohibit the district from exercising the power of eminent domain.

Provides that this is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c) (relating to authorizing the legislature to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I (Bill of Rights), Texas Constitution.

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**Board of Directors of the Pecan Valley Groundwater Conservation District—S.B. 1876**

*by Senator Hegar—House Sponsor: Representative Morrison*

The elections for the board of directors of the Pecan Valley Groundwater Conservation District (district) currently does not take place during the uniform election date in November of even-numbered years. This bill:

Requires the district, on the uniform election date in November of each even-numbered year, to hold an election in the district to elect the appropriate number of directors to the district’s board of directors.

Repeals Section 8(e) (relating to requiring four new directors, at the first election of the district after the county commissioners precincts are redrawn, to be elected to represent the precincts), Chapter 1343, Acts of the 77th Legislature, Regular Session, 2001.

Requires a director on the board of the district whose term is scheduled to expire in May 2013 to serve until the director's successor has qualified following the directors' election held on the uniform election date in November 2013. Requires a director whose term is scheduled to expire in May 2015 to serve until the director's successor has qualified following the directors' election held on the uniform election date in November 2014. Requires a director whose term is scheduled to expire in May 2017 to serve until the director's successor has qualified following the directors' election held on the uniform election date in November 2016.

Provides that all governmental acts and proceedings of the district relating to the election of members of the board of directors of the district that were taken before the effective date of this Act are validated, ratified, and confirmed in all respects as if they had been taken as authorized by law.
Provides that this does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

Provides that requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.


*by Senator Rodríguez—House Sponsor: Representative Márquez*

In 2007, the federal government established the Rio Grande Environmental Management Program (program), which was created to improve the conditions of the Rio Grande watershed, which was never funded. This bill:

Provides that the 83rd Legislature of the State of Texas urges the United States Congress to reauthorize Section 5056 of the Water Resources Development Act of 2007 and to appropriate sufficient funds to carry out work related to that legislation.

Provides that the Texas secretary of state forward official copies of the resolution to certain persons with the request that the resolution be officially entered into the Congressional Record as a memorial to the Congress of the United States of America.
**State Requirements to Post Certain Audit Information on Agency Websites—H.B. 16**  
*by Representative Flynn et al.—Senate Sponsor: Senator Ellis*

Currently, state agencies are required to make financial statements public. This bill:

Requires a state agency, subject to Section 2102.015(c) (relating to prohibiting a state agency from being required to post information on the agency's audit plan or annual report if the information is exempt from public disclosure), Government Code, at the time and in the manner provided by the state auditor, to post on the agency's Internet website the agency's internal audit plan approved in a certain manner and to post the agency's required annual report.

Provides that a state agency is not required to post information contained in the agency's internal audit plan or annual report if the information is excepted from public disclosure.

Requires a state agency to update the posting required at the time and in the manner provided by the state auditor to include a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, that are raised by the audit plan or annual report.

Requires a state agency to update the posting required to include a summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report.

**Internet Availability of Certain Campaign Finance Reports—H.B. 195**  
*by Representative Farias—Senate Sponsor: Senator Van de Putte*

Under current law, a county with a population of over 800,000 must post campaign finance reports of the members of the commissioners court on its website and a city with a population of over 500,000 must do the same for reports from members of its governing body. This bill:

Requires the county clerk of a county with a population of 800,000 or more or the clerk of a municipality with a population of 500,000 or more to make a report filed with the clerk by a candidate, officeholder, or specific-purpose committee in connection with a county office, the office of county commissioner, or the office of mayor or member of the municipality's governing body, as applicable, available to the public on the county's or municipality's Internet website not later than the fifth business day after the date the report is received.

**Disclosure of Information Concerning a Resident to a Governmental Body—H.B. 367**  
*by Representative “Mando” Martinez—Senate Sponsor: Senator Davis*

The Government Code states that records of communication between a resident of the state and a member of the legislature or the lieutenant governor are confidential and not subject to the Open Records Act. Correspondence from a constituent to a state legislator is confidential, but once the legislator shares that information with a state agency, it is no longer protected in the event an open records request is sent to the agency. This bill:
Provides that if a member of the legislature or the lieutenant governor discloses to the Department of Family and Protective Services (DFPS) or a governmental unity that is a "covered entity" under Section 181.001(b) (relating to providing definitions for Chapter 181 (Medical Records Privacy)), Health and Safety Code, all or part of a record to which Section 306.003(a) (relating to providing that certain records of members of the legislature or the lieutenant governor are confidential), Government Code, applies or communicates to DFPS or a governmental unit a description of the information contained in the record that identifies or would tend to identify the resident of this state who communicated with the member of lieutenant governor, the record or the described information, as applicable, in the possession of DFPS or the governmental unit is subject to and confidential under Section 306.003(a), Government Code, and is authorized to be disclosed to any other person only to the extent that the member of the legislature or lieutenant governor elects to disclose the record of the described information.

Requires DFPS or the governmental unit to promptly notify, in writing or by electronic means, the member of the legislature or the lieutenant governor, as applicable, that DFPS or the governmental entity received the request if DFPS or the governmental unit that is a "covered entity" receives a request for public information under Chapter 552 (Public Information), Government Code, and information subject to the request is information described above. Requires that the notification specify the type of information that is requested and include a copy of the request.

Provides that if a member of the legislature or the lieutenant governor discloses to DFPS or a governmental unit that is a "covered entity," a communication to which this applies or communicates to DFPS or the governmental unit a description of the information contained in the communication that identifies or would tend to identify the citizen of this state who communicated with the member or lieutenant governor, the communication or the described information, as applicable, in the possession of DFPS or the governmental unit is subject and confidential and is authorized to be disclosed to another person only to the extent that the member of the legislature or lieutenant governor elects to disclose the communication or the described information.

Requires DFPS or the governmental unit, if DFPS or the governmental unit that is a "covered entity" receives a request for public information and information subject to the request is information described above, to promptly notify, in writing or by electronic means, the member of the legislature or the lieutenant governor, as applicable, that DFPS or the governmental entity received the request. Requires that the notification specify the type of information that is requested and include a copy of the request.

Restricting Access to Certain Juvenile Offense Records—H.B. 528
by Representative Sylvester Turner et al.—Senate Sponsor: Senator Whitmire

Under current law, the records of a child convicted of a fine-only misdemeanor, other than a traffic offense, are confidential. However, the records of a child who has been charged with or who is appealing the case are not protected. This bill:

Extends confidentiality to a child's record of criminal case for a fine-only misdemeanor, other than a traffic offense, that is on appeal or when the child is charged with, found not guilty of, had a charge dismissed for, or is granted deferred adjudication.
Right of Member of the Board of Trustees of School District to Obtain Certain Information—H.B. 628
by Representative Dale et al.—Senate Sponsor: Senator Paxton

The Education Code dictates the responsibilities of the elected board of trustees for a school district and sets the governance of the school district as the shared responsibility of the trustees and the school superintendent. Current law does not clearly allow a school district trustee to request information regarding the operations of the district from the superintendent's office without performing a public information request. This bill:

Provides that a member of the board of trustees of the district, when acting in the member's official capacity, has an inherent right of access to information, documents, and records maintained by the district, and requires the district to provide the information, documents, and records to the member without requiring the member to submit a public information request under Chapter 552 (Public Information), Government Code. Requires the district to provide the information, documents, and records to the member without regard to whether the requested items are the subject of or relate to an item listed on an agenda for an upcoming meeting. Authorizes the district to withhold or redact information, a document, or a record requested by a member of the board to the extent that the item is excepted from disclosure or is confidential under Chapter 552 (Public Information), Government Code, or other law. Provides that this does not require the district to provide information, documents, and records that are not subject to disclosure under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

Requires a school district to post, in a place convenient to the public, the cost of responding to one or more requests submitted by a member of the board of trustees of the district if the requests are for 200 or more pages of material in a 90-day period.

Requires the district to report annually to the Texas Education Agency not later than September 1 of each year the number of requests submitted by a member of the board of trustees of the district during the preceding school year and the total cost to the district for that school year of responding to requests.

Access to Criminal History Record Information—H.B. 729
by Representative Price—Senate Sponsor: Senator Deuell

Current law entitles a public or nonprofit hospital or a hospital district to obtain from the Department of Public Safety of the State of Texas (DPS) criminal history record information relating to hospital or district employees and volunteers and applicants for employment or a volunteer position. The law entitles certain health facilities, regulatory agencies, and private agencies to obtain criminal history record information from DPS relating to employees and applicants for employment but not specifically for contractors and volunteers, even if the contractors or volunteers have access to patients. This bill:

Entitles a public or nonprofit hospital or hospital district to obtain criminal history record information on a student enrolled in an educational program at the hospital or a hospital owned or operated by the district.

Entitles a facility or a private agency on behalf of a facility to obtain criminal history information on an applicant for employment with, an employee of, or a volunteer with the facility; an applicant for employment with or an employee of a person or business that contracts with the facility; or a student enrolled in an educational program at the facility.
Texas Broadcasters and Unauthorized Duplication of Certain Recordings—H.B. 1043

by Representative Lewis et al.—Senate Sponsor: Senator Duncan

Under current law, Texas broadcasters are not expressly exempted from existing law prohibiting the unauthorized duplication of pre-1972 sound recordings. Under federal law, states are permitted to continue protection for pre-1972 sound recordings until 2067, at which time these recordings enter the public domain. Forty-seven states include express exemptions for activities such as broadcasting in their laws protecting pre-1972 sound recordings. This bill:

Amends Section 641.051 (Unauthorized Duplications of Certain Recordings) to provide that it does not apply to a person engaged in radio or television broadcasting who transfers, or causes to be transferred, a recording intended for or in connection with a radio or television broadcast or for archival purposes.

Addition of Electronic Links to Certain Texas Legislative Council Documents—H.B. 1271

by Representative Martinez Fischer—Senate Sponsor: Senators Schwertner and Zaffirini

Currently, bills published on the Texas Legislature Online website do not contain hyperlinks to statutory provisions referenced in the bill. This bill:

Requires the Texas Legislative Council (TLC), to the extent feasible, to include in any electronic version of a document made available to the public through the Internet an electronic link or other method by which a person reading the document is authorized to automatically access the text of the referenced section if the text of a document described by Subsection (a)(2)(C) (defining "legislative information") or (D) (defining "legislative information") in Section 323.0145 of the Government Code includes a cross-reference to a section of state statute.

Provides that the change in law made by this Act applies only to a bill or joint resolution filed, or an amendment or substitute adopted by a legislative committee, on or after November 1, 2014.

Requested Information for a Concealed Handgun License—H.B. 1349

by Representative Larson et al.—Senate Sponsor: Senator Campbell

Currently, an applicant for a concealed handgun license (CHL) is required to provide the applicant's Social Security number to the Department of Public Safety of the State of Texas (DPS) when applying for the CHL. This bill:

Provides that DPS is not required to request, and an applicant is not required to provide, the applicant's Social Security number for the purposes of issuing a CHL under Section 231.006 (Information to Assist in Location of Persons or Property), Family Code.

Prohibits DPS from requesting or requiring an applicant to provide the applicant's Social Security number as part of an application for a CHL or to renew a CHL under Section 411.174 (Application) and Section 411.185 (Renewal), Government Code.
Internet Posting of Certain Information Regarding State Grants—H.B. 1487
by Representative Harper-Brown—Senate Sponsor: Senator Rodriguez

The comptroller of public accounts of the State of Texas (comptroller) maintains a searchable online database of information relating to state expenditures, contracts, and grants. Citizens, members of the media, vendors, and state agencies alike are able to use interactive search tools to view various levels of state expenditures. Some of the expenditure categories provide plentiful detail, but the grant category provides few specifics about how the grant recipient used the money. In the interest of greater transparency and accountability, providing the public with more information about how grant money is used would be appropriate. This bill:

Defines "state agency" for the purposes of Section 403.0245 (Availability on Internet of Certain Information on State Grants), Government Code.

Requires a state agency that awards a state grant in an amount greater than $25,000 to make available to the public on the agency's generally accessible Internet website the purposes for which the grant was awarded. Requires the agency to provide to the comptroller a link to the information in order for the comptroller to maintain the information on the comptroller's Internet website through a central Internet portal.

Protecting the Confidentiality of Certain Identifying Information—H.B. 1632
by Representative Fletcher—Senate Sponsor: Senator Paxton

In order to protect the safety of certain officers and employees who serve the criminal justice system, as well as their families, the state provides for the confidentiality of certain identifying information. Although current law protects certain personal information for specified officers and employees from public disclosure, it does not include federal or state judges and their spouses or protect the confidentiality of a covered individual's date of birth. This bill:

Adds to the list of information is confidential and does not constitute public information certain information regarding federal or state judges and their spouses.

Includes the date of birth in the list of identifying information that is considered confidential for certain state and federal officers or employees.

Establishing the Defamation Mitigation Act—H.B. 1759
by Representative Hunter et al.—Senate Sponsor: Senator Ellis

Over 30 states provide a statutory framework permitting the retraction of potentially defamatory publication errors. In 1993, the Uniform Law Commission adopted the Uniform Correction or Clarification of Defamation Act. This bill is patterned after the uniform law. This bill:

Establishes the Defamation Mitigation Act (DMA).

Provides that DMA is to be liberally construed.
Declarates that the purpose of DMA is to provide a method for a person who has been defamed by a publication or broadcast to mitigate any perceived damage or injury.

Defines "person."

Provides that DMA applies to a claim for relief from damages arising out of harm to personal reputation caused by the false content of a publication; and all forms of publications or transmitting information.

Provides that a person may maintain an action for defamation only if the person has made a timely and sufficient request for a correction, clarification, or retraction (correction) from the defendant; or the defendant has made a correction.

Bars a person from recovering exemplary damages if the person did not make a timely request.

Sets forth when a request is timely and sufficient.

Provides that a period of limitation for commencement of an action is tolled during the periods allowed for disclosure of falsity or correction under DMA.

Authorizes a person subject to a request to ask the person making the request to provide information regarding the falsity of the allegedly defamatory statement within a set period.

Requires such requested information to be provided within a set period.

Bars a person who fails without good cause to disclose the requested information from recovering exemplary damages, unless the publication was made with actual malice.

Sets forth when a correction is timely and sufficient.

Requires a defendant in an action under DMA who intends to rely on a timely and sufficient correction to provide certain notice to the plaintiff.

Provides that the correction is timely and sufficient unless the plaintiff challenges the timeliness or sufficiency as set forth under DMA.

Sets forth the procedure for a defendant to challenge the sufficiency or timeliness of a request.

Provides that the sufficiency and timeliness of a request is a question of law, unless there is a reasonable dispute regarding the actual contents of the request.

Requires the court, at the earliest appropriate time before trial, to rule whether the request meets the requirements of DMA.

Provides that if a correction is made in accordance with DMA, a person may not recover exemplary damages unless the publication was made with actual malice.
Provides that a timely and sufficient correction constitutes a correction made by all persons responsible for that publication, but does not extend to an entity republishing the information.

Provides that the following are not admissible at trial:
- a request for a correction, the contents of the request, and the acceptance or refusal of the request;
- the fact that a correction was made and the contents of the correction, except in mitigation of damages; and
- the fact that an offer of a correction made, the contents of the offer, and the fact that the correction was refused.

Provides that if a correction is received into evidence, the request may also be admitted.

Authorizes a defendant who does not receive a written request to file a plea in abatement within a set period.

Provides that a suit is automatically abated, in its entirety, without a court order.

Sets forth the criteria for a plea in abatement and the period of abatement.

Provides that certain statutory and judicial deadlines under the Texas Rules of Civil Procedure will be stayed during the pendency of the abatement period.

**Confidentially of Certain Address Information in Ad Valorem Tax Appraisal Records—H.B. 2267**

_by Representative Larson—Senate Sponsor: Senator Van de Putte_

The Tax Code lists a number of occupations that are eligible for confidentiality of home address information. The list includes certain court personnel. Medical examiners and forensic analysts are exposed to similar risks as the court personnel listed in the Tax Code. This bill:

Provides that Section 25.025 (Confidentiality of Certain Home Address Information), Tax Code, applies only to certain persons, including a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state.

Provides that to the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

**Search Warrants For Data Held in Electronic Storage—H.B. 2268**

_by Representative Frullo et al.—Senate Sponsor: Senator Carona_

Internet communications companies often hold information and data vital to prosecute an offense under state law, particularly relating to Internet crimes. Although certain electronic communications may take place within a state, law enforcement officers must apply for a local search warrant in an Internet company's jurisdiction, often found out of state. This bill:
Provides that a search warrant may be issued to search for and seize electronic customer data held in electronic storage, including the contents of records and other information related to a wire communication or electronic communication held in electronic storage.


 Requires that a search warrant be executed no later than the 11th day after the date of issuance.

 Authorizes a district judge, on the filing of an application by an authorized peace officer, to issue a search warrant for electronic customer data held in electronic storage, regardless of whether the customer data is held at a location in this state or at a location in another state.

 Provides that the search warrant may not be issued unless the sworn affidavit sets forth sufficient and substantial facts to establish probably cause.

 **Legislatively Produced Audio and Visual Materials—H.B. 2377**

 *by Representative Geren—Senate Sponsor: Senator Eltife*

 Legislative information has been available to the public through the Internet for years, but state laws were amended to prohibit legislatively produced audio or visual materials from being used in political advertising and for commercial use. These measures were intended to protect applicable copyrights and private contracts with the state and to avoid unintentional alterations of the material. This bill:

 Changes the word video to visual in Section 306.005 (Use of Legislatively Produced Audio or Visual Materials in Political Advertising Prohibited) and Section 306.006 (Commercial Use of Legislatively Produced Audio or Visual Materials), Government Code.

 Provides that a person is permitted to use a photograph of a current or former member of the legislature obtained from a house, committee, or agency of the legislature that is used in accordance with terms and conditions established by the entity from which the photograph was obtained.

 Defines "visual materials."

 Authorizes a house, committee, or agency of the legislature to charge for a photograph produced by or under the direction of the entity the fair market value of the photograph.

 Prohibits a person from using audio or visual materials, produced by or under the direction of the legislature or of a house, committee, or agency of the legislature, for a commercial purpose unless the legislative entity that produced the audio or visual materials or under whose direction the audio or visual materials were produced gives its permission for the person's commercial use and the person uses the audio or visual materials only for educational or public affairs programming, including news programming, that does not also constitute a use prohibited under Section 306.005 (Use of Legislatively Produced Audio or Visual Materials in Political Advertising Prohibited); or the person transmits an unedited feed of the audio or visual materials to paid subscribers or on an Internet website that is accessible to the public.
Meetings Held by Videoconference Call and Written Electronic Communications—H.B. 2414

by Representative Button et al.—Senate Sponsor: Senator Deuell

The 2012 biennial performance report by the Texas Department of Information Resources indicated that the Open Meetings Act in the Government Code should be amended to update out-of-date definitions and to reflect the use of Internet-based communication technology. This bill:

Authorizes a member or employee of a governmental body to participate remotely in a meeting of the body by means of a videoconference call if the video and audio feed of the member's or employee's participation, as applicable, is broadcast live at the meeting and complies with the provisions of Section 551.127 (Videoconference Call), Government Code.

Requires a member of a governmental body who participates in a meeting to be counted as present at the meeting for all purposes.

Authorizes a meeting of a governmental body to be held by videoconference call only if the governmental body makes available to the public at least one suitable physical space located in or within a reasonable distance of the geographic jurisdiction, if any, of the governmental body that is equipped with videoconference equipment that provides an audio and video display, as well as a camera and microphone by which a member of the public can provide testimony or otherwise actively participate in the meeting; the member of the governmental body presiding over the meeting is present at that physical space; and any member of the public present at that physical space is provided the opportunity to participate in the meeting by means of a videoconference call in the same manner as a person who is physically present at a meeting of the governmental body that is not conducted by videoconference call.

Requires that the notice of a meeting to be held by videoconference call specify as a location of the meeting the location of the physical space. Deletes existing text relating to requiring that the notice of the meeting specify as a location of the meeting the location where a quorum of the governmental body will be physically present.

Requires that the physical location specified have two-way audio and video communication with each member who is participating by videoconference call during the entire meeting. Requires each participant in the call, while speaking, to be clearly visible and audible to each other participant and, during the open portion of the meeting, to the members of the public in attendance at the physical location and any other location where the meeting is open to the public.

Requires that the audio and video signals perceptible by members of the public at each location of the meeting be of sufficient quality so that members of the public at each location can observe the demeanor and hear the voice of each participant in the open portion of the meeting.

Provides that a communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute as visual images under Section 306.006(a)(2), Government Code.
not constitute a meeting or deliberation for purposes of Chapter 551 (Open Meetings), Government Code, if
the communication is in writing, the writing is posted to an online message board or similar Internet
application that is viewable and searchable by the public, and the communication is displayed in real time
and displayed on the online message board or similar Internet Application for no less than 30 days after the
communication is first posted.

Authorizes a governmental body to have no more than one online message board or similar Internet
application. Requires that the online message board or similar Internet application be owned or controlled
by the governmental body, prominently displayed on the governmental body's primary Internet web page,
and no more than one click away from the governmental body's primary Internet web page.

Authorizes the online message board or similar Internet application to be used only by members of the
governmental body or staff members of the governmental body who have received specific authorization
from a member of the governmental body. Requires that the name and title of the staff member, in the
event that staff member posts a communication to the online message board or similar Internet application,
be posted along with the communication.

Requires the governmental body, if a governmental body removes from the online message board or
similar Internet application a communication that has been posted for at least 30 days, to maintain the
posting for a period of six years. Provides that the communication is public information and is required to
be disclosed in accordance with Chapter 552 (Public Information), Government Code.

Prohibits the governmental body from voting or taking any action that is required to be taken at a meeting
under Chapter 551, Government Code, of the governmental body by posting a communication to the online
message board or similar Internet application. Provides that in no event shall a communication or posting
to the online message board or similar Internet application be construed to be an action of the
governmental body.

Requirements For Meetings of Governing Boards of Certain Junior College Districts—H.B. 2668
by Representative Vo—Senate Sponsor: Senator Davis

Section 551.128 (Internet Broadcast of Open Meeting), Government Code, authorizes a governmental body
to broadcast an open meeting over the Internet and sets forth the requirements for a governmental body
that broadcasts such a meeting. This bill:

Provides that Section 551.1282 (Governing Board of Junior College District: Internet Posting of Meeting
Materials and Broadcast of Open Meeting), Government Code, as added by this Act, applies only to the
governing board of a junior college district with a total student enrollment of more than 20,000 in any
semester of the preceding academic year.

Requires a governing board to which this section applies, for any regularly scheduled meeting of the
governing board for which notice is required under Chapter 551 (Open Meetings), Government Code, to
post as early as practicable in advance of the meeting on the Internet website of the district any written
agenda and related supplemental written materials provided by the district to the board members for the
members' use during the meeting; broadcast the meeting, other than any portions of the meeting closed to
the public as authorized by law, over the Internet in the manner prescribed by Section 5510.128,
Government Code; and record the broadcast and make that recording publicly available in an online archive located on the district's Internet website.

Provides that the provision relating to posting any written agenda and related written materials, as described above, does not apply to written materials that the general counsel or other appropriate attorney for the district certifies are confidential or are authorized to be withheld from public disclosure under Chapter 552 (Public Information), Government Code.

Provides that the governing board of a junior college district is not required to comply with the requirements of Section 551.1282, Government Code, as added by this Act, if that compliance is not possible because of an act of God, force of nature, or similar cause not reasonably within the governing board's control.

Provides that the change in law made by this Act applies only to a meeting of the governing board of a junior college for which notice is given under Chapter 551, Government Code, on or after January 1, 2014.

**Confidentiality of Certain Address Information in Ad Valorem Tax Appraisal Records—H.B. 2676**
*by Representative Yvonne Davis—Senate Sponsor: Senator Van de Putte*

In order to ensure the safety of certain public servants, the Tax Code lists certain occupations that are eligible for the confidentiality of home address information. The list currently includes peace and corrections officers, judges, district attorneys, and certain other court personnel. This bill:

Provides that Section 25.025 (Confidentiality of Certain Home Address Information), Tax Code, applies only to certain persons, including a current or former member of the United States armed forces who has served in an area that the president of the United States by executive order designates for purposes of 26 U.S.C. Section 112 as an area in which armed forces of the United States are or have engaged in combat.

Provides that to the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

**Information Regarding Inmates and Child Protective Services—H.B. 2719**
*by Representative Guillen—Senate Sponsor: Senator Rodríguez*

The Texas Department of Criminal Justice (TDCJ) does not currently inquire during the inmate intake process whether an individual has at any time been in foster care. This bill:

Requires TDCJ, during the diagnostic process, to assess each inmate with respect to whether the inmate has at any time been in the conservatorship of a state agency responsible for providing child protective services.

Requires TDCJ to, not later than December 31 of each year, submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee having primary jurisdiction over TDCJ.
Requires that the report summarize statistical information concerning the total number of inmates who have at any time been in the conservatorship of a state agency responsible for providing child protective services.

Requires that the report be made available to the public.

**Disclosure of Criminal History Record Information—S.B. 107**

*by Senator West—House Sponsor: Representative Johnson*

The Department of Public Safety of the State of Texas (DPS) is the state's official repository for criminal history records. In addition, DPS is responsible for notifying all authorized agencies and entities that purchase criminal history information from DPS when an order of nondisclosure has been issued. This notification is not sent out to purchasers who access criminal history information at the court level. This bill:

Allows a person who petitions the court for an order of nondisclosure to file the petition in person, electronically, or by mail.

Requires that the petition be accompanied by payment of a $28 fee to the clerk of the court in addition to any other fee that generally applies to the filing of a civil petition.

Requires the Office of Court Administration of the Texas Judicial System (OCA) to prescribe a form for the filing of a petition electronically or by mail.

Requires that the form provide for the petition to be accompanied by the required fees and any other supporting material determined necessary by OCA, including evidence that the person is entitled to file the petition.

Requires OCA to make available on its Internet website the electronic application and printable application form.

Requires each county or district clerk's office that maintains an Internet website to include on that website a link to the electronic application and printable application form available on OCA's Internet website.

Requires the court, on receipt of a petition, to provide notice to the state and an opportunity for a hearing on whether the person is entitled to file the petition and whether issuance of the order is in the best interest of justice.

Requires the court to hold a hearing before determining whether to issue an order of nondisclosure, unless the state does not request a hearing before the 45th day after the date on which the state receives notice and the court determines that the defendant is entitled to file the petition and that the order is in the best interest of justice.

Prohibits a court from disclosing to the public any information contained in the court records that is the subject of an order of nondisclosure.
Authorizes the court to disclose information contained in the court records that is the subject of an order of nondisclosure only to criminal justice agencies for criminal justice or regulatory licensing purposes, to an agency or entity relating to the noncriminal justice agencies and entities to whom criminal history record information under an order of nondisclosure may be disclosed, or to the person who is the subject of the order.

Requires the clerk of the court issuing an order of nondisclosure to seal any court records containing information that is the subject of the order as soon as practicable after the date the clerk of the court sends all relevant criminal history record information contained in the order or a copy of the order to DPS.

**Distribution of Certain Consultants' Reports—S.B. 176**

*by Senator Carona—House Sponsor: Representative Flynn*

Current law allows state agencies to contract with outside consultants to benefit from expertise that agencies may not possess. These contractors may submit their work in the form of reports and the reports may be copyrighted or otherwise have limitations on their distribution. This bill:

Requires that a consulting services contract include provisions that allow the state agency contracting with the consultant and any other state agency and the legislature, at the contracting state agency’s discretion, distribute the consultant report, if any, and post the report on the agency’s Internet website or the website of a standing committee of the legislature.

Provides that Section 2254.041 (Distribution of Consultant Reports), Government Code, as added by this bill, does not affect the application of Chapter 552 (Public Information), Government Code, to a consultant’s report.

Provides that except as provided above, Section 2254.041, Government Code, as added by this Act, applies only to a consulting services contract entered into on or after the effective date of this Act. Provides that a consulting services contract entered into before the effective date of this Act is governed by the law in effect on the date the contract is entered into, and that law is continued in effect for that purpose.

Provides that Section 2254.041, Government Code, as added by this Act, does not apply to a consulting services contract entered into on or after the effective date of this Act if the state agency entered into negotiations for the consulting services contract before the effective date of this Act and the contract is executed before December 31, 2013.

**High-Value Data Sets Provided by State Agencies to DIR—S.B. 279**

*by Senator Watson—House Sponsor: Representatives Elkins and Reynolds*

S. B. 701, 82nd Legislature, Regular Session, 2011, asked state agencies to post high-value data sets on a generally accessible, easy-to-find agency website. This bill:

Requires a state agency that posts a high-value data set on the Internet website maintained by or for the agency to provide the Department of Information Resources (DIR) with a brief description of the data set...
and a link to the data set. Requires DIR to post the description and link on the state electronic Internet portal.

**Water Districts Authorized to Hold Meetings by Teleconference or Videoconference—S.B. 293**  
*by Senator Williams—House Sponsor: Representative Ritter*

Because many water districts cover large geographic areas, in-person meetings can be difficult to hold and can delay a water district board's response time. This bill:

Provides that Section 551.131 (Water Districts), Government Code, applies only to a water district whose territory includes land in three or more counties.

Authorizes a meeting held by telephone conference call or videoconference call authorized by Section 551.131, Government Code, to be held only if the meeting is a special called meeting and immediate action is required and the convening at one location of a quorum of the governing body of the applicable water district is difficult or impossible.

Requires that a meeting held by telephone conference call to otherwise comply with the procedures under Sections 551.125(c) (relating to requiring certain notices for telephone conference calls), (d) (relating to providing telephone conference call locations), (e) (relating to providing telephone conference call recordings and sound) and (f) (relating to providing two-way communication during telephone conference calls), Government Code.

Provides that a meeting held by video conference call is subject to the notice requirements applicable to other meetings. Requires that a meeting held by video conference, in addition, be visible and audible to the public at the location specified in the notice of the meeting as the location of the meeting, be recorded by audio and video, and have two-way audio and video communications with each participant in the meeting during the entire meeting.

**Information Available to the Public Regarding Sex Offenders—S.B. 369**  
*by Senator Whitmire—House Sponsor: Representative Burnam*

Current law requires the Texas sex offender registry to include in the public database the name and address of the employer of an individual who is mandated to register as a sex offender. This bill:

Provides that the information contained in the central database containing information about sex offenders, including the numeric risk level assigned to a person, is public information with the exception of any information regarding an employer's name, address, or telephone number.

**Confidentiality of Certain Autopsy Records—S.B. 457**  
*by Senator Rodríguez—House Sponsor: Representative Márquez*

Under current law, photographic and x-ray autopsy records held by a medical examiner are not subject to mandatory disclosure under the Texas Public Information Act. Current law provides that each time a
request for such records is made, the governmental body, such as a medical examiner, must request a
decision from the attorney general as to whether they must be disclosed. This bill:

Prohibits the records the medical examiner keeps from being withheld, subject to a discretionary exception
under Chapter 552 (Public Information), Government Code, except that a photograph or x-ray of a body
taken in an autopsy is excepted from required public disclosure in accordance with Chapter 552,
Government Code, but is subject to disclosure under a subpoena or authority of other law or if the
photograph or x-ray is of the body of a person who died while in custody of law enforcement.

Authorizes a governmental body as defined by Section 552.003 (Definitions), Government Code, under the
exception to public disclosure, as provided above, to withhold a photograph or x-ray described above
without requesting a decision from the attorney general under Subchapter G (Attorney General Decisions),
Chapter 552, Government Code. Provides that this does not affect the required disclosure of a photograph
or x-ray under a subpoena or authority of other law or if the photograph or x-ray is of the body of a person
who died while in custody of law enforcement.

**Exception to Disclosure of Certain Motor Vehicle Records—S.B. 458**
by Senator Rodríguez—House Sponsor: Representative Márquez

Currently, information relating to certain information contained in a motor vehicle's title document is
excepted from disclosure requirements. This bill:

Authorizes a governmental body, subject to Chapter 730 (Motor Vehicle Records Disclosure Act),
Transportation Code, to redact information described by Section 552.130(a) (relating to excepting
information from disclosure requirements if the information relates to a motor vehicle operator's, driver's
license, permit, title, or registration issued by an agency of this state or another state or county or a
personal identification document issued by an agency of this state or another state or country or a local
agency authorized to issue an identification document), Government Code, from any information the
governmental body discloses under Section 552.021 (Availability of Public Information), Government Code,
without the necessity of requesting a decision from the attorney general under Subchapter G (Attorney
General Decisions), Chapter 552 (Public Information), Government Code.

**Technological Efficiencies in the Recording of Certain Open Meetings—S.B. 471**
by Senator Ellis—House Sponsor: Representative Harper-Brown

Interested parties contend that the technology in use regarding recordings when open meetings laws were
written is now archaic. This bill:

Redefines "recording" to mean a tangible medium on which audio or a combination of audio and video is
recorded, including a disc, tape, wire, film, electronic storage drive, or other medium now existing or later
developed.

Deletes provisions relating to tape recordings to specify that the provisions refer to recordings of all types.
Transparency in Budget Adoption Process of Municipalities and Counties—S.B. 656
by Senator Paxton—House Sponsor: Representative Button et al.

In 2007, the legislature passed H.B. 3195 (relating to the requirements of a municipal or county budget that raises more property taxes than in the previous year's budget), which requires a county or municipality to list on the cover page of their respective proposed budget whether the proposed budget would increase the total property tax levy and post the proposed budget on the respective website if the political subdivision currently operates a website. This bill:

Requires that a vote by the governing board of the municipality to adopt the budget be a record vote.

Sets forth the requirements for a cover page for an adopted budget.

Requires the governing body, on final approval of the budget by the governing body of the municipality, to file the budget with the municipal clerk and if the municipality maintains an Internet website, take action to ensure that a copy of the budget, including the cover page, is posted on the website and the record vote is posted on the website at least until the first anniversary of the date the budget is adopted.

Requires the governing body to take action to ensure that the cover page of the budget is amended to include the required property tax rates for the current fiscal year if the rates are not included on the cover page when the budget is filed with the municipal clerk. Requires the governing body to file an amended cover page with the municipal clerk and take action to ensure that the amended cover page is posted on the municipality's website.

Requires that a vote to adopt the budget be a record vote.

Requires that an adopted budget contain a cover page that includes certain information relating to the adopted budget, the record vote of each member of the commissioners court, certain county property tax rate information, and the total amount of county debt obligations.

Requires the court, on final approval of the budget by the commissioners court, to file the budget with the county clerk and if the county maintains an Internet website, take action to ensure that a copy of the budget, including the cover page, is posted on the website and the record vote is posted on the website at least until the first anniversary of the date the budget is adopted.

Requires the commissioners court to take action to ensure that the cover page of the budget is amended to include the required property tax rates for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. Requires the commissioners court to file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county's website.

Requires that a vote by the commissioners court to adopt the budget be a record vote.

Sets forth the requirements for a cover page for an adopted budget.

Requires the court, on final approval of the budget by the commissioners court, to file a copy of the budget with the county auditor and the county clerk and if the county maintains an Internet website, take action to
ensure that a copy of the budget, including the cover page, is posted on the website and a certain record vote is posted on the website at least until the first anniversary of the date the budget is adopted.

Requires the commissioners court to take action to ensure that the cover page of the budget is amended to include certain required property tax rates for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. Requires the commissioners court to file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county’s website.

Requires that a vote to adopt the budget be a record vote.

Requires that an adopted budget contain a cover page that includes certain information relating to the adopted budget, the record vote of each member of the commissioners court, certain county property tax rate information, and the total amount of county debt obligations.

Requires the court, on final approval of the budget by the commissioners court, to file a copy of the budget with the county auditor and the county clerk and if the county maintains an Internet website, take action to ensure that a copy of the budget, including the cover page, is posted on the website and a certain record vote is posted on the website at least until the first anniversary of the date the budget is adopted.

Requires the commissioners court to take action to ensure that the cover page of the budget is amended to include certain required property tax rates for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. Requires the commissioners court to file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county’s website.

**Access and Records of Nonprofit Organization Supporting CPRIT—S.B. 895**
by Senator Davis et al.—House Sponsor: Representative Alvarado et al.

Recently, the Cancer Prevention & Research Institute of Texas Foundation (foundation) reorganized itself as the Texas Cancer Coalition, which removed the Cancer Prevention & Research Institute of Texas (CPRIT) as a member and restructured its board. As a result, the Texas attorney general opened an investigation into the foundation’s recent activities. This bill:

Provides that the records of a nonprofit organization established to provide support to CPRIT are public information subject to Chapter 552 (Public Information), Government Code.

**In Camera Review and Filing of Information at Issue in Certain Suit—S.B. 983**
by Senator Ellis—House Sponsor: Representative Harper-Brown

Because the issue in a case under the Public Information Act (PIA) is whether a document should be made public in the first place, making the document in question a part of the public court record would negate the entire proceedings. This bill:
Authorizes the information at issue in any suit filed under chapter 552 (Public Information), Government Code, to be filed with the court for in camera inspection as is necessary for the adjudication of the case.

Requires the court, upon receipt of the information at issue for in camera inspection, to enter an order that prevents release to or access by any person other than the court, a reviewing court of appeals, or parties permitted to inspect the information pursuant to a protective order. Requires that the order further note the filing date and time.

Requires that the information at issue filed with the court for in camera inspection be appended to the order and transmitted by the court to the clerk for filing as "information at issue," maintained in a sealed envelope or in a manner that precludes disclosure of the information, and transmitted by the clerk to any court of appeal as part of the clerk's record.

Provides that information filed with the court does not constitute "court records" within the meaning of Rule 76a, Texas Rules of Civil Procedure, and is prohibited from being made available by the clerk or any custodian of record for public inspection.

Meeting of Governmental Body Held by Videoconference Call—S.B. 984

by Senator Ellis—House Sponsor: Representative Perry

Currently, the use of videoconference calls in the open meetings context is strictly limited by the Open Meetings Act. The requirements that most limit the use of video technology are the requirement that a quorum or majority of a quorum be physically present at one location and the requirements that each call-in location be listed in the open meetings notice and be open to the public. This bill:

Authorizes a meeting of a state governmental body or a governmental body that extends into three or more counties to be held by videoconference call only if the member of the governmental body presiding over the meeting is physically present at one location of the meeting that is open to the public during the open portions of the meeting.

Requires that the notice of a meeting to be held by videoconference call specify as a location of the meeting the location where a quorum of the governmental body will be physically present and specify the intent to have a quorum present at that location, except that the notice of the meeting to be held by videoconference call to specify as a location of the meeting the location where the member of the governmental body presiding over the meeting will be physically present and specify the intent to have the member of the governmental body presiding over the meeting present at that location. Requires that the location where the member of the governmental body presiding over the meeting is physically present be open to the public during the open portions of the meeting.

Requires that each portion of a meeting held by videoconference call that is required to be open to the public be visible and audible to the public at the location specified. Requires that the meeting, if a problem occurs that causes a meeting to no longer be visible and audible to the public at that location, be recessed until the problem is resolved. Requires that the meeting, if the problem is not resolved in six hours or less, be adjourned.
Requires that the location specified above and each remote location from which a member of the governmental body participates, have two-way communication with each other location during the entire meeting. Requires that the face of each participant in the videoconference call, while that participant is speaking, be clearly visible, and the voice audible, to each other participant and, during the open portion of the meeting, to the members of the public in attendance at a location of the meeting.

**Access to Criminal History Record Information—S.B. 1044**  
*by Senator Rodríguez—House Sponsors: Representatives Walle and Moody*

Currently, public defender's offices are not authorized under statute to have fee-exempt access to Department of Public Safety of the State of Texas (DPS) criminal history record information. While some public defender's offices have access to this criminal history record information from the county in which they operate, many are unable to access criminal history information about offenses committed outside the county. This bill:

- Prohibits DPS from charging a fee for providing criminal history record information to a criminal justice agency, the office of capital writs, or a public defender's office.
- Provides that the office of capital writs and a public defender's office are entitled to obtain from DPS criminal history record information maintained by DPS that relates to a criminal case in which an attorney compensated by the office of capital writs or by the public defender's office has been appointed.
- Applies only to a local government corporation that is created for governmental purposes relating to criminal identification activities.
- Provides that a local government corporation is entitled to obtain from DPS criminal history record information maintained by DPS that relates to a person who is an employee or an applicant for employment with the local government corporation; a consultant, intern, or volunteer; proposes to enter into a contract with or has a contract with the local government corporation; or is an employee or subcontractor of a contractor that provides services to the local government corporation.
- Establishes that criminal history record information obtained by a local government corporation may not be released or disclosed to any person except on court order or with the consent of the person who is the subject of the criminal history record information.

**Publication of Mug Shots and Other Criminal Justice System Information—S.B. 1289**  
*by Senator Williams—House Sponsor: Representative Bohac*

Currently, there are several businesses that post public criminal record information, including mug shots, and then charge a fee to either remove, correct, or modify the publically posted criminal record. This bill:

- Defines "criminal justice agency," "criminal record information," "personal identifying information," and "publish."
Applies to a business entity that publishes criminal record information and requires the payment of a fee in an amount of $150 or more or other consideration of comparable value to remove criminal record information or of a fee or other consideration to correct or modify criminal record information.

Requires a business entity to ensure that criminal record information the entity publishes is complete and accurate.

Establishes that criminal record information published by a business entity is considered complete if the information reflects the notations of arrest and the filing and disposition of criminal charges and accurate if the information reflects the most recent information received by the entity from the Department of Public Safety of the State of Texas (DPS) and was obtained by the entity from a law enforcement agency or criminal justice agency, including DPS, or any other governmental agency or entity within the 60-day period preceding the date of publication.

Requires a business entity to clearly and conspicuously publish an email address, fax number, or mailing address to enable a person who is the subject of the criminal record information published by the entity to dispute the completeness or accuracy of the information.

Requires the business entity, if a business entity receives a dispute regarding the completeness or accuracy of criminal record information, to verify with the appropriate law enforcement agency or criminal justice agency free of charge the disputed information and complete the investigation not later than the 45th business day after the date the entity receives notice of the dispute.

Requires the business entity, if the entity finds incomplete or inaccurate criminal record information after conducting an investigation, to promptly remove the inaccurate information from the website or other publication or to promptly correct the information, as applicable.

Prohibits the entity from charging a fee to remove, correct, or modify incomplete or inaccurate information or continuing to publish incomplete or inaccurate information.

Requires a business entity to provide written notice to the person who disputed the information of the results of an investigation conducted not later than the fifth business day after the date on which the investigation is completed.

Prohibits a business entity from publishing any criminal record information in the business entity's possession with respect to which the entity has knowledge or has received notice that an order of expunction has been issued or an order of nondisclosure has been issued.

Provides that a business entity that publishes information in violation is liable to the individual who is the subject of the information and to the state for a civil penalty in an amount not to exceed $500 for each separate violation.

Authorizes the court to grant injunctive relief to prevent or restrain a violation.

Authorizes the attorney general or an appropriate prosecuting attorney to collect a civil penalty that must be deposited in the state treasury to the credit of the general revenue.
Authorizes the attorney general to bring an action in the name of the state to restrain or enjoin a violation or threatened violation.

Written Electronic Communications Between Members of Governmental Body—S.B. 1297

by Senator Watson—House Sponsor: Representative Branch

The Open Meetings Act (Act) prohibits a member of a state or local governmental body's board, commission, or council from communicating with fellow board members unless they are in an open meeting. As a result, boards cannot communicate electronically or otherwise outside of publicly posted meetings about official business or policy matters. This bill:

Provides that a communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute a meeting or deliberation for purposes of Chapter 551 (Open Meetings), Government Code, if the communication is in writing, the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public and the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than 30 days after the communication is first posted.

Authorizes a governmental body to have no more than one online message board or similar Internet application to be used for the purposes described above. Requires that the online message board or similar Internet application be owned or controlled by the governmental body, prominently displayed on the governmental body's primary Internet web page, and no more than one click away from the governmental body's primary Internet web page.

Authorizes the online message board or similar Internet application to be used only by members of the governmental body or staff members of the governmental body who have received specific authorization from a member of the governmental body. Requires that in the event that a staff member posts a communication to the online message board or similar Internet application, the name and title of the staff member be posted along with the communication.

Requires the governmental body, if a governmental body removes from the online message board or similar Internet application a communication that has been posted for at least 30 days, to maintain the posting for a period of six years. Provides that this communication is public information and must be disclosed in accordance to Chapter 552 (Public Information), Government Code.

Prohibits the governmental body from voting or taking any action that is required to be taken at a meeting under Chapter 551, Government Code, of the governmental body by posting a communication to the online message board or similar Internet application. Prohibits a communication or posting to the online message board or similar Internet application to be construed to be an action of the governmental body.
Public Information Pertaining to Business of Governmental Bodies and Contracts—S.B. 1368
by Senator Davis—House Sponsor: Representatives Alvarado and Flynn

During the 82nd legislative interim, concerns were brought to the attention of the Senate Committee on Open Government that attempts to obtain records from third-party private entities under contract with the state to provide goods or services were sometimes not produced due to an opinion that the private entity is not subject to open records. This bill:

Provides that information is in connection with the transaction of official business if the information is created by, transmitted to, received by, or maintained by an officer or employee of a governmental body in the officer’s or employee’s official capacity, or a person or entity performing official business or a governmental function on behalf of a governmental body, and pertains to official business of the governmental body.

Provides that the definition of “public information,” as provided by this bill, applies to and includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business.

Sets forth the media on which public information is recorded to include several items, including a magnetic, optical, solid state, or other device that can store an electronic signal and any physical material on which information may be recorded, including linen.

Provides that the general forms in which the media containing public information exist include certain items, including email, Internet posting, text message, instant message, and other electronic communication.

Requires that a contract between a state governmental entity and a nongovernmental vendor involving the exchange or creation of public information that the state governmental entity collects, assembles, or maintains or has a right of access to be drafted in consideration of the requirements of Chapter 552 (Public Information), Government Code, and contain a provision that requires the vendor to make the information not otherwise excepted from disclosure under Chapter 552 available in a specific format that is agreed upon in the contract and accessible by the public.

Prohibits Section 2252.907 (Contracts Involving Exchange or Creation of Public Information), Government Code, from being waived by contract or otherwise.

Requires that a request for public information regarding a contract described by Section 2252.907, Government Code, be submitted to the officer or employee responsible for responding to open records requests for the state governmental entity that executed the contract.

Confidentiality of Certain Crime Scene Photographs and Video Recordings—S.B. 1512
by Senators Ellis and Zaffirini—House Sponsor: Representative Vo

Currently, there is nothing preventing a person from filing a request under the Texas Public Information Act (PIA) for crime scene pictures of a dead body, provided the case has been solved and the defendant prosecuted. While open investigations and certain closed documents are exempted from PIA, there is no statute or case specifically preventing the release of crime scene photographs. This bill:
Provides that for the purposes of Section 552.1085 (Confidentiality of Sensitive Crime Scene Image), Government Code, as added by this bill, an Internet website, the primary function of which is not the delivery of news, information, current events, or other matters of public interest or concern, is not an expressive work.

Provides that a crime scene image in the custody of a governmental body is confidential and excepted from the requirements of Section 552.021 (Availability of Public Information), Government Code, and a governmental body is prohibited from permitting a person to view or copy the image except as provided by this section. Provides that this section applies to any sensitive crime scene image regardless of the date that the image was taken or recorded.

Authorizes certain persons, notwithstanding and subject to certain subsections as added by this bill, to view or copy information that constitutes a sensitive crime scene image from a governmental body.

Provides that this section does not prohibit a governmental body from asserting an exception to disclosure of a sensitive crime scene image to a person authorized to view the image on the grounds that the image is excepted form the requirements of Section 552.021, Government Code, under another provision of Chapter 552 (Public Information) or another law.

Requires the governmental body, not later than the 10th business day after the date a governmental body receives a request for a crime scene image from a person who establishes to the governmental body an interest in a sensitive crime scene image that is based on, connected with, or in support of the creation, in any medium, of an expressive work or a person performing bona fide research sponsored by a public or private institution of higher education with approval of a supervisor of the research or a supervising faculty member, to notify the deceased person's next of kin of the request in writing. Requires that the notice be sent to the next of kin's last known address.

Requires a governmental body that receives a request for information that constitutes a sensitive crime scene image to allow a certain authorized person to view or copy the image not later than the 10th business day after the date the governmental body receives the request unless the governmental body files a request for an attorney general decision under Subchapter G (Attorney General Decisions), Government Code, regarding whether an exception to public disclosure applies to the information.

Provides that the change in law made by this Act applies only to the disclosure or copying of a sensitive crime scene image on or after September 1, 2013.

Provides that the disclosure or copying of a sensitive crime scene image before September 1, 2013, is covered by the law in effect when the image was disclosed or copied, and the former law is continued in effect for that purpose.

Notification of Individuals Following a Breach of Security of Computerized Data—S.B. 1610

by Senator Schwertner—House Sponsor: Representatives Kolkhorst and Naishat

Interested parties note that certain legislation during the 82nd Regular Session enhanced protection of sensitive personal information, which includes information that identified an individual and relates to certain health information, but assert that certain provisions of the legislation had the unintended consequence of
requiring certain persons who own or license computerized data that includes such information to be aware of the breach of notification laws of other states and any potential changes to them, which creates unnecessary administrative burdens. This bill:

Modifies certain notification requirements following a breach of security of computerized data to provide that if the individual whose sensitive information was or is reasonably believed to have been acquired by an unauthorized person is a resident of a state that requires a person who conducts business in this state and owns or licenses computerized data that includes sensitive personal information to provide notice of a breach of system security, the required notice of the breach of system security is authorized to be provided under the state’s law or under Section 521.053 (Notification Required Following Breach of Security of Computerized Data), Business & Commerce Code.

Authorizes a person, be it a person who conducts business in this state and owns or licenses computerized data that includes sensitive personal information or a person who maintains computerized data that includes sensitive personal information not owned by the person, to give breach of security system notice as respectively required by providing certain notice, including written notice at the last known address of the individual.

Confidentiality of Home Address Information of Certain Judges—S.B. 1896
by Senators Garcia and Ellis—House Sponsor: Representative Naishtat

The home addresses of statutory probate judges, their associate judges, and municipal court judges are available in ad valorem tax records. These judges are the only judges whose addresses are available from county ad valorem tax appraisal records. This bill:

Redefines "state judge" to mean certain persons, including a judge, former judge, or retired judge of certain courts, including, a statutory probate court or a constitutional county court; an associate judge appointed under Chapter 201 (Associate Judge), Family Code, or Chapter 54A (Associate Judges), Government Code, or a retired judge or former judge appointed under either law; a master, magistrate, referee, hearing officer, or associate judge appointed under Chapter 54 (Masters; Magistrates; Referees; Associate Judges), Government Code; or a municipal court judge.
Payment in Excess of Compensation Contracted For by Political Subdivision—H.B. 483
by Representative Aycock—Senate Sponsor: Senator Fraser

Current law does not clearly state whether, when a political subdivision pays employees or former employees above a contracted amount, the payment is a gift of public funds. This bill:

Prohibits a political subdivision from paying an employee or former employee more than an amount owed under a contract with the employee unless the political subdivision holds at least one public hearing.

Requires that notice be given of the hearing in accordance with notice of a public meeting under the Government Code.

Requires the governing body of the political subdivision to state the reason the payment in excess of the contractual amount is being offered to the employee or former employee, including the public purpose that will be served by making the excess payment and the exact amount of the excess payment, the source of the payment, and the terms for the distribution of the payment that effect and maintain the public purpose to be served by making the excess payment at the public hearing.

Provides that the change in law made by this Act applies only to a payment made by a political subdivision on or after the effective date of this Act. Provides that a payment made before the effective date of this Act is governed by the law in effect when the payment was made, and the former law is continued in effect for that purpose.

Creating the Unclaimed Mineral Proceeds Commission—H.B. 724
by Representative Guillen et al.—Senate Sponsor: Senators Zaffirini and Hinojosa

Oil and gas production companies send royalty payments to the comptroller of public accounts of the State of Texas (comptroller) when they are unable to find the rightful owners to land grant mineral proceeds. Although there has been a procedure for rightful heirs to claim the proceeds, interested parties contend that the procedure has proven insufficient because the comptroller lacks the data needed to distribute the money. As a result, the comptroller continues to hold this money. This bill:

Defines "original land grant."

Creates the Unclaimed Mineral Proceeds Commission (UMPC) to study and provide recommendations to the legislature regarding the distribution of unclaimed and mineral proceeds that are derived from original land grants and have been delivered to the comptroller.

Requires UMPC to determine the amount of unclaimed original land grant mineral proceeds delivered to the comptroller that remain unclaimed on December 1, 2014; and efficient and effective procedures to determine and notify the owners of the proceeds and to distribute the proceeds.

Sets forth the composition of UMPC.

Requires UMPC to be appointed or designated by December 31, 2013.
Sets forth the initial UMPC meeting date.

Provides that members are not entitled to reimbursement of expenses or compensation.

Requires the comptroller or any other state agency or department to provide assistance to UMPC upon request.

Requires UMPC to deliver to the governor, lieutenant governor, and speaker of the House of Representatives a final report on unclaimed original land grant mineral proceeds not later than January 1, 2015.

Sets forth the required content of this final report.

Provides that UMPC is abolished on June 1, 2015.

Clarifying Provisions Regarding Contracts by Certain Governmental Entities—H.B. 1050

by Representative Callegari—Senate Sponsor: Senator Fraser

Current law authorizes certain governmental entities to use alternative project delivery methods for delivering projects instead of relying on traditional design-bid-build processes. During the interim, local governmental entities were surveyed about their use of the competitive sealed proposal, construction manager-at-risk, and design-build methods for delivering civil works projects. That survey and testimony before interim legislative committees indicated that in many instances, the law has worked to keep project costs down and that projects have been completed in a more efficient manner. The parties assert that minor adjustments are needed to correct inconsistencies or to apply lessons of experience learned over time as local governmental entities and the contracting community become more familiar with alternative delivery methods. This bill:

Defines "purchasing cooperative."

Bars a local government from entering into a contract to purchase construction-related goods or services through a purchasing cooperative in an amount greater than $50,000 unless a person designated by the local government certifies in writing that the project for which the construction-related goods or services are being procured does not require the preparation of plans and specifications under the Occupations Code; or the plans and specifications required under the Occupations Code have been prepared.

Bars a governmental entity from awarding a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in a state in which the nonresident is a resident manufacturer.

Provides that a linear transit project with multiple stops along the project route for boarding passengers is a single integrated project.

Provides that after August 31, 2013, certain governmental entities are limited regarding the number of contracts they may enter into for projects in any fiscal year.
Authorizes a governmental entity to require a design-build firm to identify companies that will fill key project roles and serve as key task leaders for certain issues.

Provides that if a design-build firm is required to identify such companies, it may not make changes to the identified companies unless an identified company is:

- unable to fulfill its legal, financial, or business obligations;
- voluntarily removes itself from the team;
- fails to provide a sufficient number of qualified personnel to fulfill its duties; or
- fails to negotiate in good faith.

Provides that if the design-build firm makes team changes in violation of this Act, any cost savings resulting from the change accrue to the governmental entity and not to the firm.

Lowers the population of a municipality authorized to grant general authority to an administrative official to approve certain change orders from 500,000 or more to 300,000 or more.

Increases from not more than 10 percent to not more than 25 percent the amount that aggregate change orders many increase an original contract price regarding general law districts under the Water Code.

**Composition of the Texas Private Security Board—H.B. 1093**
*by Representative Fletcher—Senate Sponsor: Senator Deuell*

Currently, the Texas Private Security Board (board) consists of seven members who oversee the licensing and regulation of industries and trades related to private security. The board’s membership consists of four public members and three members who are licensed representatives of the specific industries regulated by the board, including a private investigator, an alarm systems company, and the owner or operator of a guard company. Locksmiths are licensed and regulated under the Private Security Act, but there is no representation on the board from the locksmith industry. This bill:

Provides that the board consists of seven members appointed by the governor with the advice and consent of the senate. Provides that the board is to include three public members, each of whom is a citizen of the United States; one member who is licensed as a private investigator; one member who is licensed as an alarm systems company; one member who is licensed as the owner or operator of a guard company; and one member who is licensed as a locksmith.

Requires the governor, not later than February 1, 2015, to appoint the members of the board necessary to ensure that the composition of the board complies with this Act.

**Texas Crime Stoppers Council—H.B. 1120**
*by Representative Riddle et al.—Senate Sponsor: Senators Davis and Hinojosa*

The Texas Crime Stoppers Council (council) was established by the Texas Legislature within the Governor’s Criminal Justice Division and is comprised of members appointed by the governor and confirmed by the Senate. The council is responsible for certifying local programs and providing oversight
and policy direction for the Texas Crime Stoppers Program. The Texas Crime Stoppers Program relies on cooperation between the police, the media, and the general community to provide a flow of information about crime and criminals. This bill:

Requires the council, in the list of duties, to encourage individuals to report criminal activity relating to the trafficking of persons, as described under Chapter 20A (Trafficking of Persons), Penal Code.

**Appointment of Building Contractors on the Trade Advisory Board—H.B. 1503**

*by Representative Kuempel—Senate Sponsor: Senator Eltife*

Current law requires that two of the nine members on the Texas State Board of Plumbing Examiners be building contractors. Builders also hold three of 12 spots on the Texas Department of Licensing and Regulation (TDLR) Industrialized Building Code Council, as required by Section 1202.051 (Council Membership), Occupations Code.

TDLR oversees numerous occupations, including electricians and air conditioning contractors through the Electrical Safety and Licensing Advisory Board and the Air Conditioning and Refrigeration Contractors Advisory Board, respectively. Like plumbing, electrical systems and air conditioning mechanisms are key components of a home and play a vital role in a home's overall construction practices and affordability. However, the TDLR Electrical Safety and Licensing Advisory Board and the TDLR Air Conditioning and Refrigeration Contractors Advisory Board do not have builder representation. This bill:

Provides that the air conditioning and refrigeration contractors advisory board consists of nine members appointed by the presiding officer of the Texas Commission on Licensing and Regulation (TCLR), with TCLR's approval, and two ex officio nonvoting members. Requires that one member of the advisory board be a public member.

Requires each appointed advisory board member, except for the public member and the building contractor member, to be experienced in the design, installation, construction, maintenance, service, repair, or modification of equipment used for environmental air conditioning, commercial refrigeration, or process cooling or heating.

Provides that other than the public member, five of the appointed members are required to be full-time licensed air conditioning and refrigeration contractors; one member is required to hold a license of any classification principally engaged in air conditioning and refrigeration contracting, and practice in a municipality; and one member is required to be a building contractor who is principally engaged in home construction and is a member of a statewide building trade association.

Requires the electrical safety and licensing advisory board members to include persons with certain affiliations, including one public member who is a building contractor principally engaged in home construction and is a member of a statewide building trade association.

Requires the presiding officer of TCLR, with TCLR's approval, not later than December 1, 2013, to appoint the additional board members to the air conditioning and refrigeration contractors advisory board.
Provides that the change in law made by this Act regarding the qualifications of members of the electrical safety and licensing advisory board does not affect the entitlement of a member serving on the board immediately before the effective date of this Act to continue to serve for the remainder of the member's term.

Requires the presiding officer of TCLR, as terms on the board expire, to appoint members.

The Self-Directed Semi-Independent Agency Act—H.B. 1685
by Representative Price—Senate Sponsor: Senator Whitmire

The Self-Directed Semi-Independent Agency Act (SDSI Act) allows the Texas State Board of Public Accountancy, Texas Board of Professional Engineers and Texas Board of Architectural Examiners to collect revenues and set their own budgets outside of the appropriations process. Boards subject to the Act are responsible for all direct and indirect costs and must remit a fixed sum annually to the General Revenue Fund. Each agency must maintain information regarding its financial condition and operation. The agencies must also biennially report statistical information reflecting their licensing and enforcement efforts to the governor, House Appropriations and Senate Finance committees, and the Legislative Budget Board.

The SDSI Act is subject to the Sunset Act and will expire on September 1, 2013, unless continued by the Legislature. The Sunset Advisory Commission (SAC) recommended continuation of the Act, with future SAC review happening as part of the review of the agencies, and several statutory modifications that are contained in this legislation. By continuing the SDSI Act, SAC made it possible for the Act to be recodified in general law in the Government Code. This bill:

Removes SDSI Act's project status and separate Sunset date, but subjects its provisions to review as part of each agency's future Sunset review.

Requires agencies subject to the SDSI Act to remit all administrative penalties to the General Revenue Fund that are collected upon or after the effective date of the bill.

Expands the data in the current reports required by agencies subject to the SDSI Act.

Requires SDSI agencies to adopt certain policies.

Requires that SDSI agencies use the Uniform Statewide Accounting System of the comptroller of public accounts of the State of Texas to make all payments.

Deletes the requirement in the SDSI Act that scholarship fees for the Board of Public Accountancy's fifth year scholarship fund be remitted to the State Treasury.

Requires each SDSI agency to pay for the cost incurred by the Sunset Advisory Commission in performing a review of the agency.

Requires SDSI agencies to promptly pay upon receipt of a detailed cost statement from the Sunset Advisory Commission.
Requires each agency to transfer any funds held in an account not under the control of the comptroller to an account that is under the control of the comptroller by October 1, 2013.

**Shipping Logistics and Coordination Services For State Agencies—H.B. 1726**

*by Representative Bohac—Senate Sponsor: Senator Zaffirini*

The comptroller of public accounts of the State of Texas (comptroller) currently contracts with a vendor to provide shipping coordination services to all state agencies. Streamlining shipping logistics and coordination services would help provide for the lowest cost and best value. This bill:

- Authorizes the comptroller to contract with a vendor to oversee shipping logistics and coordination services for all state agencies and requires the comptroller to pay the contract from the anticipated cost savings realized under the contract. Requires the vendor to arrange the shipment of goods, parcels, and freight using the shipping company selected by the state agency through competitive bidding that provides the best value to the agency for the shipment.

- Authorizes a state agency to arrange all shipments of goods, parcels, and freight. Requires a vendor to maintain a record of each shipment arranged for a state agency, including the cost of the shipment, the type of goods, parcels, or freight shipped, and the weight of the goods, parcels, or freight shipped.

- Authorizes the comptroller, in contracting for the oversight of shipping logistics and coordination services under this section, to provide contracting opportunities for vendors that employ veterans or other persons with disabilities whose products and services are available under Chapter 122 (Texas Council on Purchasing from People with Disabilities), Human Resources Code.

- Provides that this does not apply to the shipment of items of extraordinary value, museum exhibits and antiquities, antique furniture, fine arts, specialized materials or products, coins and paper bills, or items by the Texas Department of Transportation (TxDOT) if TxDOT determines that, because of the nature of the items or the circumstances related to the shipment, shipment of the items under a procedure established by TxDOT is necessary.

**Contracting Duties of the Quality Assurance Team and Contract Advisory Team—H.B. 1965**

*by Representative Harper-Brown—Senate Sponsor: Senator Zaffirini*

The quality assurance team (QAT) and the contract advisory team (CAT) were both created to offer recommendations to improve different phases of contracting projects. Current statute regulating each of these teams offers little guidance. This bill:

- Requires QAT to develop and recommend policies and procedures to improve state agency information resources technology projects and develop and recommend procedures to improve the implementation of state agency information resources technology projects by including considerations for best value and return on investment.
Changes the established methods CAT uses to assist state agencies in improving contract management practices to include reviewing and making recommendations on the solicitation documents and contract documents for contracts of state agencies that have a value of at least $10 million, rather than by reviewing the solicitation of major contracts by state agencies; providing recommendations to the comptroller of public accounts of the State of Texas (comptroller), rather than to the Texas Building and Procurement Commission (TBPC), regarding the development of the contract management guide, and the training under Section 2262.053 (Training), Government Code; developing and recommending policies and procedures to improve state agency contract management practices; developing and recommending procedures to improve state agency contracting practices by including consideration for best value; and creating and periodically performing a risk assessment to determine the appropriate level of management and oversight of contracts by state agencies.

Provides that the risk assessment created and reviewed is required to include, but is not limited to, the following criteria: the amount of appropriations to the agency; the total contract value as percentage of appropriation to the agency; or the impact of the functions and duties of the state agency on health, safety, and well-being of citizens.

Requires the comptroller to oversee the activities of CAT, including ensuring that CAT carries out its duties.

Requires a state agency to comply with a recommendation made, or submit a written explanation regarding why the recommendation is not applicable to the contract under review.

Provides the requirements for the six members of CAT. Requires the attorney general's office to provide legal assistance to CAT. Defines "small state agency."

**Purchase of Certain Commodity Items by a State Agency—H.B. 1994**

*by Representative Reynolds—Senate Sponsor: Senator Zaffirini*

Currently, if the Department of Information Resources (DIR) does not have an information technology commodity item on an existing contract, an agency must request an exemption in writing and may not proceed until DIR responds. This bill:

Authorizes DIR to adopt rules regulating a purchase by a state agency of a commodity item under this section, including a requirement that, notwithstanding other provisions of this chapter, the agency is required to make the purchase in accordance with a contract developed by DIR unless the agency obtains an exemption from DIR or express prior approval from the Legislative Budget Board (LBB) for the expenditure necessary for the purchase, or DIR certifies in writing that the commodity item is not available for purchase under an existing contract developed by DIR.

Authorizes a state agency to purchase a commodity item through a contract developed by a local government purchasing cooperative under Chapter 791 (Interlocal Cooperation Contracts), Government Code, if DIR certifies in writing that the commodity item is not available for purchase under an existing contract developed by DIR. Provides that a contract used by a state agency that purchases a commodity item through a contract is subject to all provisions required by applicable law to be included in a state agency contract without regard to whether the provision appears on the face of the contract or the contract includes any provision to the contrary.
Provides that LBB's approval of a biennial operating plan under Section 2054.102 (Evaluation and Approval of Operating Plans), Government Code, is not an express prior approval for purposes of this bill. Requires a state agency to request an exemption from DIR before seeking prior approval from LBB.

**Adoption of Wellness Programs by State Agencies—H.B. 2020**  
by Representative Crownover at al.—Senate Sponsor: Senators Deuell and Zaffirini

In recent years, wellness policies and programs in both the private and public sector have become more prevalent. Wellness programs provide financial incentives and services in an effort to curb increasing health care costs and benefit employees. This bill:

Authorizes a state agency to:
- develop a wellness program designed to increase work productivity and capacity and reduce health insurance costs;
- provide financial incentives for participation in a wellness program after establishing a written policy with objective criteria for providing the incentives;
- offer on-site clinic or pharmacy services in accordance with certain provisions of the Occupations Code;
- adopt additional wellness policies; and
- consider in awarding a contract for on-site clinic services whether the services will be provided by a physician-led organization that has its principal place of business in Texas.

**Employment of an Attorney by the Texas Funeral Service Commission—H.B. 2710**  
by Representative Larry Gonzales—Senate Sponsor: Senator Schwertner

Current law prohibits attorneys from being employed by the Texas Funeral Service Commission. This bill:

Repeals Section 651.060(b) (relating to prohibiting the Texas Funeral Service Commission from employing legal counsel except as provided by Section 402.0212 (Provision of Legal Services--Outside Counsel), Government Code), Occupations Code.

**Cultural and Fine Arts District Program Administered by Texas Commission on the Arts—H.B. 2718**  
by Representative Guillen—Senate Sponsor: Senator Deuell

The current cultural and fine arts district program could benefit from applying for state incentives, funding, grants, and loans. This bill:

Authorizes a designated district or, if necessary to comply with federal eligibility requirements, a municipality or county in which a designated district is located on behalf of the district, to apply for state incentives, funding, grants, and loans from state agencies, including the Department of Agriculture, Texas Department of Transportation, and Office of the Governor.
Requires the Texas Commission on the Arts (TCA) to assist designated districts, municipalities, and counties in applying for the incentives, funding, grants, and loans.

Authorizes TCA to amend the boundaries of a designated district to include private sector development.

Texas Juvenile Justice Department—H.B. 2733
by Representative White—Senate Sponsor: Senator Whitmire

The Texas Youth Commission (TYC) was formerly the state's juvenile corrections agency and the Texas Juvenile Probation Commission (TJPC) had oversight of juvenile probation departments serving all Texas counties. S.B. 653, 82nd Legislature, Regular Session, 2011, transferred staff, programs, policies, facilities, and obligations pertaining to TYC and TJPC to the Texas Juvenile Justice Department (TJJD).

This bill:

Authorizes TJJD to obtain criminal history record information that relates to an applicant for a certification from TJJD; a holder of a certification from TJJD; a child committed to the custody of TJJD by a juvenile court; a person requesting visitation access to a facility of TJJD; or any person as necessary to conduct an evaluation of the home.

Provides that criminal history record information obtained by TJJD may not be released to any person except on court order, with the consent of the entity or person who is the subject of the information; for purposes of an administrative hearing held, or an investigation conducted by TJJD; or a juvenile board by which a certification applicant or holder is employed.

Requires TJJD, after a person is certified by TJJD, to destroy the criminal history record information that relates to a person.

Establishes that TJJD is not prohibited from disclosing criminal history record information in a criminal proceeding or in a hearing conducted by TJJD.

Provides that information is excepted from the requirements if the information relates to the home address, home telephone number, emergency contact information, or Social Security number of, among others, a current or former employee of TJJD or of the predecessors in function of the department; a juvenile probation or supervision officer certified by TJJD; or employees of a juvenile justice program or facility.

Requires TJJD to review the national and state criminal history record information of each person who is a contractor or employee or subcontractor of a contractor who has direct access to children in TJJD facilities.

Authorizes TJJD to review criminal history record information of a person requesting visitation access to a TJJD facility or any person, as necessary to conduct an evaluation of the home.

Prohibits TJJD from denying visitation access to an immediate family member of a child committed to TJJD based solely on a review of criminal history record information.
Requires TJJD, if visitation access is denied or limited based in part on a review of criminal history record information, to retain the information until the child the person requested visitation access to is released from TJJD.

**Study by Department of Information Resources Regarding State Agency Technology—H.B. 2738**

*by Representative Elkins—Senate Sponsor: Senator Ellis*

The modernization of legacy applications through replacement or extending compatibility with new systems can be expensive and complex. However, failure to modernize aging legacy applications could compromise mission-critical business and may ultimately cost more over time as technical support expertise necessary to maintain such systems becomes scarce. Knowing whether the cost/benefit analysis favors replacing a legacy is important for state agencies. This bill:

- Defines "legacy system." Requires the Texas Department of Information Resources (DIR) to conduct a study to identify legacy systems currently maintained by state agencies other than institutions of higher education. Requires that the study include an inventory of the systems maintained by state agencies; the annual cost and availability of resources to maintain the systems; the security risks related to use of the systems; if feasible, a cost estimate for updating the systems; and a plan for assessing and prioritizing statewide modernization projects to update or replace the systems. Authorizes DIR to contract with a private vendor to conduct the study. Requires each state agency, on request by DIR, to provide to DIR the information necessary for the study. Authorizes DIR to require a state agency to clarify or validate information provided by the agency or related to the study.

- Requires DIR, not later than October 1, 2014, to submit a report on its findings from the study and recommendations for modernization of legacy systems to the governor, the lieutenant governor, the speaker of the house of representatives, the House Technology Committee, and the Senate Committee on Government Organization.

**Joint Interim Committee on Judicial Selection—H.B. 2772**

*by Representative Justin Rodriguez—Senate Sponsor: Senator Duncan*

The current judicial selection process in Texas requires partisan elections for most judicial positions. Some contend that party affiliation has contributed to the loss of highly qualified jurists and cite the influence of special interest groups and their campaign contributions in judicial elections in Texas. This bill:

- Establishes the joint interim committee on judicial selection (committee) to study and review the method by which certain specified judicial officers are selected in Texas.

- Requires that the study consider:
  - the fairness, effectiveness, and desirability of selecting a judicial officer through partisan elections;
  - the fairness, effectiveness, and desirability of judicial selection methods proposed or adopted by other states; and
  - the relative merits of alternative methods for selecting judicial officers.
Sets forth the composition of the committee.

Provides that the committee has all other powers and duties provided to a special or select committee.

Requires the committee, not later than January 6, 2015, to report its findings and recommendations to the lieutenant governor, the speaker of the House, and the governor.

Requires that members of committee be reimbursed for expenses incurred in carrying out the provisions of this Act.

Requires the Texas Legislative Council to provide legal and policy research, bill drafting, and statistical analysis services to the committee.

Abolishes the committee effective January 12, 2015.

**Contract Management Process For Use With Low-risk State Procurements—H.B. 2873**
*by Representative Harper-Brown—Senate Sponsor: Senator Zaffirini*

The *State of Texas Contract Management Guide* provides step-by-step procedures for state agencies to follow in procuring and contracting for services. However, the guide's bias in favor of thoroughness and compliance causes inefficiency in processing minor or low-risk contracts, diverting time and attention from major solicitations and contracts. This bill:

Requires that the contract management guide include the model contract management process developed under Section 2262.104 (Low-Risk Contracts), Government Code, and recommendations on the appropriate use of the model.

Requires the contract advisory team to identify the types of procurements that pose a low risk of loss to the state and develop a model contract management process for use with those procurements.

**Sale of Certain Real Property in Brazoria County by Texas Board of Criminal Justice—H.B. 2895**
*by Representative Dennis Bonnen—Senate Sponsor: Senator Taylor*

The Texas Department of Criminal Justice currently owns a parcel of land in Brazoria County, near the Brazoria County Airport, that the county needs for a number of reasons relating to the area's development. This bill:

Requires the Texas Board of Criminal Justice (TBCJ), not later than January 1, 2014, to sell to Brazoria County the real property at fair market value without the requirement of a sealed bid if TBCJ receives an offer from the county to purchase the property at fair market value and the county acquires the property for a public purpose. Requires that the sale include public or private easements or rights-of-way benefiting or burdening the property, as necessary. Requires that the sale exclude all mineral interests in and under the property, and the deed to contain a provision prohibiting any exploration, drilling, or other similar intrusion on the property related to mineral interests. Sets forth the boundaries of Texas Department of Criminal Justice property to be sold.
Regulation of Real Estate Inspector Fees—H.B. 2911
by Representative Kuempel—Senate Sponsor: Senator Taylor

Chapter 1102 (Real Estate Inspectors) of the Occupations Code pertains to the licensing and regulation of real estate inspectors by the Texas Real Estate Commission (TREC). Currently, certain agency practices related to inspectors do not match those used by TREC for other licensees under its jurisdiction. For example, other licensees are given a full year to complete their requirements for licensure while an application is open, but inspectors must complete their requirements for licensure within six months. Other TREC licensees are allowed to renew their expired license within six months of expiration by paying a late fee. Inspectors are not granted a late renewal period and must file an entirely new license application if they do not renew in a timely manner. Also, inspector applicants who fail the qualifying examination three times must wait six months before retaking the examination. No other license holders are subject to this punitive measure. Furthermore, whereas other licensees under TREC’s jurisdiction are required to submit to fingerprinting and criminal history background review prior to licensure, real estate inspectors are not. The current statute also allows inspector applicants seeking licensure under the “fast track” method to meet their field experience requirements in a classroom setting. This often results in an inspector’s first actual hands-on experience occurring at the same time as that inspector’s initial inspection assignment. Addressing all of these matters will benefit the inspectors, reduce costs, and streamline agency operations.

In 2007, S.B. 914 mandated Errors and Omissions (E&O) coverage for real estate inspectors. While the bill capped the per occurrence amount at $100,000, it was silent as to any aggregate limit. This has caused some confusion in the marketplace. Inspectors are unable to properly shop for insurance on a clear comparative basis and TREC does not have a statutory standard by which to properly judge compliance with the mandated insurance requirement. Additionally, an attorney general opinion has indicated that TREC effectively lacks authority to issue or renew licenses in the event that E&O coverage becomes unavailable in the Texas market, raising additional concerns from the inspector industry. Finally, it is redundant to mandate E&O coverage for inspectors and to maintain the current Inspector Recovery Fund, which is virtually unused since the advent of mandatory E&O insurance to benefit consumers. This bill:

Requires TREC to require an applicant for a license or renewal of an unexpired license to submit a complete and legible set of fingerprints, on a form prescribed by TREC, to TREC or to the Texas Department of Public Safety of the State of Texas (DPS) for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation.

Requires TREC to refuse to issue a license to or renew the license of a person who does not comply with the requirement.

Requires TREC to conduct a criminal history check of each applicant for a license or renewal of a license using information provided by the individual made available to TREC by DPS, the Federal Bureau of Investigation, and any other criminal justice agency.

Authorizes TREC to enter into an agreement with DPS to administer a criminal history check and authorizes DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history check.
Requires an applicant, to be eligible for a professional inspector license, to submit evidence satisfactory to TREC of successful completion of at least 40 classroom hours of core real estate inspection courses along with any other required course work.

Provides that an applicant is eligible for and has satisfied all requirements for a real estate inspector license if the applicant held a real estate inspector license during the 24-month period preceding the date the application is filed and submits evidence satisfactory to TREC of successful completion of not less than the number of hours of continuing education courses that would have been required for the applicant to renew the license.

Prohibits rules adopted from requiring an applicant to complete more than 320 additional hours of core real estate inspection courses or have more than seven years of relevant experience.

Requires TREC to issue the appropriate license to an applicant who meets the required qualifications, pays the fee, and submits proof of financial responsibility.

Requires an inspector to maintain financial responsibility in the form of a liability insurance policy with a minimum limit of $100,000 per occurrence and an aggregate annual total of at least $100,000 and that is written by an insurer authorized to engage in the business of insurance in this state, a risk retention group or an eligible surplus lines insurer, and specifically provides for professional liability coverage to protect the public against a violation of prohibited acts, or a bond or other security accepted by TREC.

Requires that a bond posted as security be issued by a carrier admitted in this state; be in an amount not less than $100,000; be continuous; and be cancellable by the surety only after the surety has provided at least 90 days' written notice to TREC before the effective date of the cancellation.

Requires that any security provided under this section in a form other than a bond be convertible to cash by TREC for the benefit of a person who contracts with an inspector in this state, without requiring approval of a court, if TREC determines that the inspector has violated prohibited acts.

Requires that any amount remaining after an inspector's license has expired be returned to the inspector not later than the 180th day after the date the license expires.

Requires an inspector who posts a bond or other security to designate an unaffiliated third party to handle the processing of any claim regarding the bond or other security.

Requires an inspector to provide TREC with a current mailing address, telephone number, and, if available, an email address.

Requires an inspector, not later than the 30th day after the date the inspector changes the inspector's mailing address, email address, or telephone number to notify TREC of the change and pay any required fee.

Requires a license applicant who does not satisfy the examination requirement before the first anniversary of the date the application is filed to submit a new application and pay another examination fee to be eligible for examination.
Prohibits an applicant who fails the examination three consecutive times from applying for reexamination or submitting a new license application unless after the date of the third failed examination the applicant completes additional educational requirements as prescribed by TREC and submits evidence satisfactory to TREC of successful completion of those requirements.

Requires TREC, not later than the 31st day before the expiration date of a person's license, to provide notice of the license expiration to the person.

Authorizes a person to renew an unexpired license by paying the required renewal fee to TREC before the expiration date of the license and providing proof of financial responsibility.

Authorizes a person whose license has been expired for 90 days or less to renew the license by paying to TREC a fee equal to 1-1/2 times the required renewal fee.

Authorizes a person, if a license has been expired for more than 90 days but less than six months, to renew the license by paying to TREC a fee equal to two times the required renewal fee.

Prohibits a person, if the person's license has been expired for six months or longer, from renewing the license.

Authorizes the person to obtain a new license by submitting to reexamination, if required, and complying with the requirements and procedures for obtaining an original license.

Requires each applicant for the renewal of a license to disclose to TREC in the license application whether the applicant has entered a plea of guilty or nolo contendere to a felony, or been convicted of a felony and the time for appeal has elapsed or the judgment or conviction has been affirmed on appeal.

Requires that the disclosure be provided even if an order has granted community supervision suspending the imposition of the sentence.

Provides that a person is not eligible for a license until the person has reimbursed TREC in full for any amount paid on the person's behalf from the real estate inspection recovery fund or the real estate recovery trust account, plus interest at the legal rate.

**Information Resources Technologies of State Agencies—H.B. 3093**

*by Representative Elkins—Senate Sponsor: Senator Zaffirini*

Currently, there is no statutory requirement for the systematic examination of completed projects or identification of proposed major information systems. The state could potentially save money by accounting for and assessing major completed and proposed information research projects at state agencies. This bill:

Requires the Department of Information Resources (DIR) to coordinate with the quality assurance team to develop contracting standards for information resources technologies acquisition and purchased services and work with state agencies to ensure deployment of standardized contracts.
Requires that the report on the use of information resources technologies by state government identify proposed major information resources projects for the next state fiscal biennium, including project costs through stages of the project and across state fiscal years from project initiation to implementation; examine major information resources projects completed in the previous state fiscal biennium to determine the performance of the implementing state agency, cost and value effectiveness, timeliness, and other performance criteria necessary to assess the quality and value of the investment; and examine major information resources projects after the second anniversary of the project’s completion to determine progress toward meeting performance goals and operating budget savings.

Requires that the information relating to the proposed major information resources project include final total cost of ownership budget data for the entire life cycle of the major information resources project, including capital and operational costs that itemize staffing costs, contracted services, hardware purchased or leased, software purchased or leased, travel, and training; the original project schedule and the final actual project schedule; data on the progress toward meeting the original goals and performance measures of the project, specifically those related to operating budget savings; lessons learned on the project, performance evaluations of any vendors used in the project, and reasons for project delays or cost increases; and the benefits, cost avoidance, and cost savings generated by major technology resources projects.

Requires DIR, in consultation with the quality assurance team, the Information Technology Council for Higher Education, and the Legislative Budget Board (LBB), to review existing statutes, procedures, data, and organizational structures to identify opportunities to increase efficiency, customer service, and transparency in information resources technologies. Requires DIR to identify and address financial data needed to comprehensively evaluate information resources technologies spending from an enterprise perspective; review best practices in information resources technologies governance, including private sector practices and lessons learned from other states; and review existing statutes regarding information resources technologies governance, standards, and financing to identify inconsistencies between current law and best practices.

Requires DIR to report its findings and recommendations to the governor, lieutenant governor, speaker of the house of representatives, Senate Committee on Government Organization, and House Technology Committee not later than December 1, 2014.

Requires LBB, in consultation with DIR and the Information Technology Council for Higher Education, to establish criteria to evaluate state agency biennial operating plans. Requires LBB, in developing the criteria, to include criteria on the feasibility of proposed information resources projects for the biennium; the consistency of the plan with the state strategic plan; the appropriate provision of public electronic access to information; evidence of business process streamlining and gathering of business and technical requirements; and services, costs, and benefits.

**Uniform Statewide Accounting Project Costs From State Agencies and Vendors—H.B. 3116**

*by Representative Cook—Senate Sponsor: Senator Schwertner*

State purchasing could be improved with the implementation of an enterprise resource planning system. This bill:
Redefines “enterprise resource planning” to include purchasing in the administrative duties of a state agency.

Authorizes the comptroller of public accounts of the State of Texas (comptroller) to recover from a state agency or a vendor that uses the system under Section 2155.061 (Commission Purchasing System), Government Code, the cost of implementation or use of any component of the project.

**San Jacinto Historical Advisory Board—H.B. 3163**  
*by Representative Smith—Senate Sponsor: Senator Taylor*

The San Jacinto Historical Advisory Board (board) oversees the historical development of the San Jacinto Battleground. Under current law, the board is composed of several persons, including the chair of the Battleship Texas Commission. The Battleship Texas Commission was abolished in 1983. This bill:

Provides that the board is composed of certain members, including the chairman of the Battleship Texas Foundation, rather than the Battleship Texas Commission.

**Hispanic Heritage Center of Texas—H.B. 3211**  
*by Representative Cortez—Senate Sponsor: Senators Zaffirini and Garcia*

The Hispanic Heritage Center of Texas serves as a cultural and historical resource that helps educate Texans about the rich heritage, legacy, contributions, and history of the Hispanic culture and its impact on this state. The center is in need of a facility. This bill:

Authorizes the Texas Historical Commission (THC) to assist the Hispanic Heritage Center of Texas in establishing a facility to educate Texans regarding the contributions and historical significance of Hispanic persons to this state; solicit and accept gifts, donations, and grants of money or property from any public or private source to be used for the purposes of this section; and use money appropriated to THC for the purposes of this section to assist the Hispanic Heritage Center of Texas.

Provides that THC is required to implement this provision only if the legislature appropriates money specifically for that purpose. Provides that if the legislature does not appropriate money specifically for that purpose, THC is authorized to, but is not required to, implement this provision using other appropriations available for that purpose.

**Red River Boundary Compact and the Creation of the Red River Boundary Commission—H.B. 3212**  
*by Representative Phillips—Senate Sponsor: Senator Estes*

Texas and Oklahoma agreed to definitively locate the jurisdictional boundary between the two states, a task that was completed as prescribed by the Red River Boundary Compact, in 1990. The area is referred to as Texoma. Shortly thereafter, the Red River Boundary Commission was terminated. Recently some discrepancy in the boundary that was agreed upon and the boundary in the U.S. Army Corps of Engineers' historical records was discovered. This bill:
Requires the Red River Boundary Commission (commission), notwithstanding any other provision of Subchapter A (Red River Boundary Compact), Chapter 12 (Red River Boundary Compact; Red River Boundary Commission), Natural Resources Code, as amended in the bill, if the boundary in the Texoma area is not marked in accordance with the Red River Boundary Compact, to confer and act jointly with representatives appointed on behalf of the state of Oklahoma to redraw the boundary in the Texoma area in accordance with the provisions of Chapter 12, Natural Resources Code.

Creates the commission and sets forth the compensation of commission members, the powers and duties of the commission, and the required reports the commission must send to certain persons, and provides that Subchapter B (Red River Boundary Commission), Chapter 12, Natural Resources Code, expires December 31, 2015.

Requires the governor to appoint members of the commission by a certain date.

Requires the members of the commission to conduct the first meeting by a certain date.

**Positions Within the Department of Public Safety—H.B. 3412**  
*by Representative Flynn—Senate Sponsor: Senator Estes*

The rank or title of the six Texas Ranger company commanders was changed from captain to major in order to align with similar ranks in other Department of Public Safety of the State of Texas (DPS) divisions. The qualifications for all supervisory ranks within the Texas Rangers are specifically set by statute, with the exception of the position of major. This bill:

Establishes that an officer is eligible for appointment by the director to the rank of major of the Texas Rangers only if the officer has at least one year of supervisory experience as a captain of the Texas Rangers.

Authorizes the director, if there are fewer than two qualified captains for appointment to the rank of major, to appoint a lieutenant to the position of major only if the lieutenant has at least two years of supervisory experience as a commissioned member of the Texas Rangers.

**Awarding and Performance of Certain State Contracts—H.B. 3648**  
*by Representative Harper-Brown—Senate Sponsor: Senator Paxton*

Often, the performance of a state contract does not match the terms of the awarded contract. These discrepancies can be remedied by requiring the approval of certain changes to the performance of a contract after the contract has already been awarded. This bill:

Requires that the performance of a contract for goods or services awarded Chapter 2155 (Purchasing: General Rules and Procedures), Government Code, notwithstanding any other law, substantially comply with the terms contained in the written solicitation for the contract and the terms considered in awarding the contract, including terms regarding cost of materials or labor, duration, price, schedule, and scope.
Requires the governing body of a state agency, after a contract for goods or services is awarded under Chapter 2155, Government Code, if applicable, to hold a meeting to consider a material change to the contract and why that change is necessary. Provides that, for purposes of this section, a material change includes extending the length of or postponing the completion of a contract for six months or more, or increasing the total consideration to be paid under a contract by at least 10 percent, including by substituting certain goods, materials, products, or services.

Prohibits a governmental entity from awarding a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the greater either the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located or the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which a majority of the manufacturing relating to the contract will be performed.

Requires the Department of Public Safety of the State of Texas (DPS) to give preference to a private sector provider, except as provided, if the preference serves to create a positive economic impact on job growth and job retention in this state; the transportation project for which the contract is being awarded is funded entirely from state funds, local funds, or a combination of state and local funds; and the amount of the bid or proposal of the provider does not exceed an amount equal to 105 percent of the lowest bid or proposal received by DPS for the transportation project.

Authorizes DPS, in determining whether the preference serves to create a positive economic impact on job growth and job retention in this state, to consider a private sector provider's employment presence and business establishments in this state. Provides that this preference does not apply to the procurement of professional services under Subchapter A, Chapter 2254 (Professional Services), Government Code.

Prohibits DPS from giving preference if as a result of the preference, a private sector provider would not be awarded a contract, and the principal place of business of the private sector provider is located in a state that borders this state and does not give a preference to private sector providers in a manner similar to this.

**Historic Courthouse Preservation and Maintenance Programs—H.B. 3674**

*by Representative Muñoz, Jr., et al.—Senate Sponsor: Senator Hinojosa*

Currently, courthouses that once served as the county courthouse and are owned by a municipality are eligible to receive grants from the Texas Historical Commission. This bill:

Redefines "historic courthouse" to include a structure that previously functioned as the official county courthouse of the county in which it is located and is owned by a municipality.

Provides municipalities the same authority, requirements, and provisions relating to the awarding of a grant or loan for a historic courthouse project from the Texas Historical Commission.
Discharge Procedures of the Department of Public Safety of the State of Texas—H.B. 3805
by Representative Larry Gonzales—Senate Sponsor: Senator Schwertner

Current law entitles employees of the Department of Public Safety of the State of Texas (DPS) to a public hearing regarding the discharge of the employee but does not extend the same entitlement to employees of other state agencies. This bill:

Provides that only a commissioned officer ordered discharged, rather than an officer or employee, may appeal to the Public Safety Commission (commission) and is entitled to a public hearing before the commission.

Reports and Documents Prepared by State Agencies and Institutions of Higher Education—S.B. 59
by Senators Nelson and Paxton—House Sponsor: Representative Callegari

There is a need to ensure that limited state resources are being committed to current state priorities rather than to reporting requirements that no longer serve their intended purpose or are redundant of other reporting requirements. This bill:

Requires the Texas Department of Agriculture (TDA) to prepare a biennial report, rather than requiring TDA and the Texas Department of Health jointly to prepare an annual report, concerning the special nutrition program and submit it to the governor, lieutenant governor, and speaker of the house of representatives.

Requires TDA, not later than December 1, before the first day of each regular session of the legislature, to submit to the governor a full report of transactions under Chapter 102, Subchapter C (Citrus Marketing Agreements and Licenses), Agriculture Code, during the preceding biennium.

Requires the Texas State Soil and Water Conservation Board (SWCB) to prepare and deliver to the governor, lieutenant governor, and speaker of the house of representatives not later than January 1 of each year, rather than not later than January 1 and July 1 of each year, a report relating to the status of the budget areas of responsibility assigned to SWCB.

Changes a reference to the State Aircraft Pooling Board to the Texas Department of Transportation (TxDOT).

Removes the state auditor as a required recipient of a DPS report regarding DPS’s progress in implementing the examining entity’s recommendations relating to the records and operations of the criminal justice information system.

Changes a reference from the comprehensive annual report required under Section 39.332 (Comprehensive Annual Report), Education Code, that covers the 2012-2013 school year, to a comprehensive biennial report required under Section 39.332, Education Code, that includes that school year.

Requires the Texas Education Agency (TEA) to prepare, not later than December 1 of each even-numbered year, a comprehensive report covering the two preceding school years, rather than the preceding school year, containing certain information, and deliver it to certain legislative entities.
Require TEA, as part of the comprehensive biennial report under Section 39.332, Education Code, to submit a regional and district level report covering the preceding two school years and containing certain information.

Provides that a rule or policy of a state agency, including the Texas Higher Education Coordinating Board (THECB), in effect on June 1, 2011, that requires reporting by a university system or an institution of higher education has no effect on or after September 1, 2013, unless the rule or policy is affirmatively and formally readopted before that date by formal administrative rule published in the Texas Register and adopted in compliance with Chapter 2001 (Administrative Procedure), Government Code, does not apply to certain required reports or to a request for information by the state auditor.

Requires the educational economic policy committee, not later than December 1 of each year, to report to LBB, the governor, the State Board of Education, THECB, and the legislature.

Removes the state auditor as a recipient of a report from the Prepaid Higher Education Tuition Board relating to an audit of the authorized direct-support organization. Removes the authorization of the state auditor to require the direct-support organization or independent certified public accountant to provide additional information relating to the operation of the direct-support organization.

Removes the requirement of the Prepaid Higher Education Tuition Board, not later than December 1 of each year, to submit to the state auditor a report containing certain financial information. Requires the Prepaid Higher Education Tuition Board to include in the report complete prepaid tuition contract sales information, including projected enrollments of beneficiaries at institutions of higher education and the information maintained by the board. Removes the requirement of the Prepaid Higher Education Tuition Board, not later than December 1 of each year, to provide certain information to THECB.

Requires the Prepaid Higher Education Tuition Board to maintain certain financial information for the purpose of inclusion in the annual report under Section 54.642 (Reports), Education Code.

Requires THECB, not later than November 1 of each even-numbered year, to deliver to the speaker of the house of representatives a report of the current long-range plan developed under Section 61.051 (Coordination of Institutions of Public Higher Education), Education Code.

Removes the requirement of the commissioner of higher education to file with the state auditor on or before October 1 of each year a list of public junior colleges in this state.

Requires the Crime Victims’ Institute (institute) to prepare a complete annual financial report as prescribed by Section 2101.011 (Financial Information Required of State Agencies), Government Code. Removes the requirement of the institute to file annually with the governor and the presiding officer of each house of the legislature a complete and detailed written report accounting for all funds received and disbursed by the institute during the preceding year. Removes the requirement that the form of the annual report and the reporting time be as provided by the General Appropriations Act. Removes the requirement of the institute to determine the format and contents of the report and providing that the institute may have copies of the report printed for distribution as it considers appropriate.

Requires the Border Health Institute to develop a long-term strategic plan that that includes a statement of the Border Health Institute's goals and objectives for providing health care services to persons living in the
border region; providing health care education to persons living in the border region; and conducting 
research into certain issues affecting public health in the border region. Removes the requirement of each 
member of the Border Health Institute, not later than December 1 of each even-numbered year, to provide 
a long-term strategic plan for that member to each member of the governing board of the Border Health 
Institute, each member of the legislature whose district includes any portion of a county where the Border 
Health Institute is established or operating, and THECB.

Requires the attorney general to publish a report containing certain information relating to volunteer 
advocate programs not later than December 1 of each year, rather than before each regular session of the 
legislature.

Requires the State Bar of Texas (state bar) to file annually with the Texas Supreme Court, the governor, 
and the presiding officer of each house of the legislature a copy of the annual financial report prepared by 
the state bar. Removes the requirement that the annual report be in a certain form and reported in the time 
provided by the General Appropriations Act.

Requires the Board of Law Examiners (BLE) to file annually with the Texas Supreme Court, the governor, 
and the presiding officer of each house of the legislature a copy of the annual financial report prepared by 
BLE. Removes the requirement that the annual report be in a certain form and reported in the time 
provided by the General Appropriations Act.

Requires LBB, as soon as practicable after completion of the audit or evaluation, to make a performance 
report to the governor and the legislature.

Require the governing body of a state agency, as defined by specific provisions, to deliver to the Texas 
State Library and Archives Commission and the Legislative Reference Library a certified copy of the 
minutes and any corrections to the minutes of any meeting of the governing body immediately after 
transcription.

Removes the requirement that a state agency that expends appropriated funds to report payables and 
binding encumbrances for all appropriation years annually to the state auditor no later than October 30 of 
each year.

Removes the requirement of the comptroller of public accounts of the State of Texas (comptroller), not later 
than January of each year, to distribute a written report regarding the tobacco settlement permanent trust 
account during the fiscal year ending on the preceding August 31 to the state auditor.

Removes the requirement of DPS to submit the updated plan relating to truck inspections and 
transportation on the border with Mexico to the lieutenant governor, the speaker of the house of 
representatives, and each other member of the legislature on or before December 1 of each even-
numbered year.

Requires the Texas Commission on Fire Protection (TCFP), not later than January 1 of each odd-
numbered year, to report to the governor and to the legislature on TCFP's activities.

Requires the attorney general to publish a report on the sexual assault prevention and crisis service not 
later than December 10 of each year.
Requires the adjutant general to, not later than September 1 of the year in which the Commissioner of the General Land Office submits a report as provided by Section 31.157 (Evaluation Report), Natural Resources Code, submit the report as required by Section 431.030(a) (relating to evaluating the military use of any real property under the management and control of the adjutant general's department), Government Code, to the governor, the presiding officer of each house of the legislature, and the Governor's Office of Budget, Planning, and Policy.

Removes the requirement of the adjutant general to include in a report submitted to the governor and the legislature a complete and written statement accounting for all funds received and dispersed by the adjutant general's department during the preceding fiscal year that meets the reporting requirements applicable to financial reporting provided in the General Appropriations Act.

Requires the Health and Human Services Commission (HHSC), on an annual basis, to assist the secretary of state in preparing the report required under Section 405.021 (Report On State-Funded Projects Serving Colonias), Government Code, and to provide a report to the secretary of state detailing any projects funded by HHSC that provide assistance to colonias. Authorizes the secretary of state to prescribe the date on which the report required under this section is due.

Requires HHSC to electronically publish on HHSC's Internet website a biennial report and, on or before the date the report is due, to notify the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, LBB, and the appropriate legislative committees that the report is available on HHSC's Internet website. Requires that the report address the efforts of the health and human services agencies to provide health and human services to children younger than six years of age.

Requires HHSC to file with the legislature a report regarding the use of the Internet site in the provision and delivery of child-care and education services during the reporting period not later than December 1 of each year. Requires that the report include the number of referrals made to Head Start or Early Head Start offices or centers, the number of referrals made to local workforce development centers, and the number of referrals made to each school district. Authorizes the report to be made in conjunction with any other report HHSC is required to submit to the legislature.

Removes a requirement of HHSC and the Office of the Attorney General to jointly prepare and submit an annual report to the comptroller concerning the activities of those agencies in detecting and preventing fraud, waste, and abuse under the state Medicaid program or other program administered by HHSC or a health and human services agency.

Requires HHSC to submit to the governor and LBB an annual report on the results of the computerized matching of HHSC information with information from neighboring states, if any, and information from the Texas Department of Criminal Justice.

Removes a requirement of the director of the Texas Forest Service of The Texas A&M University System to submit an annual written report on the activity, status, and effectiveness of the volunteer fire department assistance fund to the comptroller before November 1 of each year.

Requires the classification officer appointed by the state auditor, each state fiscal biennium, to identify each state agency that experienced an employee turnover rate of more than 17 percent during the preceding state fiscal biennium; conduct a comparative study of salary rates at the agency that compares the salaries
paid at the agency with the market average maximum salary in other governmental units and in the private sector for similar work performed and the market average mid-range salary in other governmental units and in the private sector for similar work performed; and report the findings of the study in the manner provided by Section 654.037 (a)(2) (relating to requiring the classification officer to report the findings from the study of salary rates in other governmental units to the governor's budget office and LBB not later than October 1 preceding each regular session of the legislature), Government Code.

Requires a state agency to maintain a written statement, rather than to file a written statement with the state auditor, covering the policies and procedures for an extension of leave under Section 661.202(i) (relating to authorizing an exception to the amount of sick leave an employee may take under certain circumstances), Government Code. Requires the state agency to provide a copy of the statement to the state auditor on request.

Requires the Texas Facilities Commission (TFC) to report regarding child care services to state employees to the legislature no later than December 1 of each even-numbered year, rather than each legislative session.

Requires each state agency's federal funds coordinator to send the grant writing team an annual report listing the grants for which the agency has applied and the catalogue of federal domestic assistance numbers and giving a short description of the grant. Requires each state agency other than an institution of higher education to file an annual report with the grant writing team concerning the agency's efforts in acquiring available discretionary federal funds during the preceding state fiscal year.

Requires the State Pension Review Board to provide to LBB a copy of any required actuarial impact statements.

Removes a requirement that a copy of the report required by Section 825.108(a) (relating to reporting certain fiscal information regarding the Teacher Retirement System (TRS)), Government Code, be filed with the state auditor no later than December 15 of each year. Removes a requirement that a copy of the report required by Section 802.108(b) (relating to reporting the balance sheet of TRS) be filed with the state auditor no later than March 1 of each year.

Removes the requirement that TRS, after the end of each fiscal year, report to the state auditor the name of each general academic teaching institution and each medical and dental unit delinquent in the reimbursement of contributions for the preceding fiscal year and the amount by which each reported institution or unit is delinquent.

Removes a requirement that the Texas Bond Review Board (BRB) provide a report of the information received under Chapter 1231, Subchapter E (Security Transaction Reports), Government Code, for the fiscal year ending August 31 of that year to the joint committee charged with monitoring the implementation of goals for participation by historically underutilized businesses.

Removes a requirement that a state agency notify the state auditor's office if the agency makes a substantive change to a planned procurement schedule for commodity items.

Requires the Texas Department of Information Resources (DIR) and the Information Technology Council for Higher Education established under Section 2054.121(b) (relating to providing that the Information
Technology Council for Higher Education consists of individuals in certain positions), Government Code, to review all plans and reports required of institutions of higher education under this chapter. Provides that after September 1, 2014, an institution of higher education is not required to prepare or submit a plan or report generally required of a state agency under this chapter except to the extent expressly provided by a rule adopted by DIR on or after September 1, 2013.

Authorizes LBB or the Governor's Office of Budget, Planning, and Policy, if the state agency does not file a report as required, to take appropriate action to compel the filing of the report.

Requires TFC to submit to the governor a report on the improvement, condition, receipts, expenditures, and estimates of facilities under its control not later than December 1 of each even-numbered year.

Requires TFC to include the findings of a study of TFC's efforts to colocate administrative office space in TFC's master facilities plan required under Section 2166.102 (Long-Range Plan for State Agency Space Needs), Government Code. Removes a requirement of TFC to report the findings of the study to the Governor's Office of Budget and Planning, LBB, and the comptroller not later than July 1 of each even-numbered year. Requires TFC to include the findings of the study on the amount of each state agency's administrative office space in Travis County to identify locations that exceed the space limitations prescribed by Section 2165.104(c) (relating to requiring TFC to adopt rules consistent with private sector standards and industry best practices to govern the allocation of space and exempting certain agencies from those rules under certain circumstances), Government Code, in TFC's required master facilities plan. Removes a requirement of TFC to report the findings to the Governor's Office of Budget and Planning, LBB, and the comptroller. Sets forth the information required to be included in the findings.

Requires TFC to include a summary of its finding on the status of state-owned buildings and current information on construction costs in TFC's required master facilities plan. Removes a requirement of TFC to make available a report of the findings to the governor, the legislature, and the state's budget offices. Requires state agencies, departments, and institutions to cooperate with TFC in providing any information needed by TFC to comply with this.

Requires TFC to identify counties in which more than 50,000 square feet of usable office space is needed and make recommendations for meeting that need. Removes a requirement that TFC, before each legislative session, send to the governor, the lieutenant governor, the speaker of the house of representatives, and LBB a report identifying counties in which more than 50,000 square feet of usable office space is needed and TFC's recommendations for meeting that need. Requires TFC to include TFC's findings and recommendations in TFC's required master facilities plan.

Requires TFC to compile a list of and summarize all projects requested under Chapter 2166, Subchapter D (Individual Project Analysis), Government Code. Requires TFC to include the summary in TFC's required master facilities plan. Sets forth information required to be included in the summary.

Requires each state agency to develop a plan for conserving energy that includes the percentage goal for reducing the agency's use of electricity, gasoline, and natural gas. Requires each state agency to file a quarterly report with the governor and LBB listing the goals identified in the agency's conservation plan and a description of the process made by the agency in meeting those goals. Requires that the report include ideas for additional energy savings developed by the agency. Requires each state agency to make the report available to the public by posting the report in a conspicuous place on the agency's Internet website.
Requires a state agency other than TxDOT to send the agency's travel logs to TxDOT on an annual basis. Provides that an agency is not required to file a travel log with TxDOT if the agency did not operate an aircraft during the period covered by the travel log.

Reenacts Section 2262.052(b), Government Code, as amended by Chapters 309 (H.B. 3042) and 785 (S.B. 19), Acts of the 78th Legislature, Regular Session, 2003, and makes no further changes.

Removes a requirement that the low-income housing plan include any other housing-related information that the state is required to include in the one-year action plan of the consolidated plan submitted annually to the United States Department of Housing and Urban Development.

Removes a requirement that the board of directors of the Texas State Affordable Housing Corporation (TSAHC) submit a report of TSAHC's financial activity to LBB.

Removes a requirement that TSAHC submit an audit report of TSAHC's books and accounts by an independent certified public accountant to LBB by a date certain.

Authorizes the report required under Section 103.013(f) (relating to submitting a report to the Texas Diabetes Council, LBB, and the governor's office of budget and planning as to what resources are required for implementation of the plan for diabetes treatment, education, and training and any deviations from the plan), Health and Safety Code, to be published electronically on a state agency's Internet website. Requires a state agency that electronically publishes this report to notify each agency entitled to receive a copy of the report that the report is available on the agency's Internet website on or before the date the report is due.

Authorizes the records of a medical committee of a university medical school or a health science center, including a joint committee, notwithstanding any other provision, to be disclosed to the extent required under federal law as a condition on the receipt of federal money.

Authorizes an institution of higher education that is required to develop a source reduction and waste minimization plan for more than one facility to develop and submit one plan that covers all of the facilities and submit one annual report and one executive summary that covers all of the facilities.

Authorizes the audit required under Section 534.068(a) (relating to providing an annual financial and compliance audit of a local mental health and mental retardation authority (authority)), Health and Safety Code, to be published electronically on an authority's Internet website. Requires an authority that electronically publishes an audit under this subsection to notify the Texas Department of Mental Health and Mental Retardation (TXMHMR) that the audit is available on the authority's Internet website on or before the date the audit is due.

Authorizes the report required under Section 534.068(f) (relating to summarizing the significant findings identified during TXMHMR's reviews of fiscal audit activities), Health and Safety Code, to be published electronically on TXMHMR's Internet website. Requires TXMHMR to notify each entity entitled to receive a copy of the report that the report is available on TXMHMR's Internet website on or before the date the report is due.
Removes a requirement of the Texas Department of Human Services (TDHS) to submit to HHSC an annual report detailing TDHS's progress in reaching its goals.

Requires TDHS to submit to the governor and LBB an annual report on the operation and success of the telephone collection program.

Require TDHS to submit to the governor and LBB an annual report on the operation and success of the information matching system required by this section.

Authorizes the report required under Section 51.006(a) (relating to family violence centers), Human Resources Code, to be published electronically on the Department of Family and Protective Services's (DFPS) Internet website. Requires DFPS to notify each agency entitled to receive a copy of the report that the report is available on DFPS's Internet website on or before the date the report is due.

Require the agencies represented on the Texas Council on Autism and Pervasive Developmental Disorders (council) and the public members to report to the council any requirements identified by the agency or person to provide additional or improved services to persons with autism or other pervasive developmental disorders not later than November 1 of each even-numbered year.

Requires the Texas Council on Purchasing From People With Disabilities (purchasing council), on or before November 1 of each year, to file with the governor and the presiding officer of each house of the legislature a copy of the annual report prepared by the purchasing council under Section 2101.011 (Financial Information Required of State Agencies), Government Code. Removes a requirement that the annual report meet the reporting requirements applicable to financial reporting provided in the General Appropriations Act. Requires that the purchasing council, as part of the report, provide certain information.

Removes a requirement that a state agency or medical school that disagrees with the resource allocation plan recommending how funds for genetic services should be spent during the next fiscal biennium to submit to LBB a written explanation of each disagreement or deviation and the reason for disagreement or deviation.

Removes a requirement of the Texas Department of Insurance (TDI) to file an accounting of all funds received and disbursed by TDI during the preceding fiscal year with the governor and the presiding officer of each house of the legislature.

Requires the Texas Workforce Commission civil rights division (TWC) to at least annually make a comprehensive written report on the commission's activities to the governor and the legislature.

Requires TWC to compile equal employment opportunity information reported to the commission by a state agency each year. Requires that the information include the total number of employees of the agency listed by job classification and the total number of employees for each sex and racial and ethnic group listed by job classification, including a distinction for those categories between the total number of employees and the total number of employees hired since the date of the last report made by the agency. Removes a requirement that the information include the total number of disabled employees of the agency, including a distinction for that category between the total number of employees and the total number of employees hired since the date of the last report made by the agency and the total number of employees of the agency for each disability listed by job classification.
Requires the commission to report the results of an analysis of certain information reported to the commission to LBB and the governor in addition to the legislature not later than January 1 of each odd-numbered year.

Requires each state agency that intends to purchase property, casualty, or liability insurance coverage in a manner other than through the services provided by the State Office of Risk Management (SORM) to notify SORM of the intended purchase in the manner prescribed by SORM. Requires the state agency to notify SORM of the intended purchase not later than the 30th day before the date on which the purchase of the coverage is scheduled to occur.

Removes a requirement of the workers’ compensation division of the Office of the Attorney General to send to the state auditor a copy of each statement of amounts due from an agency or other instrumentality of state government that, with funds that are held outside the state treasury, reimburses the general revenue fund for workers’ compensation payments made out of the general revenue fund.

Redefines “committee” for the purpose of Section 91.1135 (Oil-field Cleanup Fund Advisory Committee), Natural Resources Code. Requires the Oil and Gas Regulation and Cleanup Fund Advisory Committee to receive information about rules proposed by the Railroad Commission of Texas relating to the oil and gas regulation and cleanup fund, rather than the oil-field cleanup fund, in addition to certain other requirements.

Requires the commissioner of the General Land Office to report to the legislature, not later than January 1 of each odd-numbered year, on the status of exploration, development, and production of geothermal energy and associated resources under the land governed by this Chapter 141 (Geothermal Resources), Natural Resources.

Require the Veterans’ Land Board (VLB) to file annually with the bond review board a report on the performance of loans made by VLB in connection with the purchases. Requires VLB to file annually with the bond review board a report on the performance of the loans.

Requires the Texas Funeral Service Commission (TFSC) to file biennially with the governor a written description of the activities of TFSC during the two preceding fiscal years.

Removes a requirement of TxDOT to submit the biennially-updated short-range and long-range plans to increase bilateral relations with Mexico and expedite trade by mitigating delays in border crossing inspections for northbound truck traffic to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature on or before December 1 of each even-numbered year.

Removes a requirement of TxDOT, not later than December 15 of each even-numbered year, to provide to the governor and the legislature an abstract of the statistical information for the biennium ending on the preceding August 31, and a report with TxDOT’s conclusions, findings, and recommendations for decreasing highway accidents and increasing highway and bridge safety.

Require TxDOT, not later than January 1 of each odd-numbered year, to submit to LBB and the Governor's Office of Budget, Planning, and Policy, a report on cash balances in certain subaccounts and expenditures made with money in those subaccounts. Requires that the report be in the form prescribed by LBB.
Requires the Texas Transportation Commission (TTC) by rule to prepare and issue to the legislature a report on public transportation providers in this state that received state or federal funding during the previous 12-month period. Requires that a report under this section detail the performance of the transportation providers during the preceding state fiscal year and include monthly data for each transportation provider on industry utilized standards that best reflect ridership, mileage, revenue by source, and service effectiveness. Removes a requirement of TTC to issue the report at least once each state fiscal year.

Requires the Public Utility Commission of Texas (PUC) to, not later than January 15 of each odd-numbered year, prepare a written report that includes suggestions regarding modification and improvement of PUC's statutory authority and for the improvement of utility regulation in general that PUC considers appropriate for protecting and furthering the interest of the public. Removes a requirement of PUC to prepare annually a complete and detailed written report accounting for all funds received and disbursed by PUC during the preceding fiscal year. Removes a requirement that the report meet the reporting requirements applicable to financial reporting in the General Appropriations Act. Removes a requirement that PUC, in the annual report issued in the year preceding the convening of each regular session of the legislature, make suggestions regarding modification and improvement of PUC's statutory authority and for the improvement of utility regulation in general that PUC considers appropriate for protecting and furthering the interest of the state.

Removes a requirement that the Department of Family and Protective Services's (DFPS), beginning September 1, 2007, at the end of the fiscal year, prepare a progress report that details DFPS's activities in implementing certain recommendations. Removes a requirement that the progress report include regional data regarding the number of children in state conservatorship who are placed in their home region separated into classifications based on levels of care. Removes a requirement that DFPS submit certain periodic progress reports to the governor, the lieutenant governor, the speaker of the house of representatives, the appropriate oversight committees of the legislature, LBB, and the state auditor.

Provides that after an agency or institution that receives money available under the American Recovery and Reinvestment Act has spent all the money received under that Act and completed all projects related to that Act, the agency or institution is no longer required to submit reports related to the agency's receipt of that money to LBB.

Requires DIR and the Information Technology Council for Higher Education to complete the review required under Section 2054.1211 (Reporting Requirements of Institutions of Higher Education), Government Code, as added by this Act, not later than March 1, 2014.

Repeals Section 22.004(e) (relating to a report submitted to the legislature by the executive director of TRS describing the status of each district's group health coverage program), Education Code; Sections 29.160(e) (relating to requiring the State Center for Early Childhood Development and any other entity that implements a certain demonstration project to provide a report containing certain information to the legislature and to the state agency or agencies with regulatory jurisdiction over the subject matter involved in the project) and (f) (relating to requiring that the report required by Subsection (e) be provided at the time specified jointly by the state agency or agencies with regulatory jurisdiction over the subject matter involved in the demonstration project), Education Code; Subchapter L (Conditional Gifts from Foreign Persons), Chapter 51 (Provisions Generally Applicable to Higher Education), Education Code; Sections 54.777(b) (relating to a certain report the Prepaid Higher Education Tuition Board is required to make available to
purchasers of prepaid tuition contracts) and (c) (relating to requiring the Prepaid Higher Education Tuition Board, not later than December 1 of each year, to provide to THECB complete prepaid tuition contract sales information, including projected enrollments of beneficiaries at general academic teaching institutions and two-year institutions of higher education), Education Code; Section 61.0761(d) (relating to a report describing progress in implementing the college readiness and success strategic action plan), Education Code; Section 74.004(d) (relating to requiring the medical branch of The University of Texas System to report gifts and benefits to LBB), Education Code; Section 152.005 (Progress Reports), Education Code; Section 152.006 (Merit Review), Education Code; Section 59.012 (Reports by Criminal Justice Policy Council), Family Code; Section 264.759 (Records of Placement That Fail for Financial Reasons), Family Code; Section 21.007(d) (relating to a report required to be filed by the Office of Court Administration (OCA) and the presiding judges with LBB at the end of each fiscal year showing disbursements from the account and the purpose for each disbursement), Government Code; Section 21.008(e) (relating to a report OCA is required to file with LBB at the end of each fiscal year showing disbursements from the account and the purpose for each disbursement), Government Code; Section 411.0097(c) (relating to requiring DPS to submit semiannually to the governor’s office and LBB a report that includes a written evaluation in matters related to each multicounty drug task force), Government Code, as added by Chapter 556 (H.B. 1239), Acts of the 79th Legislature, Regular Session, 2005; Section 499.028 (Facilities Expansion and Improvement Report), Government Code; Section 531.02415(e) (relating to requiring HHSC to provide a monthly statistical report to certain safety net provider collaborative organizations and to LBB on the number of applications processed, the timeliness of the application process, and the reasons for any delays and requiring HHSC to work with the safety net provider collaborative organizations to decrease delays in processing applications), Government Code; Section 531.042(d) (relating to requiring each health and human services agency annually and as provided by HHSC rule to report to the legislature the number of community-based service placements and residential-care placements the agency makes), Government Code; Section 531.073(i) (relating to requiring HHSC to study the costs and benefit of the prior authorization process and methods to improve efficiency), Government Code; Section 531.0731 (Study Regarding the Provision of Certain Medication to Children), Government Code; Section 825.510 (Budget and Investment Information), Government Code; Section 825.518 (Annual Report), Government Code; Section 2155.448(c) (relating to requiring a state agency to include certain information in a report required by Section 2101.0115 (Other Information Required of State Agencies) and in an annual report required by the comptroller at a date and in a manner and form prescribed by the comptroller), Government Code; Sections 2161.121(d) (relating to a report the comptroller is required to send on April 15 of each year on the previous six-month period to the joint committee charged with monitoring the implementation of the historically underutilized business goals) and (e) (relating to a report the comptroller is required to send on October 15 of each year on the preceding fiscal year to the presiding officer of each house of the legislature and the joint committee), Government Code; Section 2165.2035(e) (relating to a report that TFC, on or before December 1 of each even-numbered year, is required to submit to the legislature and LBB describing the effectiveness of the program under this section (Lease of Space in State-Owned Parking Lots and Garages; Private Commercial Use)), Government Code; Section 2306.560(d) (relating to transfers of funds, personnel, or in-kind contributions from TDHCA), Government Code; Section 101.0061(f) (relating to a written policy statement by the executive director of agining to assure implementation of a program of equal employment opportunity), Human Resources Code; Section 221.012(b) (relating to the annual filing of a complete and detailed written report accounting for all funds received and disbursed by the Texas Juvenile Justice Department during the preceding fiscal year), Human Resources Code; Section 1575.170(c) (relating to the submission to the comptroller and LBB of a report regarding cost savings by the board of trustees of TRS), Insurance Code; Section 205.019(b) (relating to sending a copy of statement of amounts due from a branch, department, or other instrumentality by the Texas Workforce Commission),
Labor Code; Section 201.103(c) (relating to requiring TTC to submit a report of its work to the governor and the legislature and that the report include recommendations of TTC and the executive director of TTC), Transportation Code; Section 201.608(c) (relating to requiring TxDOT, not later than February 1 of each odd-numbered year, to report to the legislature on the ability of the state highway system to allow for the projected volume of highway traffic resulting from international trade over the five-year period following the date of the report), Transportation Code; Section 222.103(e) (relating to requiring TxDOT, on the request of a member of the legislature, to notify each member of the legislature that represents any part of the area affected by the project of the status of the project and how any other project in any other district would be affected not later than the 90th day before the date a loan is granted or an expenditure is made by TxDOT for a project under this section), Transportation Code; Section 6.156(b) (relating to a detailed quarterly report by the Texas Water Development Board (TWDB) filed annually with the governor and presiding officer of each house accounting for all funds received and disbursed by TWDB), Water Code; Section 26.051 (Annual Report on Edwards Aquifer Program), Water Code; Section 26.561 (Water Quality Protection Area Reports), Water Code; Section 21A(g) (relating to a complete and detailed written report accounting for certain funds the fire fighters' pension commissioner is required to file annually with the governor and the presiding officer of each house of the legislature), Texas Local Fire Fighters Retirement Act (Article 6243e, V.T.C.S.); Section 1(d) (relating to a final report that HHSC, not later than December 1, 2010, is required to submit to the governor and LBB regarding the e-prescribing implementation plan under this section (Vendor Drug Program; E-prescribing)), Chapter 413 (H.B. 1966), Acts of the 81st Legislature, Regular Session, 2009; and Section 46, Chapter 1130 (H.B. 2086), Acts of the 81st Legislature, Regular Session, 2009 (relating to the preparation of an annual criminal justice policy statement by LBB).

Continuation of the Texas Board of Professional Engineers—S.B. 204
by Senator Nichols—House Sponsor: Representative Price

The purpose of this bill is to enact the recommendations of the Sunset Advisory Commission (Sunset) regarding the Texas Board of Professional Engineers (TBPE), which regulates professional engineers, engineers-in-training, and engineering firms. To fulfill its mission of protecting the public, TBPE licenses professional engineers and registers engineering firms, investigates complaints, and takes disciplinary actions against individuals who violate TBPE's statutes or rules.

TBPE is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. Sunset concluded that Texas has an ongoing need for the functions of TBPE, but that changes to TBPE's licensing and regulatory functions are needed to ensure effective regulation. This bill:

Provides that TBPE is subject to Chapter 325, Government Code (Texas Sunset Act).

Provides that, unless continued in existence as provided by that chapter, TBPE is abolished and this chapter expires September 1, 2025, rather than September 1, 2013.

Requires that the fee increase authorized under this chapter be collected at the time of the issuance or renewal of the license.

Requires TBPE to adopt policies and guidelines detailing the procedures for an examination process, including examination admission, examination administration, and national examination requirements and
post on TBPE's Internet website the policies that reference the examination procedures of TBPE or, if applicable, the national organization selected by TBPE to administer the examination.

Requires TBPE to consider as minimum evidence that an applicant is qualified for certification or enrollment as an engineer-in-training if the applicant complies with certain education and character requirements and has passed TBPE's examination in the fundamentals of engineering, rather than TBPE's eight-hour written examination.

Requires TBPE to require that an applicant for a license submit a complete and legible set of fingerprints, on a form prescribed by TBPE, to TBPE or to the Department of Public Safety of the State of Texas (DPS) for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation (FBI).

Prohibits TBPE from issuing a license to a person who does not comply with the requirement of the above-mentioned background check.

Requires TBPE to conduct a criminal history check of each applicant for a license using information provided by the individual and made available to TBPE by DPS, the FBI, and any other criminal justice agency.

Authorizes TBPE to enter into an agreement with DPS to administer a criminal history check required under this section and authorizes DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history check.

Requires an applicant renewing a license issued to submit a complete and legible set of fingerprints for purposes of performing a criminal history check of the applicant.

Prohibits TBPE from renewing the license of a person who does not comply with the requirement of a background check.

Provides that a license holder is not required to submit fingerprints for the renewal of the license if the license holder has previously submitted fingerprints for the initial issuance of the license or this section as part of a prior license renewal.

Requires TBPE or a three-member panel of TBPE members designated by TBPE to temporarily suspend the license, certificate, or registration of a person if TBPE or the panel determines from the evidence or information presented to it that continued practice by the person would constitute a continuing and imminent threat to the public welfare.

Authorizes a license, certificate, or registration to be suspended under this section without notice or hearing on the complaint if action is taken to initiate proceedings for a hearing before the State Office of Administrative Hearings (SOAH) simultaneously with the temporary suspension and a hearing is held as soon as practicable.

Requires SOAH to hold a preliminary hearing not later than the 14th day after the date of the temporary suspension to determine if there is probable cause to believe that a continuing and imminent threat to the public welfare still exists.
Requires that a final hearing on the matter be held not later than the 61st day after the date of the temporary suspension.

Prohibits the amount of an administrative penalty from exceeding $5,000 for each violation.

Authorizes TBPE, if it appears to TBPE that a person who is not licensed, certified, or registered under this chapter is violating this chapter, a rule adopted under this chapter, or another state statute or rule relating to the practice of engineering, after notice and opportunity for a hearing, to issue a cease and desist order prohibiting the person from engaging in the activity.

**Functions and Operation of the State Commission on Judicial Conduct—S.B. 209**

*by Senators Huffman and Nichols—House Sponsor: Representative Dutton*

The mission of the State Commission on Judicial Conduct (SCJC) is to protect the public from judicial misconduct; promote public confidence in the integrity, independence, competence, and impartiality of the judiciary; and encourage judges to maintain high standards of conduct. SCJC is governed by Chapter 33 of the Government Code and Article V, Section 1-a, of the Texas Constitution. SCJC is subject to review, but not abolishment, under the Texas Sunset Act, Chapter 325, Government Code. As a result of its review of SCJC, the Sunset Advisory Commission (sunset) recommended a number of statutory modifications. This bill:

Expands the definition of "formal proceedings" to include proceedings concerning the public sanction of a judge.

Clarifies that SCJC is an agency in the judicial branch of state government and does not have the power or authority of a court in this state.

Requires SCJC to be reviewed by sunset in 2019 and every 12th year thereafter.

Requires SCJC to submit its annual report to the legislature for the preceding fiscal year in an electronic format.

Requires SCJC in each even-numbered year to hold a public hearing to consider comment from the public regarding the SCJC's mission and operations. Requires that such comments be considered in a manner which does not compromise the confidentiality of matters considered by SCJC. Requires SCJC to provide notice of a public hearing to the secretary of state. Requires the secretary of state to post the notice on the Internet for at least seven days before the day of the hearing and provide members of the public access to view the notice in the manner specified for open meetings.

Requires SCJC to provide to sunset staff conducting a review access to SCJC's confidential documents, records, meetings, and proceedings which the staff determines is necessary for a review under Chapter 325.

Requires sunset staff to maintain the confidentiality SCJC must maintain under law for each document, record, meeting, or proceeding that the staff accesses or receives.
Provides that SCJC does not violate the attorney-client privilege or any other privilege or confidentiality requirement protected or required by law or rule by providing a confidential communication to sunset staff for purposes of a review under Chapter 325.

Requires sunset, upon dismissing a complaint, to include in its notification, in plain, easily understandable language, each reason the conduct alleged in the complaint did not constitute judicial misconduct.

Clarifies that a judge who receives any type of sanction from SCJC is entitled to a review of the decision.

Provides that the review by a court of a sanction issued in a formal proceeding is a review of the record of the proceedings that resulted in the sanction and is based on the law and facts that were presented in the proceedings and any additional evidence that the court in its discretion may permit; and an informal proceeding is by trial de novo.

Provides that generally the procedure for the review of a sanction issued in an informal proceeding is governed by the rules of law, evidence, and procedure that apply to civil actions.

Provides that a judge is not entitled to a trial by jury in a review of a sanction issued in an informal proceeding.

Requires SCJC to periodically assess its operations and implement any improvements needed to increase efficiency; and review its procedural rules adopted by the Supreme Court of Texas (supreme court) and report to the supreme court any suggested rule revisions.

Requires SCJC, not later than December 31, 2013, to conduct an initial assessment of its operations and procedural rules and report to the supreme court any needed rule revisions.

Functions and Duties of the Texas Ethics Commission—S.B. 219 [VETOED]
by Senator Huffman et al.—House Sponsor: Representative Dennis Bonnen et al.

The Texas Ethics Commission (TEC) administers and enforces the state's campaign finance and ethics laws governing the conduct of state officers and employees, candidates for and holders of state and local offices, political committees, political parties, and lobbyists. It is established by the Texas Constitution and is governed by Chapter 571 (Texas Ethics Commission), Government Code. TEC has jurisdiction to administer and enforce several laws, including Title 15 (Regulating Political Funds and Campaigns), Election Code, and Chapters 305 (Registration of Lobbyists) and 572 (Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest), Government Code.

Under the disclosure laws, even inadvertent errors may result in candidates or officeholders being portrayed as ethics violators. This creates the potential use of the disclosure laws for political opportunism. TEC enforcement procedures may also affect the role and effectiveness of TEC. TEC lacks an efficient and modern reporting system for filers and administers disclosure provisions under laws containing outdated, inefficient, or unclear requirements.
The Sunset Advisory Commission (SAC) has reviewed TEC pursuant to Chapter 325 (Texas Sunset Act), Government Code, and made a number of recommendations. SAC did not address continuation of TEC because it is not subject to abolishment. This bill:

Requires TEC to adopt rules prescribing how it will notify any person or provide any notice required by Chapter 571, Chapter 305, or Title 15.

Provides that electronic report data saved in a TEC temporary storage location for later retrieval and editing before the report is filed is confidential and may not be disclosed.

Provides that after such report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

Defines "complainant" to mean an individual who files an inquiry, rather than a sworn complaint, with TEC, and makes conforming changes.

Replaces references to "order" with "decision" and makes conforming changes.

Authorizes TEC to contract with persons to administer and carry out decisions adopted under Chapter 571, excluding any enforcement authority.

Strikes references to Category One and Category Two violations.

Requires TEC staff to categorize, in ascending order of seriousness, each violation of law alleged as:
- a technical, clerical, or de minimis violation;
- an administrative or filing violation; or
- a more serious violation.

Requires TEC to adopt rules defining what violations of law are included in each category of violation.

Requires TEC and TEC staff to resolve an inquiry or motion in the form corresponding to the most serious category of violation alleged in the inquiry or motion as follows:
- an inquiry or motion alleging a technical, clerical, or de minimis violation must be resolved in a letter of acknowledgment;
- an inquiry or motion alleging an administrative or filing violation must be resolved in a notice of administrative or filing error; and
- an inquiry or motion alleging a more serious violation must be resolved in a notice of violation.

Requires that if the TEC executive director determines that TEC has jurisdiction, the notification must include a statement regarding whether the inquiry will be processed as a technical, clerical, or de minimis violation, an administrative or filing violation, or a more serious violation.

Replaces provisions requiring TEC to send written notice with "notify" and makes conforming changes.
Revises provisions regarding the response by a respondent to replace references to Category One and Category Two violations with references to technical, clerical, or de minimis violation, an administrative or filing violation, or a more serious violation.

 Strikes a provision requiring TEC to set the matter for a preliminary review hearing to be held at the next commission meeting for which notice has not yet been posted.

 Replaces a reference to "an assurance of voluntary compliance" with "a letter of acknowledgment."

 Strikes references to a preliminary review hearing and requires TEC to adopt procedures by rule for the conduct of a preliminary review of an inquiry or motion that alleges:
  * a technical, clerical, or de minimis violation;
  * an administrative or filing violation; or
  * a more serious violation.

 Requires TEC staff, if an inquiry or motion alleges violations of different categories, to conduct a preliminary review according to the procedure for the most serious category of violation alleged.

 Requires TEC staff, if, in the course of conducting a preliminary review, the staff determines that the violation alleged was initially categorized incorrectly, to continue conducting the preliminary review according to the procedure for the correct category of violation.

 Authorizes TEC staff, if an inquiry or motion alleges more than one violation, to conduct a single preliminary review of the alleged violations or conduct a separate preliminary review for each violation.

 Requires TEC staff, after a preliminary review of an inquiry or motion, to propose a resolution to the respondent in the form corresponding to the category of violation alleged or, if the inquiry or motion alleges multiple violations, in the form corresponding to the most serious category of violation.

 Requires TEC staff, if the respondent accepts the resolution, to submit to TEC for approval the resolution proposed to the respondent, except as provided by other law or TEC rule.

 Requires TEC, if the respondent rejects the resolution, to set a preliminary review hearing.

 Requires TEC to adopt by rule procedures for the review of a letter of acknowledgment, a notice of administrative or filing error, or a notice of violation submitted to TEC; and disposition of an inquiry or motion if the respondent does not respond to a proposed resolution.

 Provides that a panel of two TEC members, rather than TEC, will conduct a preliminary review hearing, and makes conforming changes.

 Requires TEC to adopt rules for the selection of members to serve on such panels.

 Requires such rules to ensure that a panel is composed of two TEC members who are members of different political parties.
Provides that the panel must find that there is credible evidence to determine that a violation has occurred.

Requires the panel, if there is a tie vote, to order a formal hearing.

Requires TEC, not later than the fifth business day after the date of the vote, to notify the complainant and the respondent of the date, time, and place of the hearing.

Requires the panel, if the respondent accepts the resolution, to submit to TEC for approval the resolution proposed to the respondent, except as provided by other law or TEC rule.

Requires TEC, if an inquiry is finally resolved, to provide the complainant a copy of the decision stating the panel's determination and the resolution of the inquiry.

Authorizes TEC to conduct a formal hearing or to transfer the responsibility to the State Office of Administrative Hearings.

Provides that a notice of administrative or filing error or a notice of violation approved by TEC after the completion of a preliminary review or hearing is not confidential; and a letter of acknowledgment approved by TEC after the completion of a preliminary review or hearing is confidential.

Requires TEC, if at a preliminary review, preliminary review hearing, or formal hearing, TEC staff, a TEC panel, or TEC does not find that a person has committed a violation within TEC's jurisdiction or dismisses the inquiry or motion at issue, to, on the person's request and waiver of confidentiality, make available on the Internet a copy of the decision or notice of dismissal.

Expands the authority to impose a civil penalty for delay or violation to TEC staff.

Requires TEC to adopt guidelines for TEC and TEC staff to follow when imposing a civil penalty.

Requires these guidelines to direct TEC or TEC staff to consider certain factors.

Requires TEC or TEC staff to impose a civil penalty on a respondent who accepts or is issued a notice of administrative or filing error or a notice of violation.

Provides that TEC is not required to consider any penalties previously proposed to the respondent at an earlier stage of review when imposing a civil penalty.

Prohibits the imposition of a civil penalty on a respondent who accepts or is issued a letter of acknowledgment.

Requires TEC, not later than December 1, 2013, to adopt any rules necessary to implement these changes.

Requires a financial statement filed with TEC to be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by TEC or computer software that meets TEC specifications for a standard file format.
Requires TEC to design forms that may be used for filing a financial statement with an authority other than TEC.

Requires TEC to notify certain individuals required to file a financial statement of the manner in which the individuals may electronically file financial statements and access instructions for filing financial statements on the TEC's Internet website.

Strikes provisions requiring TEC to mail certain forms and instructions.

Expands the requirement that TEC remove the home address of certain persons from a financial statement to include a district attorney.

Requires TEC to remove the home address of certain individuals from a financial statement filed by the individual before permitting a member of the public to view the statement or providing a copy of the statement to a member of the public.

Authorizes certain financial statements under the Local Government Code to be filed by email.

Authorizes a municipal clerk or secretary, a county clerk, or authority with whom the report is filed to prescribe guidelines for filing by email.

Sets forth when a financial statement that is not filed by email is timely filed under the Local Government Code.

Requires TEC to develop or approve the computer software that a person may use to electronically file a financial statement, including determining whether the computer software includes features that allow TEC to easily and quickly redact certain information in the statement.

Expands the definition of "political advertising" to include certain communications transmitted by an automated dial announcing device.

Requires a candidate, an officeholder other than the secretary of state, and a political committee to pay an annual fee for each year in which the candidate, officeholder, or political committee files.

Exempts from this requirement:
  • a candidate, officeholder, or specific-purpose committee who files reports under this title with an authority other than TEC;
  • a candidate who filed a petition in lieu of the filing fee with the candidate's application for a place on the ballot; or
  • an officeholder who filed a petition in lieu of the filing fee with the application for a place on the ballot as a candidate for the office held by the officeholder.

Requires TEC by rule to determine the amount of the annual fee, in an amount not to exceed $100, that TEC determines is necessary for administration, and to adopt rules to implement these provisions.
Prohibits a political committee from including the name of any candidate that the committee supports if the candidate has not consented to and approved of the committee’s formation.

Provides that a violation of this provision is a deceptive trade practice.

Add Subchapter B (Legislative Caucus Chair) to Chapter 252, Election Code:
- Requires each legislative caucus to appoint a caucus chair (chair).
- Requires that such chair appointment be in writing and include certain specified information.
- Requires a legislative caucus:
  - to file its chair appointment with TEC; and
  - notify TEC in writing of any change in the caucus’s mailing address not later than the 10th day after the date on which the change occurs.

Add Subchapter C (Principal Political Committee) to Chapter 252, Election Code:
- Authorizes certain candidates and officeholders to designate a specific-purpose committee as the principal political committee (PPC) for the candidate or officeholder with the responsibility of reporting on behalf of the candidate or officeholder.
- Provides that a candidate who designates a PPC is not required to appoint a campaign treasurer.
- Requires the designation of a PPC to be in writing and filed with TEC.
- Provides that a candidate or officeholder may designate only one specific-purpose committee as a PPC.
- Provides that a specific-purpose committee may be designated as the PPC for only one candidate or officeholder.

Add Section 253.005 (Certain Contributions and Expenditures by Lobbyists Restricted) to the Election Code:
- Defines "administrative action," "communicates directly with," "legislation," "member of the executive branch," and "member of the legislative branch."
- Prohibits a person required to register under Chapter 305 (Registration of Lobbyists), Government Code, from, before the second anniversary of the date the last term for which the person was elected ends, knowingly making or authorizing a political contribution or political expenditure from political contributions accepted by the person as a candidate or officeholder.
- Exempts from this provision a person communicating directly with a member of the legislative or executive branch to influence legislation or administrative action on behalf of certain nonprofit organizations, low-income individuals, or individuals with disabilities, and who does not receive compensation other than reimbursement for actual expenses.
- Makes violation of this section a Class A misdemeanor.

Provides that if a member of the Railroad Commission of Texas announces the person’s candidacy, or in fact becomes a candidate, in any general, special, or primary election for any elective office other than the office of railroad commissioner, that announcement or candidacy constitutes an automatic resignation of the office of railroad commissioner.
Authorizes a legislative caucus to file reports that comply with Section 254.036 (Form of Report; Affidavit; Mailing of Forms), Election Code, if the caucus files with TEC an affidavit containing certain specified statements.

Provides that a candidate or officeholder is not required to file a report during any reporting period if the candidate designates a PPC and the PPC reports all of the activity that would otherwise be required to be included in the report.

Amends Section 254.157 (Monthly Reporting Schedule), Election Code, to:
- require a campaign treasurer of a general-purpose committee filing monthly reports to file a report not later than the 10th, rather than the fifth day, of the month following the period covered by the report;
- require a report covering the month preceding an election in which the committee is involved be received by TEC not later than the 10th day of the month following the period covered by the report; and
- provide that a monthly report covers the period beginning the first calendar day of each month and continuing through the last calendar day of that month.

Provides that if the campaign treasurer appointment of a general-purpose committee filing monthly reports is filed after January 1 of the year in which monthly reports are filed, the period covered by the first monthly report begins the day the appointment is filed and continues through the last calendar day of the month in which the appointment is filed unless the appointment is filed the last calendar day of the month, in which case, the period continues through the last calendar day of the month following the month in which the appointment is filed.

Provides that a person is not considered to be acting in concert with another person if the person:
- is a certain nonprofit membership association;
- is part of a multi-tiered local, state, and national nonprofit membership association structure; and
- communicates with any entity within the multi-tiered association structure to make a direct campaign expenditure in this state.

Provides that the privilege established under Subchapter C (Journalist's Qualified Testimonial Privilege in Civil Proceeding), Chapter 22, Civil Practice and Remedies Code, does not apply to certain persons, such as a person who controls a political committee or who makes certain political expenditures.

Requires certain political advertising, if:
- authorized by a candidate, to identify the candidate and state that the candidate has approved the communication; or
- not authorized by the candidate, to include the name of the person who paid for the advertising.

Requires an Internet website containing political advertising to contain such disclosure on each page of the website containing the political advertising.

Sets forth the requirements for such advertising or disclosure.
Requires that for political advertising to appear on a social media website, the required disclosure must appear on the appropriate social media profile page.

Provides that if the political advertising on an Internet site is too small to include the requisite disclosure, a disclosure linking to an Internet website page displaying the full disclosure and that is operational and freely accessible during the time the advertisement is visible satisfies the requirements of these provisions.

Sets forth when Internet advertising is too small to include a disclosure.

Provides that these provisions to not apply to political advertising distributed by sending a text message using a mobile communications service.

Exempts certain political party county executive committees from filing a report regarding contributions and expenditures.

Requires each legislative caucus in existence on September 1, 2013, not later than September 15, 2013, to appoint a chair and file the appointment with TEC.

Defines "communicates directly with a member of the legislative or executive branch to influence legislation or administrative action" or any variation of the phrase to include establishing goodwill with the member for the purpose of later communicating with the member to influence legislation or administrative action.

Provides that for purposes of Section 36.02 (Bribery) or 36.10 (Nonapplicable), Penal Code, a person who is not a registrant is not considered to have made an expenditure.

Provides that a person is not required to register as a lobbyist if the person spends not more than 26 hours, or another amount of time determined by TEC, for which the person is compensated or reimbursed during the calendar quarter engaging in activity.

Provides that if a person spends more than eight hours in a single day engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action, the person is considered to have engaged in the activity for only eight hours during that day.

Requires the reporting of expenditures for events to which a legislative committee and the staff of the legislative committee are invited, all state senators and the staff of state senators are invited, all state representatives and the staff of state representatives are invited, or all legislative staff are invited.

Bars TEC rules from permitting a registrant to file a paper registration or report if the registrant has ever used the electronic filing system.

Provides that "legislative advertising" does not include material that is printed or published by a member of the legislative branch and that is only disseminated by a member of the legislature on the floor of either house of the legislature.

Requires TEC, in consultation with the Supreme Court of Texas and the Texas Court of Criminal Appeals, to conduct a study to determine whether the law enforcement functions of the Public Integrity Unit of the district attorney for the 53rd Judicial District should be transferred to a law enforcement entity or agency to
States maintain separation of powers between the judicial and executive branches, prevent conflicts of interest, and ensure the administration of justice.

Requires TEC and the courts to identify in the study any other organizations in this state having both prosecutorial and law enforcement functions.

Authorizes TEC to submit additional recommendations as TEC, in consultation with the courts, considers appropriate.

Requires TEC, not later than September 1, 2014, to report the results of the study and any additional recommendations to the lieutenant governor, the speaker of the House of Representatives, and the presiding officers of the standing committees of the Senate and House with jurisdiction over attorneys and the judiciary.

Provides that these provisions expire December 31, 2014.

Repeals Section 571.032 (Mailing of Notices, Decisions, and Reports), Government Code, regarding the mailing of notices, decisions, and reports by TEC, and Section 571.1212 (Categorization of Violations), Government Code.

**Composition and Employees of the Texas Funeral Service Commission—S.B. 221**

*by Senator Zaffirini—House Sponsor: Representative Cortez*

Members of the Texas Funeral Service Commission are currently limited to a single term unless they are completing an unexpired term, in which case they can complete the term and serve another full term. Few other Texas commissions have term limits. This bill:

Removes language limiting the number of terms a member of the Texas Funeral Service Commission (commission) may serve. Repeals Section 651.060(b) (prohibiting the commission from employing legal counsel except where provided), Occupations Code.

**Number of Members of the Texas Historical Commission—S.B. 283**

*by Senator Estes—House Sponsor: Representative Phil King*

Currently, there are 17 members of the Texas Historical Commission and it can be difficult to gather a consensus among the commissioners. This bill:

Decreases from 17 to nine the number of members of the Texas Historical Commission and provides for the phased reduction in the number of members as designated by the governor.
Entrepreneurs-in-residence at State Agencies—S.B. 328
by Senator Carona—House Sponsor: Representative Larry Gonzales

There is a need to enable and encourage the transfer of state-of-the-art knowledge from the private sector to the public sector and to provide an accessible private sector perspective for the leaders of state agencies. Currently, private businesses engage in very successful entrepreneur-in-residence programs that accomplish this task. This bill:

Authorizes a state agency to hire from available funds an entrepreneur-in-residence or to contract with an individual, chamber of commerce, or nonprofit entity to improve outreach by state government to the private sector, including historically underutilized businesses; strengthen coordination and interaction between state government and the private sector; facilitate the understanding and use of technological advances to make state government more transparent and interactive; and implement the best private sector practices to make state government programs simpler, easier to access, more efficient, and more responsive to users. Requires such an individual hired or contracted for those purposes to be successful in the individual's field.

Relating to the Powers and Duties of the State's Title IV-D Agency—S.B. 355
by Senator West—House Sponsor: Representative Lewis

There is a need to clarify and update current law relating to the powers and duties of the state's Title IV-D agency (agency), which is the child support division (division) of the Office of the Attorney General, related to marriage licenses, child support, protective orders, and administrative fines. This bill:

Requires a clerk to inform applicants for marriage licenses that the premarital education handbook is available on the division's Internet website or how the applicant may obtain a paper copy.

Removes language requiring the distribution of such handbooks.

Requires that an application for a marriage license state whether the applicant is receiving services from the agency in connection with a child support case.

Requires the clerk of a court issuing an original or modified protective order to send a copy of the order to the agency, if the application for the protective order indicates that the applicant is receiving services from the agency.

Permits a court or administrative order for child support in a Title IV-D case that does not provide medical support of the child to be modified at any time, without a showing of material and substantial change in the circumstances of the child or a person affected by the order, in order to provide for medical support.

Expands the parties to whom the agency must make certain forms to include clerks of the court.

Authorizes the agency to prescribe additional forms for the efficient collection of child support from earnings.
Requires that such forms be used for an order or judicial writ of income withholding and requires that the forms request voluntary withholding.

Authorizes the state disbursement unit (SDU) to impose on certain employers a payment processing surcharge in an amount of not more than $25 for each remittance made on behalf of an employee that is not made by electronic funds transfer or electronic data exchange.

Bars such surcharge from being charged against the employee or taken from amounts withheld from the employee's wages.

Requires SDU to notify an employer who fails to remit withheld income by electronic funds transfer or electronic data exchange that the employer is subject to such surcharge and to inform the employer of the amount of the surcharge and how the surcharge is to be paid.

Clarifies that if a county has entered into a contract with the agency, enforcement services may be directly provided in cases identified under the contract by county personnel.

Provides that in the enforcement or modification of a child support order, the agency is not subject to a mediation or arbitration clause or requirement in the order to which the agency was not a party; or liable for any costs associated with mediation or arbitration arising from provisions in the order or another agreement of the parties.

Exempts the agency or a private attorney or political subdivision that has entered into a contract to provide Title IV-D services from the a statewide electronic filing system fund fee.

Authorizes the agency, in determining the appropriate amount of child support, to consider evidence of the factors a court is required to consider under state law.

Requires the agency, if it deviates from the guidelines in determining the amount of monthly child support, to include the findings required to be made by a court under state law in the child support review order.

Makes it permissive, rather than mandatory, for the agency to file an appropriate child support review order if it has been three years since a child support order was rendered or modified and the amount of the child support meets certain criteria.

Provides that if a party timely files a motion for a new trial for reconsideration of an agreed review order and the court grants the motion, the agreed review order filed with the clerk constitutes a sufficient pleading by the agency for relief on any issue addressed in the order.

Clarifies various provisions regarding nonagreed orders, including that if a court finds that the nonagreed order should be confirmed, the court must immediately sign the nonagreed order and enter the order as a final order of the court.

Updates provisions regarding the establishment of the state disbursement unit and authorizes the agency to issue a notice that payment may not be remitted to a local registry, the obligee, or any other person or agency.
Requires the agency, if withheld support has been paid to a local registry, to notify the registry to redirect any payments to the state disbursement unit.

Defines a "newly hired employee."

**Deceptive Use of Name or Symbols of TDI's Division of Workers' Compensation—S.B. 381**

*by Senator Van de Putte—House Sponsor: Representative Oliveira*

Section 419.002 (Misuse of Division’s Name or Symbols Prohibited), Labor Code, bars the misuse of the name and logo of the Texas Department of Insurance's division of workers’ compensation (division) by any person performing or offering workers' compensation services in Texas. This includes any combination of the words "Texas" and "workers' compensation." Section 419.002 has been challenged in federal court as violating the right of free expression under the First Amendment to the United States Constitution. This bill:

Defines when a person acts in a "deceptive manner."

Prohibits a person, in connection with products or services made or offered by the person regarding workers' compensation coverage or benefits, to knowingly use or cause to be used in a deceptive manner the name and logo of the division.

**Maternal Mortality and Morbidity Task Force—S.B. 495**

*by Senators Huffman and West—House Sponsor: Representative Walle et al.*

Interested parties note that a number of states have maternal mortality review boards, committees, and task forces which they use as a mechanism for reducing preventable maternal deaths and complications by reviewing the circumstances surrounding maternal mortality or morbidity, identifying gaps in health services and systems, and identifying ways to improve quality of care. Such parties also contend that improved surveillance efforts can improve maternal mortality estimates and inform the development of strategies to address the needs of maternal and child health populations. This bill:


Defines "maternal morbidity" to mean as a pregnancy-related health condition occurring during pregnancy, labor, or delivery or within one year of delivery or end of pregnancy, and defines "patient" to mean the woman who while pregnant or within one year of delivery or end of pregnancy suffers death or severe maternal morbidity.

Creates the Maternal Mortality and Morbidity Task Force (task force), which is administered by the Department of State Health Services (DSHS) and is a multidisciplinary advisory committee within DSHS.
Sets forth provisions regarding the composition of the task force, certain considerations in appointing members, member terms, meetings, and other aspects concerning the task force.

Requires the task force to study and review cases of pregnancy-related deaths and trends in severe maternal morbidity; determine the feasibility of the task force studying cases of severe maternal morbidity; and make recommendations to help reduce the incidence of pregnancy-related deaths and severe maternal morbidity.

Sets forth provisions regarding consultations and agreements with outside parties, confidentiality, privilege, non-disclosure, obtaining de-identified information for review, transmission of health information law and rules, subpoena and discovery, immunity, and funding.

Requires DSHS to determine a statistically significant number of cases of pregnancy-related deaths for review and to randomly select cases for the task force to review to reflect a cross-section of pregnancy-related deaths in this state.

Requires DSHS to analyze aggregate data of severe maternal morbidity in this state to identify any trends and authorizes DSHS to, if feasible, select cases of severe maternal morbidity for review, and, in selecting such cases, requires DSHS to randomly select cases for the task force to review to reflect identified trends.

Authorizes the task force to publish statistical studies and research reports based on information that is confidential, provided that the information meets certain conditions.

Requires DSHS to adopt and implement practices and procedures to ensure that information that is confidential is not disclosed in violation of the relevant section.

Authorizes DSHS to establish and maintain an electronic database to track cases of pregnancy-related deaths and severe maternal morbidity to assist DSHS and the task force in performing their functions and prohibits the information in the database from including identifying information.

Provides that the database may be accessed only by DSHS and the task force for the described purposes.

Provides that Chapter 34, Health and Safety Code, does not apply to disclosure of records pertaining to voluntary or therapeutic termination of pregnancy, and those records may not be collected, maintained, or disclosed under this chapter.

Requires the task force and DSHS, not later than September 1 of each even-numbered year, to submit a joint report on the findings and recommendations of the task force to the appropriate entities; requires DSHS to disseminate the report to certain state professional associations and organizations and make the report publicly available in paper or electronic form; and provides that DSHS and the task force are not required to submit the first such report before September 1, 2016.

Authorizes the executive commissioner of the Health and Human Services Commission to adopt rules to implement the bill's provisions.
Authorizes DSHS, notwithstanding any other law, to have access to certain information that may include the identity of a patient to fulfill its duties under the related chapter and prohibits DSHS from disclosing that information to the task force or any other person.

Provides that the task force is subject to the Texas Sunset Act and, unless continued in existence as provided by that chapter, the task force is abolished and Chapter 34, Health and Safety Code, expires September 1, 2019.

Requires DSHS, not later than September 1, 2014, to submit a report to certain entities outlining DSHS's progress in establishing the task force and any recommendations for legislation to assist DSHS in studying pregnancy-related deaths and severe maternal morbidity.

Requires the commissioner of DSHS, not later than December 1, 2013, to appoint the members of the task force and sets forth provisions regarding term expiration dates.

**Membership of the Texas State Board of Pharmacy—S.B. 500**

*by Senator Van de Putte—House Sponsor: Representative J.D. Sheffield*

The Texas State Board of Pharmacy (TSBP) is responsible for the regulation of pharmacy technicians and pharmacists who practice in Texas. TSBP currently consists of six pharmacists and three public members. Interested parties note that there is no provision requiring or authorizing the appointment of a pharmacy technician to TSBP. This bill:

Increases TSBP from nine appointed members to 11 appointed members by increasing from six to seven the number of members who are pharmacists and adding one member who is a pharmacy technician.

Requires a pharmacy technician board member, at the time of appointment, to meet certain criteria.

Provides that members of TSBP are appointed for staggered six-year terms, with either three or four members' terms, as applicable, rather than the terms of three members, expiring every other year at midnight on the last day of the state fiscal year in the last year of the member's term.

Removes the requirement that TSBP meet at least twice each year for the examination of applicants.

Requires the governor, as soon as practicable after the effective date of this Act, to appoint to TSBP the required pharmacy technician to a term expiring August 31, 2019, and the required pharmacist to a term expiring August 31, 2017.

**Contracting Authority of the Texas Historical Commission—S.B. 615**

*by Senator Estes—House Sponsor: Representative Phil King*

Currently, the Texas Historical Commission (THC) cannot contract with for-profit corporations to help fund the renovation and maintenance of historic sites. This bill:

Authorizes THC to enter into contracts with for-profit corporations for various purposes relating to its mission. Prohibits a contract with a for-profit corporation under this chapter from permitting any property
preserved, maintained, or administered by THC to display any corporate name, logo, or product other than a discreet plaque or similar acknowledgment that does not detract from the property's historic purpose.

**Commission on Law Enforcement Officer Standards and Education—S.B. 686**

*by Senators Huffman and Hegar—House Sponsor: Representative Villalba*

In the 47 years since it was created, the role of the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) has evolved, through legislative direction, from a training and education role to a regulatory role. As a regulatory agency, its mission is to "establish and enforce standards to ensure that the people of Texas are served by highly trained and ethical law enforcement, corrections, and telecommunications personnel." TCLEOSE is responsible for the licensing and certifications of Texas peace officers, county jailers, and telecommunicators, but also investigates both administrative and criminal violations of law related to the agency's mission. This bill:

Changes the name of TCLEOSE to the Texas Commission on Law Enforcement throughout statutes.

**Energy and Water Management Planning and Reporting—S.B. 700**

*by Senator Hegar—House Sponsor: Representatives Kacal and Raney*

Currently, state entities prepare reports related to utility conservation and management, including a resource efficiency plan that is updated biennially. In addition, entities are required by an executive order to submit reports as part of the state agency energy savings program. However, there are inconsistencies in the reports. This bill:

Requires the State Energy Conservation Office to prepare guidelines for preparation of comprehensive energy and water management plans and develop a template for state agencies and institutions of higher education to use in creating the plans. Requires each state agency and institution of higher education to set percentage goals for reducing the agency's or institution's use of water, electricity, gasoline, and natural gas and include those goals in the agency's or institution's comprehensive energy and water management plan. Requires an agency or institution to update its plan annually.

Requires the State Energy Conservation Office to submit a report to the governor and the Legislative Budget Board on the status and effectiveness of the utility management and conservation efforts of state agencies and institutions of higher education, not later than December 1 of each even-numbered year. Requires that the report include information submitted to the office from each state agency and institution of higher education. Requires the state energy conservation office to post the report on the office's Internet website.

**Certified and Insured Prescribed Burn Managers—S.B. 702**

*by: Senator Hegar—House Sponsor: Representative Lozano*

Currently, there are inconsistencies in the Natural Resources Code regarding minimum insurance requirements for the persons who are members of the Prescribed Burning Board (board). This bill:
Requires the board to apply certain duties, including to establish insurance requirements, rather than minimum insurance requirements, for certified and insured prescribed burn managers in amounts not less than those required by Section 153.082 (Insurance), Natural Resources Code.

Amends the heading to Section 153.048, Natural Resources Code, to read Certified and Insured Prescribed Burn Managers, rather than Certification of Prescribed Burn Managers.

Requires that minimum standards established by the board for certification as a certified and insured prescribed burn manager require the completion of the approved training curriculum to be developed and promulgated by the board and taught by an approved instructor.

Requires the board to certify a person as a certified and insured prescribed burn manager if the person takes certain steps, including meeting the insurance requirements established by the board under Section 153.046 (Duties), Natural Resources Code.

Provides that Section 352.081 (Regulation of Outdoor Burning), Local Government Code, does not apply to outdoor burning activities related to public health and safety that are authorized by the Texas Commission on Environmental Quality, rather than the Texas Natural Resource Conservation Commission, for firefighter training, public utility, natural gas pipeline, or mining operations, or planting or harvesting of agriculture crops or that are conducted by a certified and insured prescribed burn manager certified under Section 153.048, Natural Resources Code, and meets the standards of Section 153.047 (Prescribed Burning Standards), Natural Resources Code.

Requires the board, not later than November 1, 2013, to establish insurance requirements under Section 153.046, Natural Resources Code, as amended by this Act.

Terms of Public Members of the Texas Holocaust and Genocide Commission—S.B. 777

by Senator Ellis—House Sponsor: Representative Naishtat

The Texas Holocaust and Genocide Commission (THGC) was created to provide resources for programs prompting the study and awareness of the Holocaust and genocides. Currently, the public members of THGC serve four-year terms, which all expire at the same time. This bill:

Provides that public members of THGC serve staggered four-year terms with the terms of seven or eight members expiring February 1 of each odd-numbered year.

Provides that when appointing public members to THSC to serve terms that begin February 1, 2015:

- the governor must appoint two members to terms expiring February 1, 2017, and three members to terms expiring February 1, 2019;
- the lieutenant governor must appoint three members to terms expiring February 1, 2017, and two members to terms expiring February 1, 2019; and
- the speaker of the House of representatives must appoint two members to terms expiring February 1, 2017, and three members to terms expiring February 1, 2019.
Email and Website Technology by Texas Department of Licensing and Regulation—S.B. 845
by Senator Carona—House Sponsor: Representative Darby et al.

Under the authority of Chapter 51 (Texas Department of Licensing and Regulation), Occupations Code, the Texas Department of Licensing and Regulation (TDLR) oversees over 150 individual license types and 650,000 licensees, including barbers, cosmetologists, electricians, air conditioning and refrigeration contractors, and elevator inspectors.

Section 51.207 (Use of Technology), Occupations Code, instructs TDLR to develop technological policy solutions "to improve the department's ability to perform its functions," which include providing information to the public and its licensees. Such solutions must be cost-effective to promote responsible governance.

In keeping with the objectives of Section 51.207, Occupations Code, TDLR needs the ability to deliver better service by providing relevant information to the public and to licensees through its Internet website and by using email communications in a greater capacity. This bill:

Requires TDLR to provide on its Internet website a link to an Internet website that allows the public to track legislation affecting the programs administered by TDLR, which is authorized to be a website that provides legislative information administered by the Texas Legislature.

Authorizes TDLR to satisfy any requirement under this chapter or another law governing a program subject to regulation by TDLR to provide notice by delivering the notice by email to the recipient's last known email address if the recipient has previously authorized TDLR to deliver the notice by email.

Provides that an email address used under this subsection is confidential and is not subject to disclosure under Chapter 552 (Public Information), Government Code.

Teleconference Meetings of Certain Bioenergy Entities—S.B. 916
by Senator Estes—House Sponsor: Representative Kleinschmidt

In 2009, the 81st Legislature established the Texas Bioenergy Policy Council (policy council) and the Texas Bioenergy Research Committee (research committee) for the purpose of developing a successful bioenergy industry in Texas. The council is composed of 18 members from across the state and the committee is composed of 16 members from across the state. Both the research committee and the policy council are required to meet regularly at the call of the Texas Commissioner of Agriculture, but cannot always easily meet in one place because of their geographic differences. This bill:

Provides that subject to Section 50D.017 (Meeting by Teleconference), Agriculture Code, the policy council is subject to Chapters 551 (Open Meetings) and 2001 (Administrative Procedure), Government Code.

Provides that a quorum of the policy council consists of not less than one-half of the members of the policy council. Authorizes a member who participates in a meeting by telephone conference call, videoconference, or other similar telecommunications method to be counted to establish a quorum.

Authorizes the policy council, notwithstanding Chapter 551, Government Code, or any other law, to hold an open or closed meeting by telephone conference call, videoconference, or other similar telecommunication
method if notice is given for the meeting as for other meetings, the notice specifies a location for the
meeting at which the public may attend, each part of the meeting that is required to be open to the public is
audible to the public at the location specified in the notice of the meeting, and the meeting is recorded by
electronic or other means and the recording of each portion of the meeting that is required to be open to the
public is made available to the public.

Authorizes a member of the policy council to participate by telephone conference call, videoconference, or
other similar telecommunication method in a policy council meeting at which other members are physically
present and authorizes that member to vote.

Provides that Subject to Section 50D.026 (Meeting by Teleconference), Agriculture Code, the research
committee is subject to Chapters 551 and 2001, Government Code.

Provides that a quorum of the research committee consists of not less than one-half of the members of the
research committee. Authorizes a member who participates in a meeting by telephone conference call,
videoconference, or other similar telecommunications method to be counted to establish a quorum.

Authorizes the research committee, notwithstanding Chapter 551, Government Code, or any other law, to
hold an open or closed meeting by telephone conference call, videoconference, or other similar
telecommunication method if notice is given for the meeting as for other meetings, the notice specifies a
location for the meeting at which the public may attend, each part of the meeting that is required to be open
to the public is audible to the public at the location specified in the notice of the meeting, and the meeting is
recorded by electronic or other means and the recording of each portion of the meeting that is required to
be open to the public is made available to the public.

Authorizes a member of the research committee to participate by telephone conference call,
videoconference, or other similar telecommunication method in a research committee meeting at which
other members are physically present and authorizes that member to vote.

Creating the Judicial Branch Certification Commission—S.B. 966
by Senator West—House Sponsor: Representative Perry

The Office of Court Administration of the Texas Judicial System (OCA) operates under the direction and
supervision of the Supreme Court of Texas (supreme court) and currently oversees the Court Reporters
Certification Board, the Guardianship Certification Board, and the Process Server Review Board. The
Licensed Court Reporter Interpretation Advisory Board is currently within the Texas Department of
Licensing and Regulation (TDLR). These boards all function to assist with the certification of judicial agents
or those individuals who assist the courts. This bill:

Adds Subtitle K (Court Professions Regulations) to Title 2, Government Code.

Defines certain terms.

Establishes the Judicial Branch Certification Commission (JBCC).
Provides that JBCC is subject to Chapter 325 (Texas Sunset Act), Government Code, but is not abolished under that chapter.

Provides that JBCC oversees the regulatory programs assigned to it by state law or by the supreme court.

Sets forth the composition and appointment of the nine JBCC members.

Sets forth conflict of interest and training provisions governing JBCC members.

Provides that members serve for staggered six-year terms.

Provides that a member is not entitled to compensation for service, but may be reimbursed for certain expenses.

Requires JBCC to meet at least once in each quarter of the fiscal year.

Requires JBCC to implement policies providing the public with a reasonable opportunity to appear and to speak on any issue under JBCC's jurisdiction.

Authorizes the supreme court to adopt rules regarding JBCC and to authorize JBCC to adopt rules.

Bars the supreme court from adopting rules restricting advertising or competitive bidding by a holder of a certification, registration, or license, except to prohibit false, misleading, or deceptive practices.

Provides that JBCC is administratively attached to OCA and requires OCA to provide certain administrative assistance, services, and materials to JBCC.

Requires the OCA director to perform duties assigned by JBCC and administer and enforce the JBCC's programs.

Requires JBCC to implement policies separating its policy-making responsibilities and the management responsibilities of the OCA director and staff.

Requires JBCC to implement a policy requiring the use of appropriate technological solutions to improve its ability to perform its functions.

Requires OCA to provide to JBCC members and office employees information regarding the requirements for service or employment under this subtitle.

Requires JBCC to make public information describing its functions.

Requires JBCC to establish methods by which consumers are given contact information for directing complaints about persons regulated under this subtitle to JBCC.

Requires JBCC to maintain files for all written complaints filed with JBCC, including certain specified information.
Requires JBCC to provide all parties to the complaint a copy of JBCC's policies and procedures relating to complaint investigation and resolution.

Requires JBCC to periodically notify the parties regarding the status of the investigation, unless the notice would jeopardize an ongoing investigation.

Authorizes JBCC to adopt a policy allowing office employees to dismiss complaints that clearly do not allege misconduct or are not within JBCC's jurisdiction.

Authorizes a person whose complaint is dismissed to request that JBCC reconsider the complaint.

Requires JBCC to implement a policy to encourage the use of appropriate alternative dispute resolution procedures.

Sets forth the general powers and duties of JBCC, including:

- recommending rules and a code of ethics for each profession regulated under this subtitle to the supreme court;
- setting fees as reasonable and necessary to cover the costs of administering the programs or activities administered by JBCC;
- establishing qualifications for certification, registration, and licensing under this subtitle; and
- requiring applicants for certification, registration, or licensing to pass an examination.

Authorizes JBCC to establish advisory boards to advise it on policy and persons regulated under this subtitle.

Provides that advisory board members serve without compensation, but are entitled to reimbursement for certain expenses.

Sets forth when JBCC must notify a person regarding the results of an examination.
Requires JBCC, if requested in writing by a person who fails an examination, to furnish the person with an analysis of the person's performance on the examination.

Authorizes JBCC to waive any prerequisite to obtaining a certification, registration, or license for an applicant after determining that the applicant holds a certification, registration, or license issued by another jurisdiction that has certification, registration, or licensing requirements substantially equivalent to those of this state; or for an applicant who holds a certification, registration, or license issued by another jurisdiction with which this state has a reciprocity agreement.

Authorizes JBCC, subject to the approval of the supreme court, to enter into such reciprocity agreements.

Requires the supreme court to adopt rules regarding applicants' ineligibility for certification, registration, or licensing based on the person's criminal history or other information.

Authorizes the supreme court to authorize, and JBCC by rule to require, continuing professional education for persons regulated under this subtitle.
Requires JBCC to recommend to the supreme court for adoption by rule a code of ethics for persons regulated under this subtitle.

Requires JBCC to publish the code of ethics after adoption by the supreme court.

Requires JBCC to propose to the supreme court a rule stating that a person who violates the code of ethics is subject to an administrative penalty.

Requires JBCC to update the code of ethics as necessary to reflect changes in technology or other factors affecting a profession regulated under this subtitle.

Authorizes JBCC to conduct investigations as necessary to enforce laws administered by JBCC.

Grants JBCC certain subpoena authority.

Authorizes OCA to issue a cease and desist order if the OCA director determines that the action is necessary to prevent a violation of this subtitle, a law establishing a regulatory program administered by JBCC, a rule adopted under this subtitle, or an order issued by the JBCC or the OCA director.

Authorizes JBCC to deny, revoke, suspend, or refuse to renew a certification, registration, or license or to reprimand a regulated person for a violation of this subtitle, a law establishing a regulatory program administered by JBCC, a rule adopted under this subtitle, or an order issued by JBCC or the OCA director.

Authorizes JBCC to place on probation a person whose certification, registration, or license is suspended.

Authorizes JBCC to seek an injunction to restrain a violation of this subtitle or a rule adopted under this subtitle.

Provides that if the state prevails in a suit, the attorney general may recover on behalf of the state reasonable attorney's fees, court costs, and investigative costs.

Authorizes JBCC to impose an administrative penalty on a person regulated under this subtitle who violates this subtitle or a rule or standard adopted or order issued under this subtitle.

Provides that the amount of an administrative penalty may not exceed $500 for each violation and that each day a violation continues or occurs is a separate violation.

Sets forth the factors for determining the amount of the administrative penalty.

Requires JBCC to:

- appoint a committee of advisory board members to review a complaint, make the initial determination on whether a violation occurred, and recommend the imposition of a penalty, a sanction, or both for violations;
- review the determination and recommendation of the committee and accept or revise as necessary the determination and recommendation; and
• give to the person who is the subject of the complaint written notice by certified mail of JBCC's
determination.

Sets forth the required content of such notice.

Sets forth the procedure under which a person may either accept JBCC's determination or request for a
hearing, including notice, the right of the person to appear, and the application of the rules of evidence.

Requires JBCC to make findings of fact and conclusions of law and to promptly issue an order.

Authorizes JBCC, on the approval of the supreme court, to adopt rules governing the hearing.

Requires a person, following the imposition of an administrative penalty or sanction, to either pay the
penalty, accept the sanction, or file an appeal.

Sets forth the procedures for collection of the penalty.

Requires the supreme court to adopt rules governing appeals.

Requires the appeal to be made to a special committee and sets forth the composition of this committee
and its powers and duties.

Sets forth how interest is calculated until a penalty is remitted.

Adds Chapter 154 (Court Reporters Certification and Shorthand Reporting Firms Registration) to this
subtitle:
  • Defines certain terms.
  • Sets forth when a court reporting firm, shorthand reporting firm, or affiliate office is considered
to be providing court reporting or other related services in this state.
  • Authorizes the supreme court to adopt rules consistent with this subtitle.
  • Transfers certain statutory provisions regarding the court reporters certification to this new
chapter.
  • Establishes the Court Reporters Certification Advisory Board (CRCAB) as an advisory board to
JBCC.
  • Sets forth CRCAB's composition and membership.
  • Transfers certain duties of CRCAB to JBCC.

Adds Chapter 155 (Guardianship Certification) to this subtitle:
  • Defines certain terms.
  • Transfers certain statutory provisions regarding the guardianship certification to this new
chapter.
  • Establishes the Guardianship Certification Advisory Board (GCAB) as an advisory board to
JBCC.
  • Sets forth GCAB's composition and membership.
  • Transfers certain duties of the Guardianship Certification Board to JBCC.
Adds Chapter 156 (Process Server Certification) to this subtitle:
- Defines certain terms.
- Transfers certain statutory provisions regarding the process server review board to this new chapter.
- Establishes the Process Server Certification Advisory Board (PSCAB) as an advisory board to JBCC.
- Sets forth PSCAB's organization.
- Transfers certain duties of the process server review board to JBCC.

Adds Chapter 157 (Court Interpreters Licensing) to this subtitle:
- Defines certain terms.
- Transfers certain statutory provisions regarding court interpreters to this new chapter.
- Establishes the Licensed Court Interpreter Advisory Board (LCIAB) as an advisory board to JBCC.
- Sets forth LCIAB's composition and membership.
- Transfers certain duties of LCIAB to JBCC.

Provides that on September 1, 2014:
- JBCC is created;
- the Court Reporters Certification Board, Guardianship Certification Board, and process server review board are abolished; and
- the powers, duties, functions, programs, and activities of the Court Reporters Certification Board, Guardianship Certification Board, and process server review board and of the Texas Commission of Licensing and Regulation and the Texas Department of Licensing and Regulation related to licensed court interpreters are transferred to JBCC.

Provides for the transfer of various employees, obligations and contracts, property and records, and complaints, investigations, or contested cases to JBCC.

Texas Nonprofit Council—S.B. 993

by Senators Deuell and Uresti—House Sponsor: Representative Susan King

H.B. 1965, 82nd Legislature, Regular Session, 2011, established a task force on improving relations between state government and nonprofits whose membership included representatives from various entities. The authorization for the task force expires in September 2013. This bill:

Establishes the Texas Nonprofit Council (council), rather than the interagency coordinating group task force (task force), to help direct the interagency coordinating group in carrying out the group's duties.

Requires the executive commissioner of the Health and Human Services Commission (executive commissioner), in consultation with the presiding officer of the interagency coordinating group, to appoint as members of the council two representatives, rather than appoint as members of the task force one representative, from each of certain groups and entities, removing experts in grant writing and adding statewide nonprofit organizations and statewide associations of nonprofit organizations, rather than a statewide nonprofit organization and a statewide association of nonprofit organizations.
Requires the executive commissioner, not later than October 1, 2013, and by October 1 every three years thereafter, to appoint members to the council in accordance with the provisions.

Requires the council, in coordination with the interagency coordination group, rather than requires the interagency coordinating group in addition to its other duties and in coordination with the task force, to accomplish certain tasks, including making recommendations, rather than developing and implementing a plan, for improving contracting relationships between state agencies and faith-based and community-based organizations.

Sets forth provisions regarding the election of certain council positions and member terms.

Requires the council to prepare a biennial report detailing the council's work, including in the report any recommendations relating to legislation necessary to address an issue identified and to present the report to certain legislative committees not later than December 1 of each even-numbered year. Deletes the report requirement for the task force.

Provides that Chapter 2110 (State Agency Advisory Committees), Government Code, does not apply to the council.

Provides that the council is subject to the Texas Sunset Act. Provides that the council is abolished and the related section expires September 1, 2019, unless continued in existence as provided by the Texas Sunset Act. Deletes existing text providing that the section expires September 1, 2013.

**Cybersecurity, Education, and Economic Development Council—S.B. 1101**

*by Senator Van de Putte—House Sponsor: Representative Larson et al.*

The Cybersecurity, Education, and Economic Development Council is set to be abolished on September 1, 2013. This bill:

Provides that Section 2054.506 (Expiration of Subchapter), Government Code, expires and the Cybersecurity, Education, and Economic Development Council is abolished September 1, 2015, rather than September 1, 2013.

**Duties of the Department of Information Resources Regarding Cybersecurity—S.B. 1134**

*by Senator Ellis—House Sponsor: Representatives Elkins and Reynolds*

Current law allows the Department of Information Resources (DIR) to establish and administer a clearinghouse for information relating to all aspects of protecting the security of state agency information. However, there is a need to expand its leadership role in developing strategies, training, awareness, and best practices in cybersecurity, and a framework for securing cyber infrastructure by state agencies. This bill:

Requires DIR, from available funds, to establish and administer a clearinghouse for information relating to all aspects of protecting the cybersecurity, rather than security, of state agency information; develop strategies and a framework for the securing of cyberinfrastructure by state agencies, including critical
infrastructure and cybersecurity risk assessment and mitigation planning; develop and provide training to state agencies on cybersecurity measures and awareness; provide assistance to state agencies on request regarding the strategies and framework developed; and promote public awareness of cybersecurity issues.

Contract For Acquisition of Goods or Services to Which M. D. Anderson is a Party—S.B. 1195
by Senators Ellis and Zaffirini—House Sponsor: Representative Sarah Davis

Previously enacted legislation contained a provision establishing that in a contract for the acquisition of goods or services by an institution of higher education, any provision required by law would be considered to be part of the executed contract, but did not amend the governing statute for the acquisition of goods or services by The University of Texas M. D. Anderson Cancer Center accordingly. This bill:

Establishes that a provision required by applicable law to be included in any contract for the acquisition of goods or services to which The University of Texas M.D. Anderson Cancer Center is a party is considered to be a part of the executed contract without regard to whether the provision appears on the face of the contract or whether the contract includes any provision to the contrary.

Texas Forensic Science Commission—S.B. 1238
by Senators Hinojosa and Huffman—House Sponsor: Representative Pickett

The Texas Forensic Science Commission (FSC) was created in 2005 under Chapter 38 (Evidence in Criminal Actions), Code of Criminal Procedure. FSC investigates complaints that allege professional negligence or misconduct by a laboratory, facility, or entity that has been accredited by the public safety director of the Department of Public Safety of the State of Texas (DPS) that would substantially affect the integrity of the results of a forensic analysis. This bill:

Describes the composition of the nine members of FSC appointed by the governor.

Establishes the terms and service of FSC members.

Authorizes FSC to initiate for educational purposes an investigation of a forensic analysis without receiving a complaint that contains an allegation of professional negligence or professional misconduct involving the forensic analysis conducted if FSC determines by a majority vote of a quorum of FSC members that an investigation of the forensic analysis would advance the integrity and reliability of forensic science in this state.

Requires, if FSC conducts an investigation of a crime laboratory that is accredited by DPS, pursuant to an allegation of professional negligence or professional misconduct involving an accredited field of forensic science, that the investigation include, among other things, observations of FSC regarding the integrity and reliability of the forensic analysis conducted; best practices identified by FSC during the course of the investigation; and other recommendations that are relevant, as determined by FSC.

Provides that, if FSC conducts an investigation of a crime laboratory that is not accredited by DPS or the investigation is conducted pursuant to an allegation involving a forensic method or methodology that is not an accredited field of forensic science, the investigation may include the preparation of a written report that
contains observations regarding the integrity and reliability of the analysis; best practices; or other recommendations.

Requires, if FSC conducts an investigation of a forensic analysis, that the investigation include the preparation of a written report that contains observations regarding integrity and reliability, best practices, and other recommendations.

Prohibits FSC from making a determination of whether professional negligence or professional misconduct occurred or issuing a finding on that question in an investigation report.

Prohibits FSC from making a finding related to the guilt or innocence of a party in an underlying civil or criminal trial involving conduct investigated by FSC.

Requires FSC to prepare and publish an annual report that includes a description of each complaint filed with FSC, the disposition of each complaint, and the status of any complaint still pending; a description of any specific forensic method or methodology FSC recommends to the DPS director for validation or approval as part of the accreditation process for crime laboratories; recommendations for best practices concerning the definition of "forensic analysis," developments in forensic science made or used in other state or federal investigations and the activities of FSC with respect to those developments; and other forensic science, as determined by the presiding officer of FSC.

Establishes that FSC is administratively attached to Sam Houston State University.

Requires the Board of Regents of the Texas State University System to provide administrative support to FSC as necessary.

Provides that only FSC may exercise the duties of FSC.

Establishes that information that is filed as part of an allegation of professional misconduct or negligence or that is obtained during an investigation of an allegation of professional misconduct or negligence is not subject to release under the Open Records Act.

Establishes that a written report prepared by FSC is not admissible in a civil or criminal action.

Requires the public safety director to require that a laboratory, facility, or entity that must be accredited agree to consent to any request for cooperation by FSC that is made as part of the exercise of FSC’s duties.

**Operation of the Special Prosecution Unit—S.B. 1285**

*by Senator Williams—House Sponsor: Representative Otto*

The Special Prosecution Unit (SPU) is charged with prosecuting crimes that occur within the Texas Department of Criminal Justice (TDCJ) and the Texas Juvenile Justice Department (TJJD) and also with initiating civil commitment proceedings against sexually violent predators who are scheduled to be released from TDCJ.
The SPU is governed by an executive board of 11 district and county attorneys who are selected by the board of directors of SPU. The board of directors is composed of every district and county attorney who has TDCJ and/or TJJD facilities in their districts. The executive board establishes policies and procedures for SPU and oversees the executive director.

This past June, the executive director notified the executive board of her intention to step down at the end of the regular session of the 83rd Legislature. However, current law requires that the full board of 108 members select her replacement rather than the 11-member executive board. This bill:

Establishes that the board of directors composed of prosecuting attorneys who represent the state in criminal matters has entered into a memorandum of understanding with SPU for the prosecution of offenses and delinquent conduct.

Requires the board of directors to meet annually for the purpose of electing the executive board and approving or amending bylaws governing the unit.

Establishes that a majority of the members of the board of directors constitutes a quorum for the transaction of business and must approve any action by a majority vote of the members present.

Requires the executive board to conduct the business of SPU.

Establishes that a majority of the members of the executive board constitute a quorum for the transaction of business and must approve any action by a majority vote of the members present.

Management Services for the Physical Facilities of TSBVI and TSD—S.B. 1457
by Senator Duncan—House Sponsor: Representative Frullo

Currently, the Texas School for the Blind and Visually Impaired (TSBVI) and the Texas School for the Deaf provide for the maintenance of their facilities while they could be focusing on educational needs. Additionally, the Texas Facilities Commission (TFC), an agency that maintains other state facilities in Austin, could provide these services to the schools. This bill:

Requires TFC to provide facilities maintenance services for the physical facilities of TSBVI and the Texas School for the Deaf, including facilities construction, cabling, facility reconfiguration, and any other services as provided by separate memoranda of understanding between TFC and the boards of each school.

Makes changes relating to certain state facilities for which TFC has a statutory duty to provide facilities management services except to facilities owned or operated by TSBVI or the Texas School for the Deaf.

Transfers, not later than January 1, 2014, from TSBVI and the Texas School for the Deaf to TFC the powers, duties, functions, programs, and activities of those schools relating to the maintenance of the schools' physical facilities; any obligations and contracts of the schools that are directly related to implementing such a transferred power, duty, function, program, or activity; and all property and records in the custody of the schools that are related to such a transferred power, duty, function, program, or activity. Requires TFC to enter into a separate memorandum of understanding with each school that identifies in detail the applicable powers and duties that are transferred between the agencies and that establishes a plan for the
identification and transfer of the records, personnel, property, and unspent appropriations of the respective school that are used for purposes of TFC powers and duties directly related to the maintenance of the schools' physical facilities.

**Development of State Agency Information Security Plans—S.B. 1597**  
by Senator Zaffirini—House Sponsor: Representative Smithee

While current law requires the information resources manager of a state agency to prepare or have prepared a report on the vulnerabilities of the agency's information security, cyber-attack vulnerabilities could be further addressed by directing each state agency to develop an information security plan to secure the agency's information. This bill:

Requires each state agency to develop and periodically update an information security plan for protecting the security of the agency's information. Requires a state agency, in developing such a plan, to consider any vulnerability report prepared for the agency by the agency's information resources manager or at the manager's direction; incorporate the network security services provided by the Department of Information Resources (DIR) to the agency; identify and define the responsibilities of agency staff who produce, access, use, or serve as custodians of the agency's information; identify risk management and other measures taken to protect the agency's information from unauthorized access, disclosure, modification, or destruction; include the best practices for information security developed by DIR or a written explanation of why the best practices are not sufficient for the agency's security; and omit from any written copies of the plan information that could expose vulnerabilities in the agency's network or online system.

Requires each state agency to develop and submit the information security plan not later than October 15, 2014, and to submit a copy of the agency's information security plan to DIR not later than October 15 of each even-numbered year. Establishes that each state agency's information security plan is confidential and exempt from disclosure under state public information law.

**Acquisition of Real Property in El Paso County For Construction of DPS Facilities—S.B. 1708**  
by Senator Rodriguez—House Sponsor: Representative Pickett

Previously, the Texas Legislature authorized the Department of Public Safety of the State of Texas (DPS) to purchase land for the purpose of constructing a new regional crime laboratory in El Paso. However, DPS evaluated the El Paso property as part of its long-term strategic needs for the area and determined that the site was not operationally feasible and posed security risks by placing a small number of noncommissioned staff in a standalone facility with contraband and no law enforcement presence. This bill:

Authorizes DPS to enter into a long-term lease of a portion of federal real property known as Fort Bliss. Specifies that such a lease is for the use and benefit of the state and authorizes such a lease to be for a period or term until the real property is donated to DPS.
Making it an Offense to Compensate a Person For Aiding Voters—H.B. 148
by Representative Burkett et al.—Senate Sponsor: Senator Paxton et al.

Under current law, there is no limit to the number of times a person may act as courier for mail-in ballots in a given election. In certain localities, such couriers may receive per-ballot compensation to collect mail-in ballots from eligible voters and post them on behalf of those voters. This practice is referred to as “voter harvesting.” This bill:

Makes it an offense if a person:
- compensates another person for depositing the carrier envelope in the mail or with a common or contract carrier or for assisting voters as part of any performance-based compensation scheme based on the number of ballots deposited or voters assisted or in which another person is presented with a quota of ballots to deposit or voters to be assisted;
- engages in another practice that causes another person's compensation from or employment status with the person to be dependent on the number of ballots deposited or the number of voters assisted; or
- with knowledge that accepting compensation for such activity is illegal, accepts compensation for such an activity.

Provides that such offense is a misdemeanor punishable by confinement in jail for a term of not more than one year or less than 30 days, a fine not to exceed $4,000, or both; or a state jail felony if the defendant was previously convicted two or more times of this offense.

Provides that an officer, director, or other agent of an entity that commits such an offense is punishable for the offense.

Defines "compensation."

Barring Laws Prohibiting Electioneering Near Certain Polling Places—H.B. 259
by Representative Simmons et al.—Senate Sponsor: Senator Paxton

The Election Code bars a person from electioneering or loitering within 100 feet of the entrance to a polling location on election day, but does not address electioneering outside of the 100 foot distance marker for that polling location. Some cities have passed local ordinances regulating the placement of candidate materials or campaigning by candidates outside of polling locations on election days. This bill:

Bars an entity that owns or controls a public building being used as an early voting polling place or a polling place from, at any time during that voting period, prohibiting electioneering on the building's premises outside of the 100-foot area.

Permits an entity to enact reasonable regulations concerning the time, place, and manner of electioneering.

Defines "electioneering," "voting period," and "early voting period."
Providing a Federal Postcard Applicant With a Ballot For Certain Elections—H.B. 396
by Representative Senfronia Thompson—Senate Sponsor: Senator Huffman

Under current law, a member of the armed forces, the member's spouse or dependent children, or certain other eligible voters may apply for early voting by mail with a single federal postcard. However, some jurisdictions conducting certain elections are not required to send ballots to military and overseas voters if an application for a ballot does not identify the specific election for which the ballot is requested. This bill:

Clarifies that a person may apply with a single federal postcard application for a ballot for any one or more elections in which the person is eligible to vote.

Expands the type of elections that an application that does not identify the election for which a ballot is requested will be treated as if it requests a ballot for to include each general or special election held by a county, a municipality, or an independent school district in the calendar year in which the application is received and in which the person is eligible to vote.

Requires an early voting clerk who receives an application indicating that the person is eligible to vote in an election in which the clerk does not conduct early voting to forward a copy of the application in a form prescribed by the secretary of state to each early voting clerk who conducts early voting for that election.

Location of Certain Early Voting Polling Places—H.B. 506
by Representatives Lozano and Hughes—Senate Sponsor: Senator Hinojosa

Currently, many counties hold local elections at the same time as general elections. The uniformity in the date and location help ensure that voters are not confused as to where to vote. Separate voting locations confuse voters and decrease turnout. This bill:

Provides that this Act applies to an election held by a political subdivision, other than a county, on the November uniform election date in which the political subdivision is not holding a joint election with a county, and has not executed a contract with a county elections officer under which the political subdivision and the county share early voting polling places for the election.

Requires such a political subdivision to designate as an early voting polling place for the election any early voting polling place established by the county and located in the political subdivision, other than an early voting place established under Section 85.062 (Voting on Saturday or Sunday), Election Code.

Requires that a shared polling place established by this Act that is designated as a main early voting polling place by any political subdivision be open for voting for all political subdivisions the polling place serves for at least the days and hours required under statute of a main early voting polling place for the political subdivision making the designation.
Filling Political Party's Vacant Precinct or County Chair—H.B. 630
by Representative Larson—Senate Sponsor: Senator Huffman

Under current law, a majority of a party's county executive committee membership must be present to constitute a quorum for a vote to fill a precinct chair vacancy. There are reports that it has been challenging for parties in some counties to fill precinct chair or county chair vacancies. This bill:

Requires a majority of the committee's membership to participate in filling a vacancy in the office of county chair.

Requires each party to adopt rules to determine a percentage of committee membership that constitutes a quorum for purposes of filling a vacancy in the office of precinct chair.

Authorizes the state chair for a county with a population of less than 5,000 to appoint a person who is not a resident of the county to fill a vacancy in the office of county chair if the person resides in an adjacent county with a population of less than 5,000 and the secretary of state approves the appointment of the person.

Authorizes the state chair of a political party for a primary election required for the nomination of a political party to a statewide office to contract with a county clerk, county tax assessor-collector, or county elections administrator, as appropriate, to hold a primary election in a county in which the office of county chair is vacant and there is an insufficient number of members serving on the county executive committee to fill a vacancy on the committee; and the party is unable to establish a temporary executive committee.

Permitting Mail-in Ballot Applications to Apply to Multiple Elections—H.B. 666
by Representatives Rick Miller and Miles—Senate Sponsor: Senator Huffman

Senior citizens and persons with disabilities who are disabled must apply to vote by mail for each election. This bill:

Provides that an application for a ballot to be voted by mail that is submitted to the county clerk on the ground of age or disability that does not specify the election for which a ballot is requested is considered to be an application for a ballot for each election in which the county clerk serves as early voting clerk in which the applicant is eligible to vote and that occurs before the earlier of the end of the calendar year in which the application was submitted; or the date the county clerk receives notice from the voter registrar that the voter has submitted a change in registration information.

Requires such application be preserved for the period for preserving the precinct election records for the last election for which the application is effective.

Requires the voter registrar to notify the county clerk following the receipt of a notice of a change in registration information.
Deadlines For Processing Provisional Ballots and Conducting the State Canvass—H.B. 985
by Representative Elkins—Senate Sponsor: Senator Huffman

Concerned parties report that election officials in certain large counties do not have adequate time to review the thousands of provisional ballots and affidavits that are generated during each election within the deadlines set out in current law. This bill:

Adds Subsection (1-a) to Section 65.051 (Duty of Early Voting Board), Election Code, requiring an early voting ballot board to verify and count provisional ballots not later than the 13th day after the date of the election for an election held on the date of the general election for state and county officers.

Requires the secretary of state, for an election described by Subsection (1-a), to prescribe procedures allowing seven calendar days for the voter registrar to review a provisional voter’s eligibility.

Provides that in an election described by Subsection (1-a), the time for the local canvass may be set not later than the 14th day after election day.

Requires the state canvass to be conducted:
- not earlier than the 15th or later than the 30th day after election day; or
- for an election described by Subsection (a-1), not earlier than the 18th or later than the 33rd day after election day.

Electronic Filing of Reports and Financial Statements by Certain Persons—H.B. 1035
by Representative Huberty—Senate Sponsor: Senator Patrick

Under current law, elected officeholders and candidates for office are required to file personal financial statements and campaign finance reports, which must be delivered to the appropriate state or local authority by first-class mail or common carrier. Interested parties contend that a person required to file a statement or report should be given the option of delivering such documents by personal delivery or via e-filing. This bill:

Requires the Texas Ethics Commission (TEC) in prescribing the format of a report filed under Chapter 254 (Political Reporting), Election Code, with an authority other than TEC, to ensure that:
- a report may be filed by first class United States mail or common or contract carrier; by personal delivery; or by electronic filing, if the authority with whom the report is required to be filed has adopted rules and procedures to provide for the electronic filing; and
- an authority with whom a report is electronically filed issues an electronic receipt for the report.

Provides that certain local government officers are considered to have timely filed a financial statement if:
- the statement is personally delivered not later than 5 p.m. of the last day for filing the statement; or
- the clerk or secretary of the municipality or the county clerk with whom the statement is filed has adopted rules and procedures providing for electronic filing and the statement is electronically filed in accordance with those rules and procedures not later than midnight of the last day for filing the statement.
Authorizes a county clerk to adopt rules and procedures relating to the electronic filing of financial statements.

Provides that certain county officers and employees are considered to have timely filed certain reports if:
- the report is filed in accordance with the Government Code;
- the report is personally delivered not later than 5 p.m. of the last day for filing the report; or
- the officer with whom the report is required to be filed has adopted rules and procedures providing for electronic filing and the report is electronically filed in accordance with those rules and procedures not later than midnight of the last day for filing the report.

Authorizes an officer with whom a report is required to be filed to adopt rules and procedures relating to the electronic filing of reports.

Pilot Program Allowing Certain Military Voters to Cast a Ballot by Email—H.B. 1129

by Representative White et al.—Senate Sponsor: Senators Van de Putte and Hinojosa

Interested parties report that, during the 2012 election, a number of absentee ballots cast by overseas service members were unable to be counted because of issues with international mailing services. These parties contend that allowing service members to receive and cast their votes electronically could prevent this situation from happening again. This bill:

Requires the secretary of state (SOS) to:
- implement a program allowing a person who is a member of the United States armed forces on active duty overseas and eligible for hostile fire pay to cast an early voting ballot via email;
- prescribe procedures requiring:
  - the voter to print the ballot, print and sign a voter signature form, and then scan the documents before submitting them by email; and
  - secure processing of ballots;
- select one county with the appropriate technological capabilities to participate in the program;
- operate the pilot program until September 1, 2015; and
- file a report with the legislature, not later than January 1, 2015.

Authorizes SOS to include in the report recommendations and suggestions for permanent statutory authority regarding such email ballot submissions.

Provides that this Act expires September 1, 2015.

Permitting Certain County Election Precincts to Contain More Than One Ward—H.B. 1164

by Representative Ed Thompson et al.—Senate Sponsor: Senator Huffman

Currently, a county must honor the ward lines of a city with a population of 10,000 or more when redistricting, a practice that was established because a city’s ward voters vote only on the candidates in their ward. The statewide proliferation of electronic voting equipment permits the wards in each voter's individual file to be identified upon registration and voting machines are now programmed so any
combination of ballots can be uniquely displayed on each machine. Some contend that requiring election workers to administer additional precincts during federal, state, and county elections is unnecessary and adds additional costs to conducting such elections. This bill:

Strikes statutory provisions barring a county election precinct from containing territory from more than one ward in a city with a population of 10,000 or more.

Makes conforming changes.

**Elections of the Benbrook Water Authority—H.B. 1330**
*by Representative Goldman—Senate Sponsor: Senator Birdwell*

Currently, regular elections for the Benbrook Water Authority (authority) must be held on the uniform election date in May. This bill:

Requires that regular elections for the election of the appropriate number of board of directors (board) of the authority be held on the uniform date in November of each odd-numbered year or another date authorized by law.

Provides that directors serve staggered four-year terms, with two or three directors' terms expiring each odd-numbered year on the date the successors qualify.

Requires that in every election at which three directors are elected, the three candidates receiving the highest number of votes be elected for a term of four years. Requires that in every election at which two directors are elected, the two candidates receiving the highest number of votes be elected for a term of four years.

**Allocating the Expenses of a Joint Election to Certain School Districts—H.B. 1871**
*by Representative Tracy O. King—Senate Sponsor: Senator Uresti*

Under the Election Code, if elections are ordered by the authorities of two or more political subdivisions to be held on the same day in all or part of the same county, the governing bodies of the political subdivisions may enter into an agreement to hold the elections jointly in the election precincts that can be served by common polling places. The expenses of a joint election are allocated as provided by the joint election agreement. Certain Texas school districts are located in multiple counties and assert that the current election procedures place a large financial burden on these districts. This bill:

Requires a joint election agreement allocating expenses to provide that a school district is responsible only for the proportion of election expenses corresponding to the proportion that the number of registered voters in the school district bears to the total number of registered voters in all political subdivisions participating in the joint election.

Provides that this Act applies only to a school district that has territory located in at least four counties, each of which has a population of less than 46,100, and no part of which is located in a municipality.
Authorizing a Political Party County Chair to Enter a Polling Place—H.B. 1996  
by Representative Rick Miller—Senate Sponsor: Senator Fraser

It has been reported that in some joint primaries that the county chair of one political party was barred from a polling place. A county chair may need to enter the polling place for administrative purposes. This bill:

Defines "voting period."

Authorizes the county chair of a political party conducting a primary election to enter a polling place during the voting period to perform administrative functions related to the election.

Eligibility For Appointment as a Central Counting Station Manager—H.B. 2006  
by Representative Klick—Senate Sponsor: Senator Hancock

Under current law, a person cannot be appointed as the counting station manager for an electronic polling system unless the person has knowledge and experience with the electronic voting system and is a registered voter of the political subdivision served by the authority establishing the counting station. This means that an employee of a political subdivision that adopts or owns the electronic voting system for which a counting station is established cannot be appointed as the counting station manager unless the employee is a registered voter in that political subdivision. Many political subdivisions now contract with a county to conduct elections, but under the current law, a county employee who has the necessary expertise could not serve as the central station county manager unless he or she was also a registered voter in that political subdivision. This bill:

Authorizes the appointment of a person as a counting station manager if he or she has knowledge and experience with the electronic voting system and is an employee of the political subdivision that adopts or owns the voting system.

Requirements For Certain Election Officers—H.B. 2110  
by Representative Kolkhorst—Senate Sponsor: Senator Campbell

There are increasing concerns regarding partisanship at polling places by election judges and clerks in Texas, despite laws against electioneering within a certain distance of the polls. Under current law, a person is prohibited from being an election judge or clerk if the person is related to the county chair for either party, but a person may serve as an election judge or clerk even if the person is employed by or related to someone on the ballot. This bill:

Prohibits a person from serving as an election judge or clerk in an election if the person is employed by or related within the second degree by consanguinity or affinity to an opposed candidate for a public or a party office in any precinct in which that office appears on the ballot.

Requires that each election officer be issued a form of identification, prescribed by the secretary of state, to be displayed by the officer while serving at the polling place.
Signature Verification by Ballot Boards—H.B. 2233
by Representative Simmons—Senate Sponsor: Senators Estes and Campbell

Ballot boards (boards) are currently limited to reviewing a voter's signature on a ballot application, the carrier envelope certificate, and the voter's registration application when comparing signatures to determine the validity and accuracy of an early voting ballot submitted by mail. This bill:

Authorizes boards to also compare the signatures with any two or more signatures of the voter made within the preceding six years and on file with the voter registrar, rather than only the signature on the voter's registration application.

Requesting a Replacement Voter's Registration Certificate—H.B. 2263
by Representative Rick Miller—Senate Sponsor: Senator Huffman

Under current law, a voter must submit a written, signed notice of the loss or destruction of the voter's registration certificate to the voter registrar (registrar) in order to obtain a replacement certificate. Allowing voters to use other methods of communication to request a replacement certificate would make the process more accessible and convenient. This bill:

Permits a voter whose registration certificate is lost or destroyed to request a replacement by delivering an electronic notice of the loss or destruction to the registrar; or telephoning the registrar to request a replacement.

Provides that a replacement certificate requested electronically or by telephone may be sent only to the mailing address on the voter's registration records.

Requires the registrar to retain a written or electronic notice on file with the voter's registration application; or make and file a written record of a telephone request with the voter's registration application.

Permitting the Use of Electronic Devices to Capture Voters' Signatures—H.B. 2373
by Representative Klick—Senate Sponsor: Senator Estes

Auditing all of the records generated by an election, including the poll book, is very time consuming, especially in larger jurisdictions. Modern technology is capable of capturing a voter's signature and automatically generating an accurate count of voter signatures at the end of an election day. This bill:

Authorizes a signature roster to be in the form of an electronic device approved by the secretary of state (SOS).

Requires the device to be capable of capturing a voter's signature next to the voter's name.

Requires SOS to adopt rules governing the processing of such electronic signatures.
Providing Information Regarding Voting Status on the Internet—H.B. 2465
by Representative Farias—Senate Sponsor: Senator Ellis

Under current law, a voter can be placed on the voter suspense list for reasons such as failure to respond to a registrar confirmation notice, return of the voter's renewal certificate to the registrar as undeliverable, or circumstances related to residency. A voter on the suspense list is still eligible to vote and can be reinstated if the voter completes a residence statement at the polls or at the election office. However, if the voter is on the suspense list for two federal election cycles without voting, a voter's registration may be canceled and reinstated only by completing a new voter registration application. This bill:

Requires any Internet website maintained by the secretary of state permitting a person to determine voter registration status to indicate if the person is or may be on the suspense list, to the extent practicable.

Oath Taken by Person Assisting a Voter—H.B. 2475
by Representative Rick Miller—Senate Sponsor: Senator Huffman

Under the Election Code, a voter who cannot prepare the ballot because of a physical disability or an inability to read the language in which the ballot is written may select a person to assist the voter. However, the Election Code bars the voter's employer, an agent of the voter's employer, or an officer or agent of a labor union to which the voter belongs from providing assistance to the voter. The person selected by the voter must take an oath that the person will not influence how the voter should vote and will confine his or her assistance to answering the voter's questions, describing the ballot, and preparing the voter's ballot as the voter directs. This bill:

Requires the person assisting the voter to also swear or affirm that he or she is not the voter's employer or the employer's agent or an officer or agent of a labor union to which the voter belongs.

Disclosure of Certain Information For Voter Registration or Election Administration—H.B. 2512
by Representative Rick Miller et al.—Senate Sponsor: Senator Duncan

When a person provides the person's Social Security number for purposes of obtaining a driver's license, statutory law permits the number to be used in limited ways and disclosed to specified entities. This bill:

Authorizes the disclosure of information provided on a driver's license application relating to the applicant's Social Security number to the secretary of state (SOS) for the purposes of voter registration or the administration of elections.

Requires the Department of Public Safety of the State of Texas to disclose information regarding an applicant's Social Security number to SOS upon request.

Authorizes personal information obtained in connection with a motor vehicle record to be disclosed for use in connection with voter registration or the administration of elections by SOS.
Local Option Election For the Sale of Certain Alcoholic Beverages—H.B. 2818
by Representative Ralph Sheffield—Senate Sponsor: Senator Carona

Local option elections may be held in counties, cities, or justice of the peace precincts to determine the types of alcohol sales allowed in those jurisdictions. Problems can arise when local option elections are called in justice precincts whose boundaries no longer exist.

Current law requires a local option election to change the status of a justice precinct to be held within the same boundaries that existed when the original election was held. Because justice precincts are regularly redistricted, counties must attempt to reconstruct old justice precinct lines and adapt voting precincts to jurisdictional boundaries that can be decades old to accommodate such an election. Furthermore, certain localities’ voters have authorized both beer and wine off-premise permits and mixed beverage on-premise permits, but no other permits. In these localities, some businesses—often restaurants—that are eligible for a full mixed beverage on-premise permit have expressed a desire to sell only beer and wine on-premise because they would prefer to pay the lower permit fees associated with a beer and wine only permit. This bill:

Authorizes a permit issued to be issued for a premises in an area in which the voters have approved the following alcoholic beverage ballot issues in a local option election: “the legal sale of beer and wine for off-premise consumption only,” and either “the legal sale of mixed beverages,” or “the legal sale of mixed beverages in restaurants by food and beverage certificate holders only.”

Authorizes a premises that qualifies for a permit because it is located in an area that approved the ballot to be issued a permit only if the premises is issued a food and beverage certificate.

Authorizes a license to be issued for a premises in an area in which the voters have approved the following alcoholic beverage ballot issues in a local option election: “the legal sale of beer and wine for off-premise consumption only,” and either “the legal sale of mixed beverages” or “the legal sale of mixed beverages in restaurants by food and beverage certificate holders only.”

Authorizes a premises that qualifies for a license because it is located in an area that approved the ballot to be issued a license only if the premises is issued a food and beverage certificate.

Provides that an authorized voting unit that has exercised or is authorized to exercise the right of local option until that status is changed by a subsequent local option election in the same authorized voting unit.

Requires that a local option election held in a justice precinct be held in the territory comprising the justice precinct at the time the election is held.

Requires that a local option status, if a justice precinct has established such status as a result of a previous local option election in the justice precinct, remain in effect until the status is changed as the result of a subsequent local option election in the precinct.

Provides that a subsequent local option election, if the boundaries of the justice precinct have changed since such status was established, will only change the local option status in the territory that is part of the justice precinct on the date of the subsequent local option election.
Requires a newly created justice precinct, for purposes of a local option election, to be considered to have not held a local option election on the sale of alcoholic beverages.

Provides that any local option status established in the territory comprising the new justice precinct that resulted from a local option election held in the territory when the territory was part of another justice precinct remains in effect until that status is changed by a local option election held in the new justice precinct.

Repeals Section 251.80(c) (relating to requiring that certain provisions of the Election Code, relating to the payment of local option election expenses apply to elections held in certain territory), Alcoholic Beverage Code.

Recall Elections For Officials of Certain General-Law Municipalities—H.B. 3015
by Representative Moody—Senate Sponsor: Senator Rodríguez

Texas municipalities with a population less than 5,000 are governed by general law. The general law provides no direct mechanism for removing elected officials except through lawsuit. Because these municipalities do not meet the population threshold necessary to create their own charters, they cannot develop additional means of removing elected officials on their own. Concerned citizens claim that lawsuits are too costly and too slow to resolve issues before the terms of many local elected officials expire. This bill:

Authorizes the removal from office by recall election of a member of the governing body of a general-law municipality with a population of less than 5,000 located in a county that borders the United Mexican States and has a population of more than 800,000.

Sets forth the procedure and requirements for a recall petition.

Requires the municipal clerk to review the petition and certify that it is valid.

Sets forth the procedure for a recall election.

Provides that a municipal clerk includes a municipal secretary or any other officer of the municipality who performs the duties of a municipal clerk or secretary.

Relating to Political Parties' Governance and Conventions—H.B. 3102
by Representative Morrison et al.—Senate Sponsor: Senator Duncan

Interested parties note that precinct, county, and state chairs currently must be elected at their respective conventions in order to serve as convention chairs and that otherwise they do not have an official role at their respective conventions. Such parties assert that, because the elected party official is designated as responsible for preparing convention materials, there may be ambiguity surrounding the duties of the precinct chair, county chair, or state chair if the chair is not elected to serve as chair of the convention. In addition to clarifying the ambiguity surrounding the election of certain convention chairs, interested parties recommend other items in current law that need to be updated, including allowing state parties to adopt
their own convention rules, increasing flexibility for taking and administering an oath of affiliation, providing for precinct convention preregistration, and requiring that any items currently required to be posted in writing be posted on a party website. This bill:

Requires a person to be affiliated with a political party to be eligible for any purpose within the party, as adopted by state party rules.

Authorizes a person to affiliate with a political party at any time by taking an oath of affiliation.

Provides that any person authorized by party rule may administer and stamp the party's name on the person's registration certificate or issue the person an affiliation certificate.

Sets forth when a party affiliation made in an odd-numbered year expires.

Makes it an offense for a person for the purpose of participating in a political party's event to present evidence of affiliation not obtained in compliance with state law.

Authorizes a political party holding a precinct convention to preregister attendees for the convention by any method the party may adopt by rule.

Authorizes the party, through the preregistration process, to collect certain specified information from attendees and, in a presidential election year, collect declarations of support or uncommitted status for presidential candidates.

Allows a party to use information regarding support or uncommitted status for selecting delegates.

Requires a political party collecting declarations of support or uncommitted status to permit an attendee to change the attendee's preference prior to the precinct convention.

Sets forth requirements of the preregistration process.

Permits a party by rule to set the date and times for preregistration.

Permits a person who does not preregister to register in person at the convention and grants such person the same voting rights as persons who preregistered.

Authorizes a state executive committee to adopt a permanent rule expressly required or authorized by statute.

Requires that all party rules, temporary or permanent, be posted on the state party's Internet website.

Authorizes the state executive committee by rule to adopt procedures for filling vacancies.

Requires the state executive committee to adopt rules regarding how many members of the county executive committee constitute a quorum for the purpose of filling a vacancy.
Authorizes a county chair, after a vacancy is filled, to deliver electronic notice of the replacement member's name and address to the state chair and to the county clerk.

Authorizes a political party by rule to allow a county to hold precinct conventions before the county convention on the same day and at the same place as the county convention.

Provides that precinct conventions may be held at a time and place as determined by rules adopted by the state executive committee.

Requires that the notice of the date, hour, and place for convening be posted each convention on the county or state party's Internet website or other Internet location.

Provides that if the county party does not maintain an Internet website, the chair must post the notice on the county commissioners bulletin board.

Authorizes the county chair to deliver to the county clerk certain notice either on paper or in electronic form.

Authorizes the state executive committee to adopt a rule requiring the precinct chair to be the permanent chair of the precinct convention unless the precinct chair is absent or declines the position.

Clarifies that the county chair must retain the copies of certain lists on paper or in electronic files.

Provides that an electronic submission to the county chair through a system created by party rule constitutes a complete delivery.

Authorizes a party to adopt rules for holding conventions at any level before and including the state convention.

Requires conventions to be held on a day set by rule by the state executive committee.

Requires that such rules allow the committees at each level of convention to set the hour and place for convening their conventions.

Authorizes the notice of the hour and place for convening each county and senatorial district convention to be posted electronically on the county or state party's Internet website.

Authorizes that certain written notice regarding the hour and place for convening each convention be either on paper or in electronic form.

Authorizes the state executive committee to adopt a rule requiring the county chair to be the permanent chair of the county convention or requiring the senatorial district executive committee member or chair of the district executive committee, as applicable, to be the permanent chair of the senatorial district convention, unless the person is absent or declines the position.

Provides that state convention delegates serve as the delegates for all state conventions until the next general primary election date.
Authorizes the state executive committee to adopt rules concerning voting procedures for any party convention.

Provides that the biennial state convention must be convened on a date selected by the state executive committee.

Requires the state chair to post on the party's Internet website the date, hour, and place for convening the biennial state convention.

Authorizes the state executive committee to adopt a rule requiring the state chair to be the permanent chair of the convention unless the state chair is absent or declines the position.

Requires the state executive committee to adopt rules regarding convention voting procedures.

Requires the precinct chair or temporary chair, in preparing a list regarding persons admitted to participate in the convention, to use preregistration information if the party has adopted a preregistration process.

Requires a political party holding a primary election in a presidential election year that desires to send delegates to a national presidential nominating convention to select the delegates at a state convention convened on a date adopted by the state executive committee occurring in the presidential election year.

Requires the party's state chair to post on the party's Internet website notice of the date, hour, and place for the state convention.

**Administration of Primary Elections and the Nomination of Certain Candidates—H.B. 3103**

*by Representative Morrison et al.—Senate Sponsor: Senator Duncan*

Interested observers note that, instead of taking advantage of electronic submission, county political parties are currently required to post notice of their availability to accept applications on the bulletin board at the county courthouse and that state party chairs currently certify the list of candidates with the secretary of state (SOS) in writing. The observers note that other election procedures, such as the candidate filing process, could be updated to take advantage of modern technology. The parties further note, among other issues, that current law regarding the removal of a disqualified candidate's name from the ballot is ambiguous. This bill:

Requires the county chair to post on the political party's Internet website or in the location where a candidate files for a place on the ballot notice of the address for certain applications.

Requires the state chair to certify to SOS for placement on the general primary election ballot the name of each candidate who files with the chair.

Requires SOS to post the certified list on the SOS Internet website.

Requires the state chair to notify each county chair in a county in which the candidate's name is to appear on the ballot that the certification has been posted by SOS.
Requires the state chair and each county chair for each primary election to electronically submit certain information to SOS.

Requires SOS to continuously maintain an online database of the submitted information.

Requires this database to be accessible by certain county and precinct chairs.

Requires any changes in the party's county or precinct chairs to be reported to SOS.

Requires SOS to adopt rules regarding such databases.

Authorizes SOS to prescribe a deadline by which the state chair must deliver the chair's submission regarding a candidate to SOS and requires each county chair to deliver a copy of the chair's submission regarding a candidate to certain specified persons.

Requires SOS to be notified if a candidate withdraws, dies, or is declared ineligible and requires SOS to adopt rules implementing this provision.

Requires SOS to archive and keep available for inspection a list of all candidates for whom information has been submitted; and prescribe rules for submitting the list electronically and methodology for distribution to each county clerk and state chair.

Authorizes an electronic submission containing the name of certain candidates.

Requires notification if additional names have been added during any extended period.

Requires a party that maintains an Internet website to post certain notices on the party's website.

Requires all candidates who provide an email address on their filing form to be notified electronically.

Authorizes the county chair to deliver notice regarding persons elected as county chair and precinct chairs for the county by electronic means or through an electronic submission system adopted by the state executive committee of the party.

Authorizes the state chair to deliver to SOS notice of the names and addresses of the party's county chairs as set out in rules adopted by SOS.

Authorizes a state executive committee to adopt by rule an electronic submission system for delivery of the county returns.

Requires SOS to create an electronic system for submission of the precinct results reports.

Authorizes the voter registrar in a runoff primary election to make appropriate notations to indicate the preceding party primary for which the voter was accepted for voting.

Requires an application for nomination by a convention to be filed not later than the regular deadline for candidates to file applications for a place on the general primary ballot.
Requires SOS to:
- conduct a study on the effects of changing the presidential primary election date;
- consult with all political parties in this state that hold presidential primary elections; and
- report the results of the study and make recommendations to the 84th Legislature.

Provides that these provisions regarding the study expire June 1, 2015.

**Determining Whether a Voter is Deceased—H.B. 3593**
*by Representative Burnam et al.—Senate Sponsor: Senator Ellis*

States are required to make a reasonable effort to remove deceased individuals from voter registration rolls. As part of the process for fulfilling that requirement, the Texas secretary of state (SOS) compares death records to voter registration rolls in order to help determine if a voter is deceased. SOS cancels the registration of a voter considered to be a strong match to a name on the death record and sends a match considered to be weak to the applicable county voter registrar to make a final determination. Interested parties assert that some county voter registrars have removed voters who are still alive from the registration rolls. This bill:

Requires a registrar delivering written notice to a voter indicating that the voter’s registration status is being investigated to use a form that has been adopted or recommended by SOS.

Requires SOS by rule to determine what information combinations identified as common to a voter and to an individual who is deceased constitute a weak match or a strong match in order to produce the least possible impact on Texas voters; and fulfill its responsibility to manage the voter rolls.

Prohibits SOS from determining that a voter is deceased based on a weak match of identifying information of a voter and an individual who is deceased.

Authorizes SOS to inform the county of the voter's residence that a weak match exists.

Requires the county, on receiving notification that a weak match exists for a county voter, to investigate whether the voter is deceased.

Authorizes SOS to determine that a voter is deceased based on a strong match.

Authorizes SOS to obtain, for purposes of determining whether a voter is deceased, information from other state agency databases relating to a voter that is the same type of information that the SOS or a voter registrar collects or stores for voter registration purposes.
Employment of Municipal Employees Becoming Candidates For Public Office—H.B. 3739
*by Representative Burmam—Senate Sponsor: Senator Garcia*

Some municipal employees have been terminated or disciplined because they have become candidates for public office as the result of an interpretation of current election and municipal laws. This bill:

Defines "candidate."

Prohibits a municipality from prohibiting a municipal employee from becoming a candidate for public office.

Prohibits a municipality from taking disciplinary action against a municipal employee, including terminating the employment of the employee, solely because the employee becomes a candidate for public office. Provides that the employee is still expected to fulfill all the duties and responsibilities associated with the employee's municipal employment.

**Requiring Identification For Election Poll Watchers—S.B. 160**
*by Senator Huffman—House Sponsor: Representatives Rick Miller and Wu*

A poll watcher is a person appointed to observe the conduct of an election on behalf of a candidate, a political party, or the proponents or opponents of a measure. County election judges and clerks are required to wear badges indicating their name and position at polling places, but poll watchers are not permitted to wear name tags. This bill:

Requires an election officer to provide a poll watcher with a form of identification, prescribed by the secretary of state, to be displayed by the watcher during the watcher's service at the polling place.

**Classifying Certain Entities as Political Committees—S.B. 346 [VETOED]**
*by Senators Seliger and Nichols—House Sponsor: Representative Geren*

Currently, the Election Code defines a "political committee" as a group of persons that has as a principal purpose accepting political contributions or making political expenditures. There are organizations operating in Texas that collect donations and make political expenditures, but assert that they are not political committees and therefore do not need to comply with campaign disclosure rules. This bill:

Provides that Section 254.261 (Direct Campaign Expenditure Exceeding $100), Election Code, does not apply to a person to whom Subchapter K applies.

Adds Subchapter K (Reporting by Certain Persons Who Do Not Meet the Definition of Political Committee), to Chapter 254, Election Code:

- Provides that this subchapter applies only to a person or a group of persons that:
  - does not meet the definition of political committee;
  - accepts political contributions; and
  - makes one or more certain political expenditures that in the aggregate exceed $25,000 during a calendar year.
• Exempts labor organizations from this chapter.
• Sets forth when a person or group of persons is considered to have accepted political contributions.
• Sets forth when a person or group of persons must comply with this subchapter.
• Sets forth the requirements of a report under this subchapter.

Procedures For Boards of Directors For Water Supply or Sewer Service Corporations—S.B. 447
by Senate Sponsor: Senator Fraser—House Sponsor: Representative Tracy O. King

In 2011, S.B. 333 (relating to election procedures and qualifications of members of boards of directors for water supply or sewer service corporations), 82nd Legislature, Regular Session, was enacted, which imposed specific procedures on water supply corporations (WSC; corporations) to allow for a more transparent and open election process for boards of directors for WSCs. Since then, several questions have arisen regarding implementation of S.B. 333. This bill:

Requires a person, to be listed on the ballot as a candidate for a director's position, to file an application with the corporation that includes certain information, including, if the corporation has 1,500 or more members, a petition signed by 20 members or shareholders, requesting that the person's name be placed on the ballot as a candidate for that position. Deletes existing text requiring a person, to be listed on the ballot as a candidate for a director's position, to file an application with the corporation that includes certain information, including a petition, signed by the lesser of 20 members or shareholders or five percent of the members or shareholders, requesting that the person's name be placed on the ballot as a candidate for that position.

Requires that the corporation notify the members or shareholders of the application deadline not later than the 30th day before the deadline.

Provides that Section 67.0052 (Ballot Application), Water Code, applies only to a corporation that provides retail water or sewer service.

Provides that Section 67.0053 (Ballot), Water Code, applies only to a corporation that provides retail water or sewer service and does not apply to an election in relation to a candidate for a director's position for which the board of directors of a corporation (board) has adopted a resolution under Section 67.0055 (Election of Unopposed Candidate), Water Code, as added by this bill.

Provides that for each director's position, the candidate who receives the highest number of votes or who is the subject or a resolution described by Section 67.0055, Water Code, is elected. Provides that this only applies to a corporation that provides retail water or sewer service.

Provides that Section 67.0055, Water Code, applies only to an election for a director's position on a board of a corporation that provides retail water or sewer service in which a candidate who is to appear on the ballot for the position is unopposed.
Authorizes the board by resolution to declare a candidate elected to a director's position if the board certifies in writing that the candidate is unopposed for the position. Requires that a copy of the resolution be posted at the corporation's main office.

Provides that if a declaration is made, the election for that position is not held.

Requires that if the election for the unopposed candidate would have been held with an annual meeting of the members or shareholders of the corporation, the text of the declaration be read into record at the annual meeting.

Requires that the ballots used at a separate election that is held at the same time as an election for an unopposed candidate would have been held to include after measures or contested races the position and name of a candidate declared elected, under the heading "Unopposed Candidates Declared Elected."

Prohibits a person from, by intimidation or by means of coercion, influencing or attempting to influence a person to withdraw as a candidate or not to file an application for a place on the board so that an election may be canceled.

Authorizes the board to adopt necessary rules or bylaws to implement these provisions, including rules or bylaws to ensure the fairness, integrity, and openness of the process.

Changes the heading to Section 67.007, Water Code, to Annual or Special Meeting of Retail Corporation.

Provides that Section 67.007, Water Code, only applies to a corporation that provides retail water or sewer service.

Requires a corporation to which Section 67.007, Water Code, does not apply to comply with the annual meeting and director election provisions prescribed by Chapter 22 (Nonprofit Corporations), Business Organizations Code.

Allowing Certain High School Students to Serve as Early Voting Clerks—S.B. 553
by Senators Uresti and Hegar—House Sponsor: Representative Johnson

Under current law, high school students may participate in voting clerkships. Unfortunately, many students are unable to participate because they could not do so on the election date. This bill:

Authorizes a school district to adopt a policy excusing a student for service as a student early voting clerk, and excuse a student for serving as an election clerk or early voting clerk for a maximum of two days in a school year.

Authorizes a student who is appointed as a student early voting clerk to apply the time served toward certain specified educational purposes.

Authorizes the early voting clerk to appoint a student early voting clerk to assist the early voting clerk.
Provides that a person is eligible to serve as a student early voting clerk if the person is ineligible to serve as a clerk of an election precinct, but meets the eligibility requirements to be a student election clerk.

Provides that a student early voting clerk is entitled to compensation in the same manner as other early voting clerks; and when communicating with a voter who cannot communicate in English, may communicate with the voter in a language the voter and the clerk understand as authorized by law.

Prohibits more than four student early voting clerks from serving at an early voting polling place.

Authorizes the secretary of state to initiate or assist in the development of a statewide program promoting the use of student early voting clerks.

Use of Countywide Polling Places For Certain Elections—S.B. 578
by Senator Duncan—House Sponsor: Representative J.D. Sheffield

Pursuant to the Election Code, a county may apply with the secretary of state to implement a program to establish countywide polling places for elections held on the uniform election dates in May and November. This bill:

Authorizes the governing body of a political subdivision that holds an election jointly with certain specified elections and is required to use countywide polling places to designate as the polling places for any required runoff election only the polling places located in the territory or in and near the territory of the political subdivision where eligible voters reside.

Requires the secretary of state to implement a program permitting commissioners courts participating in the program to eliminate county election precinct polling places and establish countywide polling places for:

- each primary election and runoff primary election if the county chair or county executive committee of each political party:
  - participating in a joint primary election agrees to the use of countywide polling places; or
  - required to nominate candidates by primary election agrees to use the same countywide polling places; and
- each election of a political subdivision located in the county that is held jointly with a primary election and runoff primary election.

Notice and Election Order Requirements For Bond Approval Elections—S.B. 637
by Senator Paxton—House Sponsor: Representative Flynn

Under current law, counties and municipalities may not issue bonds that are paid from ad valorem taxes unless the issuance is approved in an election. This bill:

Defines "debt obligation."

Requires that the document ordering an election to authorize a political subdivision to issue debt obligations distinctly state the proposition language that will appear on the ballot; the purpose for which the debt
obligations are to be authorized; the principal amount of the debt obligations to be authorized; that taxes sufficient to pay the annual principal of and interest on the debt obligations may be imposed; a statement of the estimated tax rate if the debt obligations are authorized or of the maximum interest rate of the debt obligations or any series of the debt obligations, based on the market conditions at the time of the election order; the maximum maturity date of the debt obligations to be authorized or that the debt obligations may be issued to mature over a specified number of years not to exceed 40; the aggregate amount of the outstanding principal of the political subdivision's debt obligations as of the beginning of the political subdivision's fiscal year in which the election is ordered; the aggregate amount of the outstanding interest on debt obligations of the political subdivision as of the beginning of the political subdivision's fiscal year in which the election is ordered; and the ad valorem debt service tax rate for the political subdivision at the time the election is ordered, expressed as an amount per $100 valuation of taxable property.

Requires that a debt obligation election be posted on election day and during early voting by personal appearance, in a prominent location at each polling place; not later than the 21st day before the election, in three public places in the boundaries of the political subdivision holding the election; and during the 21 days before the election, on the political subdivision's Internet website, prominently and together with the notice of the election and the contents of the proposition, if the political subdivision maintains an Internet website.

Permitting Electronic Filing of Financial Disclosures by Certain County Officers—S.B. 692
by Senator Carona—House Sponsor: Representative Doug Miller

Chapter 159 (Financial Disclosure by County Officers and Employees), Local Government Code, requires certain county officials, candidates for county officials, and certain county employees to file personal financial statements with the county clerk or other county officer. Current law does not expressly allow these filers to submit personal financial statements electronically. This bill:

Permits the filing by electronic mail of certain documents required under Section 159.003 (Financial Statement Required), regarding financial disclosures by certain county officers; Section 159.034 (Filing Requirement), concerning financial disclosure by other county officers and employees; and Section 159.052 (Filing Requirement), concerning financial disclosure by county judicial officers.

Authorizes the appropriate authorities or officials to prescribe guidelines for filing by electronic mail.

Requires the county clerk to make paper and electronic copies of the form available to each county judicial officer required to file within the time prescribed by statute.

Eligibility to Serve as an Interpreter in an Election—S.B. 722 [VETOED]
by Senator Ellis—House Sponsor: Representative Johnson

Section 61.033 (Eligibility to Serve as Interpreter), Election Code, provides that to be eligible to serve as an interpreter, a person must be a registered voter of the county in which the voter needing the interpreter resides. This appears to conflict with the federal Voting Rights Act and Section 64.032 (Persons Providing Assistance), Election Code, which permits a voter needing assistance to be given assistance by a person of the voter's choosing. This bill:
Authorizes a voter to communicate through an interpreter selected by the voter or by the authority ordering the election.

Provides that to be eligible to serve as an interpreter, a person:
- if selected by the voter, may be any person other than the voter's employer, the employer's agent, or an officer or agent of a labor union to which the voter belongs; or
- if appointed by the authority ordering the election, must be a registered voter either of the county in which the voter needing the interpreter resides or of an adjacent county.

**Requiring State Party Conventions to be Held on the Third Saturday in April—S.B. 817**

*by Senator Hegar—House Sponsor: Representative Johnson*

Under current law, a political party nominating by convention must make its nominations for statewide offices at a state convention held on the second Saturday in June of the election year. Primary parties know who their statewide nominees will be by the end of primary day, the first Tuesday in March. This creates a disparity between primary parties and convention parties in that the statewide nominees of primary parties normally have three additional months of campaigning as the nominee of the party than the nominees of convention parties. Because delegates to state conventions are chosen at county conventions in March, and information about county delegates must be gathered and transmitted to party authorities so that credentialing can be done pursuant to state law, the state conventions of convention parties cannot be moved to March. This bill:

Provides that a candidate for nomination or election to, or the holder of, an elective office of the federal, state, or county government is eligible to serve as a county or precinct chair of a political party with a state organization.

Requires a party nominating by convention to make its nominations for statewide offices at a state convention held on the second Saturday in April, rather than June, of the election year.

Requires the state convention to be held on the third Saturday in April if the Sunday after the second Saturday is Easter.

**Modifying Certain Election Deadlines—S.B. 904**

*by Senator Van de Putte—House Sponsor: Representative Morrison*

S.B. 100, 82nd Legislature, Regular Session, 2011, implemented the federal Military and Overseas Voter Empowerment (MOVE) Act by providing for the electronic transmission of blank ballots, at the request of the military or overseas voters, no later than 45 days before an election for federal office, an election held statewide, or any election held jointly with a federal or statewide election. To ensure full compliance with the MOVE Act, Texas had to shift its election calendar. A few filing deadlines were missed when establishing the new calendar. This bill:

Requires the secretary of state (SOS) to make a checklist or similar guidelines available for optional use by early voting clerks in processing an application and providing balloting materials.
Provides that that a voter who completes a signature sheet is not required to complete a carrier envelope under Subchapter C (E-Mail Transmission of Balloting Materials), Title 7, Election Code.

Provides that a candidate may not withdraw from an election after 5 p.m. of the fifth, rather than third, day after the deadline for filing the candidate's application for a place on the ballot.

Provides that the deadline for filing an application for a place on the general primary election ballot is extended if a candidate who has made an application:
- dies on or after the fifth day before the date of the regular filing deadline and on or before the first day after the date of the regular filing deadline, rather than the 79th day before general primary election day; or
- holds the office for which the application was made and withdraws or is declared ineligible on the date of the regular filing deadline or the first day after the date of the regular filing deadline, rather than on or after the date of the regular filing deadline and on or before the 79th day before general primary election day.

Requires that an application for an office sought by a withdrawn, deceased, or ineligible candidate be filed not later than 6 p.m. of the fifth day after the date of the regular filing deadline, rather than the 81st day before general primary election day.

Provides that an application filed by mail with the state chair is not timely if received later than 5 p.m. of the fifth day after the date of the regular filing deadline, rather than the 81st day before general primary election day.

Requires that a candidate's name be omitted from the general primary election ballot if the candidate withdraws, dies, or is declared ineligible on or before the first day after the date of the regular filing deadline, rather than the 79th day before general primary election day.

Requires that the name of a candidate who has made an application for a place on the general primary election ballot who dies or is declared ineligible after the first day after the date of the regular filing deadline, rather than the 79th day before general primary election day, must be placed on the ballot.

Requires that a political party's nominee for an unexpired term be nominated by primary election if the vacancy occurs on or before the fifth day before the date of the regular deadline for candidates to file applications for a place on the general primary ballot, rather than the 62nd day before general primary election day.

Provides that if the vacancy occurs after the 10th day before the date of the regular filing deadline, an application for the unexpired term must be filed not later than 6 p.m. of the fifth day after the date of the regular filing deadline, rather than the 15th day after the date the vacancy occurs or 5 p.m. of the 60th day before general primary election day, whichever is earlier.

Prohibits SOS, effective December 31, 2016, from adjusting or modifying affected election dates, deadlines, or procedures to implement the MOVE Act.
Every election cycle presents new situations that often result in the need to clarify or adjust state election laws to allow local jurisdictions more flexibility and direction in the election process. This bill:

Permits the delivery, submission, or filing of a document or paper under the Election Code by telephonic facsimile machine.

Sets forth when an application submitted by telephonic facsimile machine is considered submitted.

Provides that for a registration application submitted by telephonic facsimile machine to be effective, a copy of the registration application must be submitted by mail and be received by the registrar not later than the fourth business day after the transmission by telephonic facsimile machine is received.

Requires that the information that is required to be filed with the secretary of state (SOS) under Section 16.001 (Death), Election Code, be filed electronically.

Authorizes SOS to waive this requirement.

Provides that documents submitted under Section 31.006 (Referral of Complaint to Attorney General), Election Code, are not considered public information until:

- SOS makes a determination that the complaint received does not warrant an investigation; or
- if referred to the attorney general, the attorney general has completed the investigation or has determined that the complaint referred does not warrant an investigation.

Provides that under Section 32.054 (Ineligibility of Employee or Relative of Candidate), Election Code, a person employed by a county solely as an early voting clerk is not employed by a candidate for purposes of this section.

Authorizes SOS to prescribe the form and content of a ballot for an election using a voting system to conform to the formatting requirements of the system.

Provides that information included on a statement of residence is excluded from disclosure.

Requires that an application for a ballot be submitted on or after the 60th day before election day and before the close of regular business in the early voting clerk's office or 12 noon, whichever is later, on the ninth, rather than seventh, day before election day.

Requires that voting by personal appearance by a voter who is voting outside the early voting polling place be conducted pursuant to Section 64.009 (Voter Unable to Enter Polling Place), Election Code.

Clarifies that a copy of an application for a ballot to be voted by mail is not available for public inspection until the first business day after the election day of the latest occurring election for which the application is submitted.
Authorizes SOS to prescribe a different form for an application for a place on the ballot for an office of the federal government, the state government, or a political party.

Provides that an application for a place on the ballot may not be filed earlier than the 30th day before the date of the filing deadline.

Requires that a candidate's name in a general or special election, except the general election for state and county officers, be placed on the ballot if the candidate is declared ineligible after 5 p.m. of the third day after the deadline for filing the candidate's application for a place on the ballot, rather than the second day before the beginning of early voting by personal appearance.

Provides that the deadline for filing an application for a place on the general primary election ballot is extended if a candidate who has made an application:

- dies on or after the fifth day before the date of the regular filing deadline and on or before the first day after the date of the regular filing deadline, rather than the 79th day before general primary election day; or
- holds the office for which the application was made and withdraws or is declared ineligible on the date of the regular filing deadline or the first day after the date of the regular filing deadline, rather than on or after the date of the regular filing deadline and on or before the 79th day before general primary election day.

Requires that an application for an office sought by a withdrawn, deceased, or ineligible candidate be filed not later than 6 p.m. of the fifth day after the date of the regular filing deadline, rather than the 81st day before general primary election day.

Provides that an application filed by mail with the state chair is not timely if received later than 5 p.m. of the fifth day after the date of the regular filing deadline, rather than the 81st day before general primary election day.

Requires that a candidate's name be omitted from the general primary election ballot if the candidate withdraws, dies, or is declared ineligible on or before the first day after the date of the regular filing deadline, rather than the 79th day before general primary election day.

Requires that the name of a candidate who has made an application for a place on the general primary election ballot who dies or is declared ineligible after the first day after the date of the regular filing deadline, rather than the 79th day before general primary election day, be placed on the ballot.

Requires that a special election to fill a vacancy be held on the first authorized uniform election date occurring on or after the 45th, rather than 30th, day after the date the election is ordered.

Requires that a candidate's application for a place on a special election ballot be filed not later than 5 p.m. of the 45th, rather than 31st, day before election day, if election day is on or after the 57th, rather than 36th, day and before the 70th day after the date the election is ordered.

 Strikes a provision requiring that a candidate's application for a place on a special election ballot be filed by 5 p.m. of a day fixed by the authority ordering the election.
Requires that a political party's nominee for an unexpired term be nominated by primary election if the vacancy occurs on or before the fifth day before the date of the regular deadline for candidates to file applications for a place on the general primary ballot, rather than the 62nd day before general primary election day.

Provides that if the vacancy occurs after the 10th day before the date of the regular filing deadline, an application for the unexpired term is required to be filed not later than 6 p.m. of the fifth day after the date of the regular filing deadline, rather than the 15th day after the date the vacancy occurs or 5 p.m. of the 60th day before general primary election day, whichever is earlier.

Provides that the actual expense incurred in producing a printed ballot image from an electronic voting system record in a recount is assessable against a person.

Requires that the information required to be filed under Section 62.113 (Compilation of List of Noncitizens), Government Code, with SOS be filed electronically.

Authorizes SOS to waive this requirement on application for a waiver submitted by the clerk.

**Allocation of Delegates to a Political Party's National Convention—S.B. 1398**

by Senator Estes et al.—House Sponsor: Representative Morrison

The Republican Party of Texas (RPT) has had a marginalized role in the selection of the Republican presidential nominee due to Texas’ late primary and the proportional delegate system it is compelled to utilize under the current Election Code. Current law requires the Republican Party to select 75 percent of its national delegates based on presidential primary results, and allocate the remaining 25 percent among other candidates according to RPT rules. RPT wants to be able to implement a winner-take-all system, thereby giving RPT a stronger voice in a presidential primary. This bill:

Authorizes a rule adopted under Section 191.007 (Allocation of Delegates), Election Code, to utilize either a proportional or winner-take-all method, based on the results of the presidential primary election, which may be based on:

- a direct tie to statewide popular vote totals;
- a direct tie to congressional or state senatorial district popular vote totals; or
- an alternative disproportionate method that is based on statewide, congressional district, or state senatorial district popular vote totals.

Provides that this Act does not apply to delegates allocated:

- among party and elected officials; or
- through an allocation based on participants registering for or attending a caucus or similar process, provided that at least 75 percent of the total number of delegates who are to represent this state at the party's national presidential nominating convention are allocated in accordance with the rule adopted under this Act based on the results of the presidential primary election, rather than among one or more of the candidates whose names appear on the presidential primary election ballot and, if applicable, the uncommitted status.
Gifts Made to State Agencies For State Employee Salary Supplement—H.B. 12
by Representative Flynn et al.—Senate Sponsor: Senator Zaffirini

Under current law, state agencies are not required to disclose information relating to donations made to them for the purpose of salary supplements. This bill:

Defines "state agency," "compensation," and "executive staff."

Requires a state agency that accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of the agency to post on the agency's Internet website, in addition to the information required by Section 659.026 (Information Regarding Staff Compensation), Government Code, the amount of each gift, grant, donation, or other consideration provided by the person that is designated to be used as a salary supplement for an employee of the agency. Prohibits the agency from posting the name of the person.

Requires the state agency to adopt conflict of interest provisions regarding the acceptance by the agency of a gift, grant, donation, or other consideration to be used as a salary supplement for an employee of the agency. Requires the governing board of an institution of higher education to adopt the conflict of interest provisions required in the same manner as the board adopts other policies applicable to the institution. Requires the agency to post the conflict of interest provisions on the agency's Internet website.

Requires an entity created solely to provide support for the state agency, if making a gift, grant, or donation or providing other consideration to the state agency for the purpose of a salary supplement, to report to the agency the name of each person who makes gifts, grants, or donations, or provides other consideration to the entity, in an amount or having a value that exceeds $10,000, unless the person has made a request to the entity to remain anonymous, and the amount or value of each specific gift, grant, donation, or other consideration. Requires a state agency that receives a gift, grant, donation, or other consideration to compile the information the agency receives into a report and submit the report to the state auditor and the legislature.

Provides that this information is confidential and is not subject to disclosure under Chapter 552 (Public Information), Government Code. Authorizes the state auditor to review the report to identify any conflicts of interest or any other areas of risk. Requires the state auditor to report the results of an audit performed under this section to the legislature. Requires the state auditor to adopt a schedule and format for reporting information required by this section that does not require the release of information that identifies an anonymous donor.

Requires each state agency receiving a gift, grant, donation, or other consideration from a person that is designated to be used as a salary supplement for a named person, position, or endowment to report certain information to the state auditor in the form determined by the state auditor. Requires the state auditor to compile this information into a report and submit the report to the legislature.

Requires a state agency to make available to the public by posting on the agency's Internet website certain information regarding employees, legislative appropriations, compensation methodology, salary supplements, salary market averages, average compensation paid to certain employees, and increases in compensation of certain staff.
Transparency, Training, and Standards For Public Retirement Systems—H.B. 13
by Representative Callegari et al.—Senate Sponsor: Senator Duncan

Chapter 801 (State Pension Review Board), Government Code, grants the State Pension Review Board (PRB) authority to continuously review all public retirement systems based upon benefits, service, financing, actuarial soundness, and administrative functions. PRB may establish and recommend best practices, as well as conduct studies of public pension systems and submit those studies to the legislature. This bill:

Defines "governing body of a public retirement system," "system administrator," and "trustee."

Requires PRB, for each public retirement system, to post on PRB's Internet website, or on a publicly available website linked to PRB's website, the most recent specified data from reports received under Chapter 802 (Administrative Requirements), Government Code.

Requires PRB, on the 60th day after the date a required report or information is due to PRB, to post on PRB's website a list of public retirement systems that have not submitted the required reports or information.

Requires PRB, for each public retirement system included on such list, to notify either the governor and the Legislative Budget Board or the governing body of the political subdivision, as appropriate, regarding the lack of a timely submission.

Requires PRB to develop and make reasonably accessible on PRB's Internet website model ethical standards and model conflict-of-interest policies.

Provides that a public retirement system is not required to adopt a standard or policy based on the model.

Requires PRB to develop and administer an educational training program for trustees and system administrators.

Sets forth what must be or may be included in the curriculum of the educational training program.

Requires PRB, as practicable, to make training classes reasonably accessible on the Internet.

Authorizes PRB to adopt rules and appropriate fees to administer and provide educational training programs.

Requires fees set by PRB to be reasonable to pay the actual costs incurred by PRB to conduct the training classes.

Authorizes a public retirement system to provide its own educational training if PRB determines that the system's training meets or exceeds the minimum training requirements established by PRB.

Requires a public retirement system to post certain contact information, reports, and other information on a publicly available Internet website.
Requires that such reports or information remain posted until replaced with a more recently submitted edition of the report or information.

Requires that a public retirement system, before the 211th day after the last day of its fiscal year, submit to PRB an investment returns and actuarial assumptions report that includes certain specified information.

Defines "net investment return."

Requires that a public retirement system, if certain information is unavailable, before the 211th day after the last day of the public retirement system's fiscal year, submit to PRB a letter certifying that the information is unavailable, providing a reason for the unavailability, and agreeing to timely submit the information to PRB if it becomes available.

Requires that PRB to conduct a study of the financial health of public retirement systems in this state, including each system's ability to meet its long-term obligations.

Requires each public retirement system to fully cooperate with PRB in conducting the study.

Requires PRB, not later than September 1, 2014, to prepare a written report containing the findings of the study.

Requires PRB to provide each public retirement system covered in the report a reasonable opportunity to review the portion of the report and the recommendations applicable to that retirement system and an opportunity to submit a response to PRB.

Requires PRB, not later than December 31, 2014, to submit to the legislature the final written report, including PRB's recommendations, and a copy of the responses provided by the public retirement systems.

Requires PRB to develop and publish the model ethical standards and conflict-of-interest policies as not later than December 31, 2013.

Requires PRB to adopt rules to implement the educational training program required not later than necessary to begin providing training classes on or before September 1, 2014.

Provides that PRB may only evaluate compliance with the minimum training requirements by trustees and administrators of public retirement systems on or after January 1, 2015.

Sale of a Cemetery Plot—H.B. 52

by Representative Flynn—Senate Sponsor: Senator Carona

Currently, a consumer purchasing burial rights in a cemetery obtains the property rights to the plot, which the consumer may in turn sell or bequeath to an heir. Over the years, as American families’ mobility has increased, the sale of these property rights has become more prevalent. Consequently, third party cemetery brokers have offered to help families sell their burial rights in neighboring regions, where cemetery organizations are familiar with local third party cemetery brokers.
In recent years, online third party cemetery brokers have begun advertising the sale of burial rights in multiple states via their websites. As the practice becomes less regional, cemetery organizations have noticed an increase in the number of situations where the sale of a burial right is not properly documented with the corresponding cemetery, leaving the deed transfer incomplete. As a result, the consumer who purchased the property right is often unaware of any problems until the time for burial. This bill:

Authorizes the Finance Commission of Texas (finance commission) to adopt rules to enforce and administer cemetery brokerages.

Provides that a person who is an officer, agent, or employee of the cemetery organization or its affiliate and who is exempt from registration is not required to be licensed or registered to sell a plot in a dedicated cemetery.

Prohibits a person from acting as a cemetery broker in the sale or resale of the exclusive right of sepulture in a plot unless the person is registered as a cemetery broker or is exempt from registration.

Provides that the resale of the exclusive right of sepulture in a plot is subject to the rules of the cemetery organization and any restrictions in the certificate of ownership, quitclaim agreement, or other instrument of conveyance.

Requires that a quitclaim agreement or other instrument evidencing the conveyance of the exclusive right of sepulture adhere to certain requirements.

Requires a cemetery organization, on request of a person acting as a cemetery broker, to provide its rules, conveyance forms, and written guidelines and procedures for brokered sales, if any.

Prohibits the resale of the exclusive right of sepulture in a group of interment rights that were conveyed collectively from being divided without the consent of the cemetery organization.

Requires a person acting as a cemetery broker that sells or resells the right of sepulture in a plot to collect and remit to the cemetery organization all fees required by law, and any other fee required by the rules of the cemetery organization.

Prohibits a fee required by a rule of the cemetery organization for the sale or resale of the right of sepulture in a plot from exceeding the fee charged by the cemetery organization on the sale of the right of sepulture.

Requires a person acting as a cemetery broker to keep a record of each sale or resale and that the record include certain information.

Requires a cemetery broker, to register, to file with the Texas Department of Banking (TDB) a sworn, notarized statement that contains certain information.

Provides that the registration of a cemetery broker is valid until withdrawn or revoked.

Provides that periodic renewal of the registration is not required.
Requires a registered cemetery broker to update the information contained in the registration statement not later than the 60th day after the date the information changes.

Authorizes TDB to charge a cemetery broker a reasonable fee to cover the costs of filing and maintaining the registration statement.

Prohibits the administration fee from exceeding $100 per year.

Provides certain exemptions for certain persons.

Provides that a cemetery broker is subject to rules adopted relating to complaints regarding the manner in which the cemetery broker provides consumers with information on how to file complaints with TDB.

Requires that the rules be consistent with the obligations imposed by this law.

Requires TDB, if TDB receives a signed written complaint from a person concerning a cemetery broker, to provide written notification of the complaint to the cemetery broker's designated representative not later than the 31st day after the date the complaint was received and provide a copy of the complaint to the representative.

Authorizes TDB to require the cemetery broker to resolve the complaint or to provide TDB with a response to the complaint, or provide written direction requiring the cemetery broker to take specific action to resolve the complaint.

Authorizes a cemetery broker to withdraw the cemetery broker's registration at any time.

Authorizes the banking commissioner of Texas (commissioner), after notice and opportunity for a hearing, to revoke the registration of a registered cemetery broker that fails to pay the annual administration fee and fails to cure the default not later than the 30th day after the date written notice of the default is mailed by TDB to the cemetery broker; fails or refuses to comply with TDB's written request for a response to a complaint; or the commissioner concludes, after considering a complaint filed under this subchapter, has engaged in an intentional course of conduct that violates federal or state law, or constitutes improper, fraudulent, or dishonest dealings.

Requires the commissioner to state the basis of the decision in an order revoking the registration of a cemetery broker.

Authorizes the cemetery broker to appeal an order revoking registration in a certain manner.

Requires the trier of facts, if after a hearing conducted, the trier of fact finds that a violation of law or a rule of the finance commission establishes a pattern of wilful disregard for the requirements or rules of the finance commission, to recommend to the commissioner that the maximum administrative penalty permitted under state law be imposed on the person committing the violation or that the commissioner cancel or not renew the person's registration.
Authorizes the commissioner to issue an emergency order that takes effect immediately if the commissioner finds that immediate and irreparable harm is threatened to the public or a beneficiary under a sale of the exclusive right of sepulture in a plot.

Authorizes the commissioner to issue an order to a person requiring restitution if, after notice and opportunity for hearing, the commissioner finds that the person failed to remit a fee in accordance with state law or misappropriated, converted, or illegally withheld or failed or refused to pay on demand money entrusted to the person that belongs to a cemetery organization under an instrument of conveyance.

Authorizes the commissioner to issue an order to seize accounts in which funds from the sale or resale of the exclusive right of sepulture in a plot, including earnings, to be held and to issue an order to seize the records that relate to the sale or resale of the exclusive right of sepulture in a plot if the commissioner finds, by examination or other credible evidence, that the person failed to remit a fee; misappropriated, converted, or illegally withheld or failed or refused to pay on demand money entrusted to the person that belongs to a cemetery organization under an instrument of conveyance; refused to submit to examination by TDB; was the subject of an order to cancel, suspend, or refuse a registration; or is required to register and is not registered or has transferred the ownership of the business that required registration to another person who is not registered.

Requires that an order be served on the person named in the order by certified mail, return receipt requested, to the last known address of the person.

Provides that an order takes effect immediately and remains in effect unless stayed by the commissioner, if the commissioner finds that immediate and irreparable harm is threatened to the public or a beneficiary under a sale of the exclusive right of sepulture in a plot.

Requires that the order, if such a threat does not exist, state the effective date, which is prohibited from being before the 16th day after the date the order is mailed.

Provides that an emergency order remains in effect unless stayed by the commissioner.

Authorizes the person named in the order to request in writing an opportunity for a hearing to show that the emergency order should be stayed.

Requires the commissioner, on receipt of the request, to set a time before the 22nd day after the date the commissioner received the request, unless extended at the request of the person named in the order.

Provides that the hearing is an administrative hearing relating to the findings that support immediate effect of the order.

Provides that a nonemergency order takes effect as proposed unless the person named in the order requests a hearing not later than the 15th day after the date the order is mailed.

Authorizes the commissioner, after the issuance of an order under this section, to initiate an administrative claim for ancillary relief, including a claim for costs incurred in the administration, transfer, or other disposition of the seized assets and records, or costs reasonably expected to be incurred in connection
with the administration and performance of any outstanding certificate of ownership or other instrument of conveyance that is a part of a sale by the person subject to the order.

Provides that the remedy is not exclusive and authorizes the commissioner to seek an additional remedy.

Requires TDB to administer provisions to cemetery brokers.

Authorizes the finance commission to adopt reasonable rules concerning fees to defray the cost of administering the provisions of this Act; the retention and inspection of records relating to the sale or resale of the exclusive right of sepulture in a plot; changes in the management or control of a cemetery broker's business; and any other matter relating to the enforcement and administration of the provisions.

Prohibits a fee set by the finance commission from producing unnecessary fund balances.

Requires a person acting as a cemetery broker to maintain records.

Requires TDB to examine the records of each person acting as a cemetery broker if the commissioner determines the examination is necessary to safeguard the interests of purchasers and beneficiaries of the exclusive right of sepulture in a plot, and to efficiently enforce applicable law.

Authorizes a person to maintain and provide a record required to be maintained under this section in an electronic format if the record is reliable and can be retrieved in a timely manner.

Requires the commissioner or the commissioner's agent, for each examination conducted, to impose on the cemetery broker a fee in an amount set by the finance commission.

Requires that the amount of the fee be sufficient to cover the cost of the examination, including salary and travel expenses of TDB employees, including travel to and from the place where the records are kept; any other expense necessarily incurred in conducting the examination; the equitable or proportionate cost of maintaining and operating TDB; and the cost of enforcing the laws regarding cemetery brokerage.

American Indian Heritage Day—H.B. 174  
by Representative Alonzo et al.— Senate Sponsor: Senator Zaffirini et al.

Currently there is no state-designated day of recognition for the sizeable population of American Indians and their culture residing in Texas. American Indian communities and leaders have made many historic, cultural, and social contributions to Texas. Texans have an opportunity to celebrate Columbus Day in honor of a person who discovered a nation, but there is currently no holiday honoring the people of that nation. This bill:

Requires that American Indian Heritage Day be regularly observed on the last Friday in September by appropriate ceremonies, activities, and programs in the public schools and other places to honor American Indians in this state and to celebrate the rich traditional and contemporary American Indian culture.
Disabled Veterans, HUBs, and State Contracting—H.B. 194
by Representatives Farias et al.—Senate Sponsor: Senator Hinojosa

Under current law, state agencies are not required to disclose information relating to donations made to them for the purpose of salary supplements. This bill:

Redefines “economically disadvantaged person” to mean a person who is economically disadvantaged because of the person's identification as a member of a certain group, including in the group veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16), and has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

Requires the comptroller of public accounts of the State of Texas (comptroller) to adopt rules to provide goals for increasing the contract awards for the purchase of goods or services by the Texas Facilities Commission and other state agencies to businesses that qualify as historically underutilized businesses because the businesses are owned or owned, operated, and controlled, as applicable, wholly or partly by one or more veterans as defined by 38 U.S.C. Section 101(2) who have a service-connected disability as defined by 38 U.S.C. Section 101(16). Provides that these goals are in addition to the goals established under 2161.002(c) (relating to adopting rules based on the results of the “State of Texas Disparity Study, A Report to the Texas Legislature as Mandated by H.B. 2626, 73rd Legislature, December 1994”), Government Code, and prohibits the goals established under that section from being reduced as a result of the establishment of these goals.

Requires the comptroller, in cooperation with each state agency reporting under this law, to categorize each historically underutilized business included in a report under this subchapter by sex, race, and ethnicity and by whether the business qualifies as a historically underutilized business because it is owned or owned, operated, and controlled, as applicable, wholly or partly by one or more veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16).

Texas Arbor Day—H.B. 419
by Representative Farias—Senate Sponsor: Senator Watson

The celebration of Arbor Day is intended to inspire people to plant, nurture, and celebrate trees. Currently, Arbor Day is observed in Texas on the last Friday in April, but some states have recently changed the date on which Arbor Day is celebrated to coincide with the best time of year to plant trees. Sources say that tree roots grow best whenever the temperature is roughly above 40 degrees Fahrenheit and that it is beneficial to plant trees in early winter so that the trees have optimal time to lay their roots and gain the strength needed to flourish in the summer months. This bill:

Provides that the first Friday in November of each year is Texas Arbor Day to encourage the planting and cultivation of forest, shade, and ornamental trees throughout the state.

Requires that Texas Arbor Day be regularly observed by appropriate ceremonies and activities.
Contributions by State Employees to Assist Domestic Victims of Human Trafficking—H.B. 432

by Representatives Riddle et al.—Senate Sponsor: Senator Van de Putte

Currently, the Health and Human Services Commission (HHSC) administers a program that awards grants to public and nonprofit organizations that provide assistance to domestic victims of human trafficking. However, this program is not considered an eligible charitable organization for purposes of the state employee charitable campaign. This bill:

Provides that HHSC, for the sole purpose of administering the grant program, is considered an eligible charitable organization entitled to participate in the state employee charitable campaign. Entitles a state employee to authorize a deduction for contributions to HHSC for the purposes of administering the grant program as a charitable contribution. Authorizes HHSC to use the contributions to establish a grant program to award grants to public and nonprofit organizations that provide assistance to domestic victims, including organizations that provide public awareness activities, community outreach and training, victim identification services, and legal services.

Permitting State Employee Use of Sick Leave to Attend Educational Activities—H.B. 480

by Representatives Alvarado and Cortez—Senate Sponsor: Senator Ellis

Under current law, state employees may use up to eight hours of sick leave each fiscal year to attend parent-teacher conferences. This bill:

Expands current law to permit an employee to use up to eight hours of sick leave each fiscal year to attend educational activities.

Defines "educational activity" as a school-sponsored activity, including a parent-teacher conference, tutoring, a volunteer program, a field trip, a classroom program, a school committee meeting, an academic competition, and an athletic, music, or theater program.

Goods Manufactured, Produced, or Grown in This State or in the United States—H.B. 535 [VETOED]

by Representatives Yvonne Davis et al.—Senate Sponsor: Senators Zaffirini and Garcia

Under current law, state agencies give preference to goods produced or grown in Texas over out-of-state items when the cost and quality of competing goods are equal. However, there is a need to clarify the definition of "manufactured." This bill:

Requires the comptroller of public accounts of the State of Texas and all state agencies making purchases of goods, including agricultural products, to promote the purchase of and give preference to goods manufactured, produced, or grown in this state or offered by Texas bidders as follows: goods manufactured, produced, or offered by a Texas bidder that is owned by a service-disabled veteran who is a Texas resident are required to be given a first preference and goods manufactured or produced in this state or offered by other Texas bidders are required to be given second preference, if the cost to the state and quality are equal; and agricultural products grown in this state shall be given first preference and agricultural products offered by Texas bidders shall be given second preference, if the cost to the state and quality are equal.
Provides that if goods, including agricultural products, manufactured, produced, or grown in this state or offered by Texas bidders are not equal in cost and quality to other products, then goods, including agricultural products, manufactured, produced, or grown in other states of the United States are required to be given preference over foreign products if the cost to the state and quality are equal.

Defines "manufactured."

Public Sales of Real Property—H.B. 699
by Representative John Davis—Senate Sponsor: Senator Taylor

Under current law, public sales of real property taken in execution on judgment occur at the courthouse door, which has been interpreted to mean a courthouse where district court is conducted. In recent years some counties have seen a growth in the number of sales and sale attendees, resulting in overcrowding and concerns about safety and security during the auction process. Legislation enacted within the last decade allowed certain public sales of property involving delinquent taxes or contract liens to occur at a designated location other than the courthouse door, but no such authority was granted with respect to execution sales. It has been suggested that this inconsistency should be addressed so that all such public property sales can occur in the same location.

Concerns have been raised about certain ambiguities and inconsistencies regarding the procedures for designating an alternate location for public sales of property with respect to delinquent taxes or contract liens, including a concern that a recent change now requires public sales of property with respect to delinquent taxes be conducted inside the courthouse. This bill:

Requires that sales, if the public sale of real property is required by court order or other law to be made at a place other than the courthouse door, be made at the place designated by that court order or other law.

Authorizes the commissioners court of a county to designate an area other than an area at the county courthouse where public sales of real property will take place that is in a public place within a reasonable proximity of the county courthouse as determined by the commissioners court and in a location as accessible to the public as the courthouse door.

Requires the commissioners court to record that designation in the real property records of the county.

Provides that a designation by a commissioners court is not a ground for challenging or invalidating any sale.

Requires that a sale be held at a certain area designated if the sale is held on or after the 90th day after the date the designation is recorded.

Authorizes the commissioners court to by order authorize a county official or employee to identify separate locations within the designated area conducting the of sales and for conducting the sales by peace officers under other laws.
Plan to Increase Outcomes in the Summer Food Service Program—H.B. 749
by Representatives Raymond and Alvarado—Senate Sponsor: Senators Lucio and Zaffirini

The Texas Hunger Initiative at Baylor University has been identified as a resource for the Texas Department of Agriculture (TDA) to help increase participation of eligible students in the summer food service program. This bill:

Requires TDA to develop a five-year plan in collaboration with Baylor University's Texas Hunger Initiative and implement no-cost provisions to increase outcomes in the summer food service program under 42 U.S.C. Section 1761. Requires that the plan include methods to increase participation by children eligible to receive free or reduced-price school lunches and strategies to increase access to summer meals in rural areas for children eligible to receive free or reduced-price school lunches.

Requires TDA, in developing the plan, to involve any appropriate TDA advisory committee that already exists and to seek the participation of relevant stakeholders.

Requires TDA, not later than November 1, 2014, to submit to the governor, lieutenant governor, speaker of the house of representatives, and appropriate standing committees of the legislature the plan to be implemented over the next four years.

Authorizes TDA to solicit and accept a gift, grant, or donation from any source, including a foundation or private entity, for the development of the plan. Authorizes the plan to be developed and implemented only if sufficient funds are available under this subsection for that purpose.

Availability Online of Information Provided to a Marriage License Applicant—H.B. 984
by Representative Elkins—Senate Sponsor: Senator Huffman

Under current law, a county clerk is required to distribute to each applicant for a marriage license printed materials about acquired immune deficiency syndrome (AIDS) and human immunodeficiency virus (HIV), as well as a premarital education handbook that is developed under state law. This bill:

Requires the Department of State Health Services to make information about AIDS and HIV available to the public on its Internet website.

Requires county clerks to distribute written notice of this online location to each applicant.

Requires that the premarital education handbook be made available in an electronic form on the website of the child support division of the Office of the Attorney General or in paper form for applicants who do not have Internet access.

Legal Representation For Peace Officers Employed by a School District—H.B. 1016
by Representative Sarah Davis—Senate Sponsor: Senator Williams

Under current law, a municipality or special purpose district is required to provide free legal counsel to a peace officer employed by the entity if the peace officer is sued for an action that occurred in the scope of
the officer’s official duties. However, such a requirement does not apply to a peace officer who is employed by an independent school district. If a civil suit is filed against such an officer for actions that occurred while on duty, the officer may have to cover the cost of defending the suit. This bill:

Extends the right to legal counsel provided to officers employed by a municipality or special purpose district to peace officers hired by school districts.

**Certification of Alcohol Awareness Programs—H.B. 1020**  
*by Representative Reynolds—Senate Sponsor: Senator Huffman*

The Texas Department of State Health Services (DSHS) certifies the Drug and Alcohol Driving Awareness Program (DADAP), regulated by the Texas Education Agency (TEA). DADAP is a course that teaches about the dangers of driving after using drugs and/or alcohol and about Texas driving while intoxicated laws and defensive driving strategies, as well as how alcohol affects a person’s body and mind generally. This bill:

Requires the court on the placement of a minor on differed disposition for an offense under Section 49.02 (Intoxication and Alcoholic Beverage Offense), Penal Code, or Section 106 (Provisions Relating to Age), Alcoholic Beverage Code, to require the defendant to attend an alcohol awareness program approved by DSHS or a drug and alcohol driving awareness program approved by TEA.

Allows the court, if the defendant has been previously convicted once or more, to require the defendant to attend an alcohol awareness program or a drug and alcohol driving awareness program described by this Act.

Provides that DSHS, rather than the Texas Commission on Alcohol and Drug Abuse, is responsible for the administration of the programs; may charge a nonrefundable fee for certification or renewal; and must adopt rules regarding alcohol awareness programs.

**State Agency Cost-Efficiency Suggestions—H.B. 1128**  
*by Representative Herrero et al.—Senate Sponsor: Senator Garcia*

Currently, at the state level, there is not a program similar to the Government Reform for Competitiveness and Innovation program which seeks ideas from federal employees regarding ways to make government more effective and efficient and to ensure taxpayer dollars are spent wisely. This bill:

Requires each state agency that has 1,500 or more employees, except where provided and to the extent possible using available resources, to post on the agency's intranet website or generally accessible Internet website an electronic form or link allowing an employee of the agency to submit suggestions and ideas on how to make the agency more cost-efficient. Requires that the system for submitting suggestions and ideas allow an employee to elect to submit a suggestion or idea that includes the employee's name or to submit an anonymous suggestion or idea. Prohibits the suggestion or idea, if an employee elects to submit anonymously, from being traceable to the employee and prohibits the system for anonymous submission from recording data linking the suggestion or idea to the computer used for the submission.
Requires each state agency that posts a form or link, except as otherwise provided, to post on the agency’s generally accessible Internet website a link allowing members of the public to monitor, in real time or on a weekly, monthly, or quarterly basis, submissions made, and vote for the public’s favorite submission.

Authorizes the Texas Department of Information Resources (DIR) to exclude from the requirements of this section a state agency if the agency has a preexisting program or link that DIR determines substantially meets the requirements of this section.

Requires DIR to adopt rules establishing procedures and required formats for implementing this section. Requires that the rules adopted under this subsection require that submissions and votes be moderated to exclude overtly political or offensive material.

**Donated Legislative Office Space—H.B. 1256**

*by Representative Stephenson et al.—Senate Sponsor: Senator Hegar*

Current law permits nonprofit organizations to donate real property to the State of Texas, but does not allow a member of the legislature who owns office space that is in the legislator’s district to donate that space. This bill:

Prohibits a member of the legislature, an executive or judicial officer elected in a statewide election, or certain business entities in which the legislator or officer has a substantial interest, from leasing any office space or other real property to the state, a state agency, the legislature or a legislative agency, the Supreme Court of Texas, the Court of Criminal Appeals, or a state judicial agency.

Authorizes a member of the legislature or a business entity in which the legislator has a substantial interest to donate the use of office space that the member or entity owns and is located within the member’s district in which the member serves for the use of the member’s official business. Provides that office space donated is not a contribution and that the acceptance of a donation of office space is not subject to regulation regarding gifts and grants in the Government Code.

**Lobbyist Registration—H.B. 1422**

*by Representatives Geren and Canales—Senate Sponsor: Senator Eltife*

A registered lobbyist who also acts as a campaign consultant is not currently required to disclose information related to the lobbyist’s consulting activities. This lack of disclosure can potentially lead to conflicts of interest. This bill:

Requires a lobbyist registration form to include the full name and address of each person who compensates or reimburses the registrant or registrant’s agent for services, including political consulting services, rendered by the registrant from:
- a political contribution;
- interest received from a political contribution; or
- an asset purchased with a political contribution.
Distribution of Civil Restitution to Civil Legal Services—H.B. 1445
by Representative Senfronia Thompson et al.—Senate Sponsor: Senator Duncan

Civil legal service providers assist low-income and moderate-income clients with civil law services. The economic downturn has led to an increase in poverty, federal budget shortfalls, and historically low interest rates on a primary revenue source for legal aid, the Interest on Lawyers' Trust Accounts. These factors strain the available resources for Texans in need of civil legal services.

Section 402.007 (Payment to Treasury; Allocation of Certain Penalties), Government Code, details the types of civil penalties and civil restitution recovered from the attorney general that can be credited to fund civil legal services for the indigent. Under this section, the comptroller of public accounts of the State of Texas (comptroller) must credit to the judicial fund for civil legal services programs approved by the Supreme Court of Texas (supreme court) the net amount of a civil penalty that is recovered in an action by the attorney general in any matter that is actionable under the Deceptive Trade Practices-Consumer Protection Act, after deducting certain amounts, unless another law requires that the penalty be credited to a different fund or the judgment awarding the penalty requires that the penalty be paid to another named recipient. This bill:

Requires the attorney general to immediately pay into the state treasury money received for restitution.

Requires the comptroller to credit to the judicial fund for programs approved by the supreme court that provide basic civil legal services to the indigent the net amount of civil restitution recovered by the attorney general in an action brought by the attorney general arising from conduct that violates a consumer protection, public health, or general welfare law, if, on the hearing of an ex parte motion filed by the attorney general after the entry of a judgment awarding civil restitution, the court:

- determines that, based on the facts and circumstances of the case:
  - it is impossible or impractical to identify injured parties;
  - it is impossible or impractical to determine the degree to which each claimant was injured and entitled to recover;
  - the cost of administering a claim procedure will disproportionately reduce the amount of restitution available for the payment of individual claims; or
  - the claims of all identifiable persons eligible to receive restitution have been paid without exhausting the funds available for restitution; and
- enters a judgment or order that the restitution be credited to the judicial fund for programs approved by the supreme court that provide basic civil legal services to the indigent.

Requires the attorney general, if the court enters such a judgment or order, to notify the Legislative Budget Board and distribute that restitution in accordance with the judgment or order.

Provides that this Act does not limit the authority of the attorney general to seek and obtain cy pres distribution (distribution of unclaimed or residual settlement funds).
Expanding Civil Liability For Barratry and Updating the Statute—H.B. 1711
by Representative Fletcher—Senate Sponsor: Senator Duncan

Section 82.0651 (Civil Liability for Prohibited Barratry), Government Code, authorizes a client to bring an action to void a contract for legal services procured through barratry and to recover all fees and expenses paid under the contract, actual damages caused by the prohibited conduct, and reasonable and necessary attorney's fees. This section also provides that a person who was solicited in violation of the barratry law, but who did not enter into a contract, may bring a civil action against any person who committed barratry and recover a penalty in the amount of $10,000, in addition to actual damages and attorney's fees. There are reports that some attorneys have their client voluntarily void the contract following the case, thereby avoiding an action under Section 82.0651. Further, the $10,000 penalty under the current statute applies only when a person is illegally solicited, but no legal services contract is signed. There is also concern that provisions of Section 38.12 (Barratry and Solicitation of Professional Employment), Penal Code, barring an attorney from directly soliciting by mail a criminal defendant within 30 days of an arrest or an issuance of a summons violates the United States Constitution. This bill:

Clarifies that any contract for legal services is voidable if it is procured as a result of conduct violating Section 38.12 or Rule 7.03, Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, regarding barratry.

Provides that a client bringing an action to void a contract was procured through barratry may, in addition to specified fees and expenses, recover a penalty in the amount of $10,000.

Authorizes a client to bring an action even if the contract is voided voluntarily.

Provides that the expedited actions process created by Rule 169, Texas Rules of Civil Procedure, does not apply to an action under this Act.

Strikes the provision of Section 38.12 barring an attorney from directly soliciting by mail a criminal defendant within 30 days of an arrest or an issuance of a summons.

Compensation For Property Damaged as a Result of a Law Enforcement Pursuit—H.B. 1931
by Representative Guillen et al.—Senate Sponsor: Senator Estes

Current law provides that a municipality or county law enforcement agency may compensate property owners whose property was damaged as a result of a pursuit involving a law enforcement agency. This bill:

Authorizes the attorney representing the state, in a county with a population of less than 150,000, to transfer funds in excess of $1,000 from the abandoned vehicle auction proceeds account to the municipality's or county's general revenue account to be used by the law enforcement agency if the vehicle, aircraft, watercraft, or outboard motor was located in a county.

Authorizes a law enforcement agency or an attorney representing the state to compensate property owners whose property was damaged as a result of a pursuit involving a law enforcement agency, regardless of whether the agency would be liable under Chapter 101 (Tort Claims), Civil Practice and Remedies Code.
Requires the commissioners court to consider the proposed payment for compensation at the next regularly scheduled meeting of the commissioners court before a law enforcement agency or an attorney representing the state is authorized to compensate a property owner.

Defines, in this section, “attorney representing the state” to mean a district attorney, criminal district attorney, or county attorney performing the duties of a district attorney.

Transfer of State Property From Texas Juvenile Justice Department to Jefferson County—H.B. 1968
   by Representative Deshotel—Senate Sponsor: Senator Williams

Jefferson County previously donated property to the state. The property once housed juvenile prisoners and is surrounded by other prison units, but has since closed and is not being used. Because the property no longer serves any necessary state purpose it should be transferred from the Texas Juvenile Justice Department (TJJD) back to Jefferson County. This bill:

Requires TJJD, not later than January 31, 2014, to donate and transfer to Jefferson County the real property.

Authorizes Jefferson County to use the property transferred under this Act only for a purpose that benefits the public interest of the state. Provides that, if Jefferson County uses the property for any purpose other than a purpose described by this subsection, ownership of the property automatically reverts to TJJD.

Requires TJJD to transfer the property by an appropriate instrument of transfer. Requires that the instrument of transfer provide that Jefferson County is authorized to use the property only for a purpose that benefits the public interest of the state and ownership of the property will automatically revert to TJJD if Jefferson County uses the property for any purpose other than a purpose just described. Requires that the instrument of transfer describe the property to be transferred by metes and bounds.

Requires TJJD to retain custody of the instrument of transfer after the instrument of transfer is filed in the real property records of Jefferson County. Sets forth the boundaries of the real property referred to in this bill.

Eligibility of Organizations to Participate in State Employee Charitable Campaign—H.B. 2252
   by Representative Ashby—Senate Sponsor: Senator Nichols

Under current law, charities in Texas with budgets over $100,000 must undergo an official audit in order to qualify to receive contributions from the state employee charitable campaign. This requirement costs smaller charities each year. This bill:

Requires an organization participating in the state employee charitable campaign with an annual budget that does not exceed $250,000 to provide a completed Internal Revenue Service Form 990 and an accountant’s review that offers full and open disclosure of the organization’s internal operations. Requires an organization participating in the state employee charitable campaign with an annual budget exceeding $250,000 to be audited annually in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants.
Protection of the View of the Capitol—H.B. 2256

by Representatives Howard and Naishtat—Senate Sponsor: Senators Watson and Zaffirini

As the City of Austin grows and the downtown area becomes increasingly dense, there is increasing pressure on the Capitol view corridors. The Capitol view corridors are currently protected through city ordinance and state law, but the state statute can be further strengthened to protect the iconic view of the state Capitol along Congress Avenue. This bill:

Defines "Congress Avenue view corridor" in Chapter 3151, Government Code.

Prohibits a person from beginning construction of a structure in the Congress Avenue view corridor:
- on the west side of Congress Avenue that is within 60 feet of Congress Avenue and has a height that exceeds 90 feet; and
- on the east side of Congress Avenue that is within 40 feet of Congress Avenue and has a height that exceeds 90 feet.

Provides that if a requirement of Chapter 3151 (Preservation of View of State Capitol), Government Code, conflicts with a requirement enacted by a municipality or with any other requirement under state law, the stricter requirement prevails.

Advanced Internet-based Computing Service Options—H.B. 2422

by Representative Larry Gonzales—Senate Sponsor: Senator Schwertner

The use of cloud computing by state agencies can provide efficiencies and cost-savings to the state. This bill:

Defines "cloud computing service" and requires a state agency to consider cloud computing service options when making purchases for a major information resources project under Section 2054.118 (Major Information Resources Project), Government Code.

Repealing the Intoxicants and Narcotics Provision of the Insurance Code—H.B. 3105

by Representatives Morrison and Carter—Senate Sponsor: Senator Deuell

A provision commonly referred to as the alcohol exclusion provision of the National Association of Insurance Commissioners (NAIC) model Uniform Accident and Sickness Policy Provision Law permits an insurer to refuse to accept a claim for a loss sustained as a consequence of an insured's being intoxicated or under the influence of certain drugs. However, scientific advances in understanding substance abuse and the development of effective alcohol treatment have compelled the NAIC to reverse its position and instead recommend that states repeal their alcohol exclusion law. Other states have repealed that provision because it may deter hospitals from performing routine screening for drug and alcohol use. This bill:

Repeals Section 1201.227 (Policy Provision; Intoxicants and Narcotics), Insurance Code.
Contracts With a Certified Workers' Compensation Network—H.B. 3152

by Representative Giddings—Senate Sponsor: Senator Fraser

There is a need to clarify and update state law regarding payment of and contracts with health care providers by certain entities under contract with a certified workers' compensation network. This bill:

Requires that if, for the purposes of credentialing and contracting with health care providers on behalf of the certified network, a person is serving as both a management contractor or a third party to which the network delegates a function and as an agent of the health care provider, the contract between the management contractor or third party and the health care provider specify the certified network's contract rate for health care services, and the amount of reimbursement the health care provider will be paid after the health care provider agent's fee for providing administrative services is applied.

Requires a management contractor or third party to which the network delegates a function who is serving as an agent for health care providers in the certified network to disclose that relationship in its contract with the certified network.

Sets forth certain contracts that are required to comply with the requirements of this Act.

Provides that under a contract that complies with the requirements of this Act, the health care provider must be reimbursed in accordance with the terms of the contract.

Provides that if the contract does not comply with the requirements of this Act, the health care provider must be reimbursed in accordance with the certified network's contracted rate.

Prohibits a certified network, management contractor, or third party to which the network delegates a function from requiring a health care provider, as a condition for contracting with the certified network, to utilize the management contractor or the third party as a health care provider agent.

Willie Velasquez Day—H.B. 3209

by Representatives Alonzo and Menéndez—Senate Sponsor: Senator Uresti

Willie Velasquez was a leader of the movement to increase political power and participation among Hispanic Americans. He envisioned a time when Latinos would play an important role in the American democratic process. Velasquez founded the Southwest Voter Registration and Education Project in 1974, which grew to be the nation's largest voter registration project aimed at the Hispanic community. Velasquez found the Hispanic-American political party, La Raza Unida, and he worked alongside Cesar Chavez to organize the 1968 farmworkers' strike in South Texas. In 1995 Velasquez became the second Latino to be awarded the Presidential Medal of Freedom, when he was decorated by President Bill Clinton. This bill:

Provides that May 9 is to be celebrated as Willie Velasquez Day in observance of the birthday of William "Willie" Cardenas Velasquez. Requires that Willie Velasquez Day be regularly observed by appropriate ceremonies and activities.
Use and Development of the Capitol Complex—H.B. 3436
by Representative Cook—Senate Sponsor: Senator Whitmire

Provisions were previously enacted by the legislature for the procurement of public and private facilities and infrastructure by governmental entities under comprehensive agreements with private entities or persons to develop or operate the qualifying project. Current provisions allow agencies that operate under these provisions to consider solicited and unsolicited proposals for public-private partnerships on state land and create an advisory commission to oversee projects proposed and implemented under this law. The Texas Facilities Commission (TFC) currently operates under these provisions and a recent sunset review determined that the state could be at significant risk should formal action be taken on any of the current public-private partnership proposals because of TFC’s current guidelines, limited staff, and lack of input from all affected parties. This bill:

Defines “Capitol complex.”

Prohibits TFC, notwithstanding Subchapter D (Lease of Public Grounds), Government Code, from leasing, selling, or otherwise disposing of real property or an interest in real property located in the Capitol complex.

Provides that Section 2165.259, Government Code, does not affect TFC’s authority under Subchapter E (Lease of Space in State-Owned Buildings to Private Tenants), Government Code, to lease space in state office buildings and parking garages.

Authorizes TFC to develop or operate a qualifying project located in the Capitol complex only if specifically granted the authority by the legislature.

Prohibits the responsible governmental entity, excluding institutions of higher education, from entering into a comprehensive agreement under this chapter before September 1, 2014.

Provides that the duty of the asset management division of the General Land Office (GLO) or any other division delegated the duties of the asset management division by the commissioner of the GLO (commissioner) is to review and verify real property records and to make recommendations regarding real property and that the report involving real property compiled by the commissioner does not apply to certain property, including the real property located in the Capitol complex.

NAIC’s Model Holding Company Act—H.B. 3460
by Representative Eiland—Senate Sponsor: Senator Carona

Recently enacted state legislation conformed state law governing insurance company holding systems to the National Association of Insurance Commissioner’s (NAIC) model act, which was based on the federal Insurance Holding Company System Regulatory Act.

The 82nd Legislature passed S.B. 1431 in anticipation of the NAIC’s Model Holding Company Act being finalized. S.B. 1431 was intended to mirror the model act for purposes of conformity among the states. The NAIC model legislation was developed in response to the national financial crisis and was intended to provide insurance regulators with more information about potential risks to the insurer from within the holding company system. The subsequently revised model increases the power of regulators to supervise...
insurance holding company systems while also providing enhanced confidentiality protections for information the companies must now submit to regulators.

As a result of the NAIC's recent changes, Texas law is no longer harmonious with the model act. This bill:

Provides that this section applies only to information, including documents and copies of documents, that is reported or otherwise provided under Subchapter B (Registration) or C (Transactions of Registered Insurer) or Section 823.201(d) (relating to requiring the acquiring person to agree to provide a certain annual enterprise risk report for as long as the acquiring person maintains control of the insurer) or (e) (relating to requiring the acquiring person and all subsidiaries within the acquiring person's control in the insurance holding company system to provide information to the commissioner of insurance (commissioner) on request to evaluate enterprise risk to the insurer).

Authorizes the commissioner or another person, if the recipient of documents or other information agrees in writing to maintain the confidential and privileged status of the documents or other information and verifies in writing the legal authority to maintain the confidential and privileged status of the documents or information, to disclose the information to any of the following entities functioning in an official capacity: the National Association of Insurance Commissioners and its affiliates and subsidiaries, or another state, federal, or international regulatory agency.

Authorizes the commissioner to receive documents or information, including otherwise confidential and privileged documents or information from the entities and requires the commissioner to maintain as confidential or privileged any document or information received by the commissioner with notice or an understanding that the document or information is confidential or privileged under the laws of the jurisdiction of the entity that provides the document or information.

Requires that the registration statement also contain information about each transaction between the insurer and an affiliate of the insurer not specified that is subject to Section 823.103 (Notice of and Commissioner's Decision on Specified Transactions) or 823.104 (Prohibition of Action to Avoid Application of Subchapter).

Provides that an insurer is not required to report under this Act a transaction that is approved.

Provides that this Act applies only to a sale, purchase, exchange, loan or other extension of credit, or investment between a domestic insurer and any person in the insurer's insurance holding company system, including an amendment or modification of an affiliate agreement previously filed, provided the transaction is not less than, with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of the insurer's surplus as regards policyholders as of December 31 of the year preceding the year in which the transaction occurs; a loan or other extension of credit to a person who is not an affiliate if the insurer makes a loan or extension of credit with the agreement or understanding that the proceeds of the transaction, wholly or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investment in, an affiliate of the insurer making the loan or extension of credit, provided the transaction is not less than, with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of the insurer's surplus as regards policyholders as of December 31 of the year preceding the year in which the transaction
occurs, or, with respect to life insurers, three percent of the insurer's admitted assets as of December 31 of the year preceding the year in which the transaction occurs.

Prohibits a domestic insurer from entering into transactions with persons in the insurer's insurance holding company system if the purpose of entering into the transactions is to avoid a threshold amount.

Authorizes the commissioner, if the commissioner determines that over any 12-month period a domestic insurer enters into transactions that violate state law to consider the cumulative effect of the transactions.

Texas Peace Officers' Memorial—H.B. 3559

by Representative Pickett—Senate Sponsor: Senators Eltife and Zaffirini

The Texas Peace Officers' Memorial was dedicated more than a decade ago to serve as an official repository for the names of Texas peace officers who have fallen in the line of duty. The Commission on Law Enforcement Officer Standards and Education (TCLEOSE), a state licensing agency, was tasked as the sole determiner of the individuals who would be eligible for inclusion on the memorial monument. Additionally, TCLEOSE was charged with fundraising and maintenance duties for the memorial. However, the State Preservation Board (SPB) oversees funding for other monuments constructed on the State Capitol grounds. Imposing funding duties for a monument on the Capitol grounds on a state licensing agency has created confusion among those involved in the annual memorial service. There is a need to provide for the funding of the memorial in the same manner as all the other monuments on the Capitol grounds, through a mixture of public and private funds, while permitting individuals and organizations to continue to contribute dollars intended specifically for the peace officers’ memorial. This bill:

Provides that the Texas Peace Officers' Memorial Monument is erected on the grounds of the Capitol Complex to recognize and honor the ultimate sacrifice made by law enforcement and corrections officers in this state who were killed in the line of duty.

Defines "monument" to mean the Texas Peace Officers' Memorial Monument.

Authorizes SPB to raise money from private or public entities for the continued maintenance and update of the monument.

Deletes the requirement that TCLEOSE raise money from private or public entities for the continued maintenance and update of the memorial and transfer all the money to SPB.

Requires an entity that collects funds for the maintenance and improvement of the Texas Peace Officers' Memorial monument to send that money to SPB to be deposited in the Capitol fund account.

Designation of Texas Homemade Pie Day—H.C.R. 36

by Representative Smith—Senate Sponsor: Senator Ellis

For generations Texas families have shared a tradition of joining together to bake and enjoy pies. In Texas, bakers often incorporate local produce, including peaches, potatoes, and pecans, into their pies. This bill:
Designates February 16 as Texas Homemade Pie Day for the next 10 years.

Texas Academic Scholarship Day—H.C.R. 40  
*by Representatives Johnson and Moody—Senate Sponsor: Senator West*

On National Signing Day, Texans recognize high school football players who have received an athletic scholarship for college. Currently, there is no day designated to recognize the accomplishments of students who have received an academic college scholarship. This bill:

Designates the first Saturday in May as Texas Academic College Scholarship Day until the 10th anniversary of the date this resolution is passed.

Sculpture Capital of Texas—H.C.R. 41  
*by Representative Ashby—Senate Sponsor: Senator Schwertner*

Jewett is home to a number of notable sculptors; the Leon County Art Trail program, which features approximately 30 sculptures; a private gallery containing more than 50 sculptures; and numerous other sculptures owned by the city or by businesses for permanent display. This bill:

Commemorates the third annual Leon County Art Trail and designates the City of Jewett as the Sculpture Capital of Texas.

Appointment of Interim Joint Committees—H.C.R. 43  
*by Representative Geren—Senate Sponsor: Senator Eltife*

In the past 15 regular legislative sessions, the Texas Legislature has adopted a concurrent resolution to authorize the creation and appointment of joint interim legislative study committees by the lieutenant governor and the speaker of the house of representatives. The joint interim legislative study committees provide opportunity for the legislature to address and study issues that remain unresolved on sine die adjournment or that emerge during the interim. This bill:

Authorizes the lieutenant governor and the speaker of the house of representatives to create by mutual agreement joint committees composed of a combination of legislators, state officials, or citizen members, as they consider necessary during the term of this legislature and authorizes the governor to appoint members to a joint committee upon the request of the presiding officers.

Provides that the committee composition should consist, to the greatest extent possible, of existing staff and administrative resources or the committee members, standing committees, officers of the senate and house, and legislative service agencies.

Provides that the presiding officers issue a joint proclamation identifying the issue or issues to be studied and list the committee membership or describe the committee composition in the proclamation filed with the secretary of the senate and the chief clerk of the house of representatives.
Provides that the chair or co-chairs, designated by the presiding officers, submit a proposal for budget and staffing within four weeks of the proclamation and that the presiding officers jointly review each budget and staffing proposal, adopt budgetary and staffing allocations, and determine the manner in which each joint committee is to be funded.

Authorizes the joint committee chair or the co-chairs to create and appoint subcommittees or affiliated advisory panels and to designate respective chairs for each, contingent upon advance approval of the presiding officers for the creation and the appointment of subcommittees or advisory panels containing membership external to the committee.

Provides that each joint committee and its subcommittees and advisory panels are to convene at the call of its chair or co-chairs, provided that the chair or co-chairs post a public notice as specified by the senate and house rules of procedure for posting a notice of standing committee meetings at least five calendar days in advance of the hearing or meeting.

Provides that each joint committee has the authority to issue process provided that any motion for the issuance of process must receive the record vote of at least two-thirds of those present and voting, a quorum being present.

Provides that each joint committee is entitled to accept donations and grants to be administered by the accounting and purchasing sections of the Texas Legislative Council, and upon expiration of a joint committee, any unexpended funds remaining from a grant or donation is to be transferred in equal proportions to the accounts of the senate and house of representatives unless otherwise provided by the grantor or donor.

Provides that citizen members appointed by the lieutenant governor or speaker of the house of representatives to joint committees are to be reimbursed from funds appropriated to the Texas Legislative Council and that citizen members appointed by the governor to joint committees be reimbursed from funds appropriated to the office of the governor for expenses of travel on official committee business.

Provides that the Texas Legislative Council is authorized to reimburse the senate and house of representatives for expenses incurred by members of the senate and house for certain travel-related expenses.

Charles Goodnight Day—H.C.R. 51
by Representative Ken King et al.—Senate Sponsor: Senator Seliger

The life of Charles Goodnight, a legendary rancher, has inspired generations of Texans. Goodnight was born on March 5, 1836, in Macoupin County, Illinois, and in 1845 he travelled by horseback with his family to Milam County, Texas. During the 1860s Goodnight worked as a scout for the Texas Rangers and he returned to the cattle business after his service, when he, Oliver Loving, and 18 cowhands forged the Goodnight-Loving Trail from Fort Belknap, Texas, to Fort Sumner, New Mexico, which became one of the most heavily trafficked cattle trails in the Southwest and where he invented the chuck wagon.

In 1870, Goodnight married Mary Ann “Molly” Dyer. Goodnight developed a partnership with John G. Adair and served as the resident manager and part owner of JA Ranch along the Palo Duro Canyon. While
residing in the Panhandle of Texas, Goodnight pioneered many new techniques and inventions, including artificial watering facilities, barbed wire fences, the development of the Hereford bulls through crossbreeding, and one of the earliest western sidesaddles. When Molly Goodnight became concerned about the decline of the native bison, Goodnight began breeding them on his ranch. When Charles Goodnight died, at the age of 93, he was buried alongside Molly Goodnight. The descendants of the Goodnights' buffalo live on as the Official State Bison Herd of Texas at Caprock Canyons State Park. This resolution:

Designates March 5 as Charles Goodnight Day and provides that this designation remains in effect until the 10th anniversary of the date this resolution is passed.

**Purple Martin Conservation Capital of Texas—H.C.R. 54**
*by Representative Harper-Brown—Senate Sponsor: Senator Hancock*

The purple martin is one of the country's most-loved songbirds and the City of Grand Prairie has become a leader for purple martin conservation in the Lone Star State. Purple martins, a member of the swallow family, are admired for their iridescent blue-black coloring, their pleasant song, and their grace as they catch food. Purple martins fly north in the spring to breed in Mexico, the United States, and Canada; after their young are hatched and able to fly, a process that takes approximately 70 days, the birds migrate south again to the lowlands east of the Andes Mountains. The purple martins east of the Rocky Mountains typically nest in artificial housing supplied by humans. The Purple Martin Landlords of North Texas, based in Grand Prairie, support research concerning the birds, work to educate citizens about their needs, and promote the construction of purple martin housing in public locations around the city. Annually the mayor and city council of Grand Prairie proclaim Purple Martin Day to raise public awareness and encourage support for the perpetuation of the species. This resolution:

Designates Grand Prairie as the official Purple Martin Conservation Capital of Texas.

**Texas Teacher Appreciation Week—H.C.R. 68**
*by Representatives Farney and Carter—Senate Sponsor: Senator Patrick*

Teachers make a difference every day as they bring both passion and creativity to the classroom and teach citizenry responsibilities and encourage a love of learning among Texas' youth. Teacher's touch the lives of many as they fulfill not only the role of instructor, but also motivator, encourager, and mentor. This resolution:

Designates the first full week of May as Texas Teacher Appreciation Week and provides that the designation remains in effect until the 10th anniversary of the date this resolution is passed.

**Pumpkin Capital of Texas—H.C.R. 84**
*by Representative Springer—Senate Sponsor: Senator Duncan*

The City of Floydada has been associated with the pumpkin for many years. The modern pumpkin industry in Texas began with a Floyd County farmer, B.A. "Uncle Slim" Robertson, who began growing the squash
on 10 acres and selling the produce on the side of the road, but as his acreage increased the pumpkins traveled further for sale. Floydada now produces between 15 and 20 million pumpkins annually in various varieties that provide a significant source of revenue for the city. The City of Floydada celebrates Punkin Day annually, a festival that features a range of pumpkin-related activities. This resolution:

Designates Floydada as the Pumpkin Capitol of Texas.

**Official State Squash of Texas—H.C.R. 87**  
*by Representative Springer—Senate Sponsor: Senator Duncan*

Texas' diverse agriculture industry is one of the strengths of the state economy and the pumpkin has become an important crop. The pumpkin, a variety of squash native to North America, can come in numerous varieties that can be grown quickly and stored for an extended period of time. Pumpkins were utilized by Texans before refrigerators as livestock feed and today Texans consume pumpkin, as it is a good source of vitamin A, potassium, and fiber. Texas ranks fourth among top pumpkin producing states, as the state grows between 15 and 20 million pumpkins annually, mostly in West Texas, generating approximately $10 million annually for the Texas economy. The pumpkin is used by families to decorate their homes and serves as reminder of Texas' traditional rural heritage. This resolution:

Designates the pumpkin as the official State Squash of Texas.

**Joint Interim Committee to Study Recruiting Firearms and Ammunition Manufacturers—H.C.R. 89**  
*by Representatives Hunter and Price—Senate Sponsor: Senator Estes*

The firearms and ammunition industry has grown in recent years. The firearms and ammunition industry has the potential to create jobs and contribute to the future prosperity of Texas. This bill:

Provides that the 83rd Legislature requests that the lieutenant governor and the speaker of the house of representatives create a joint interim committee to study recruiting firearms and ammunition manufacturers to Texas.

**Cowboy Hat Capital of Texas—H.C.R. 96**  
*by Representatives Button and Sheets—Senate Sponsor: Senator Carona*

The cowboy hat has long been associated with the Lone Star State and the City of Garland is home to many of the leading cowboy hat manufacturers. Resistol, Stetson, and Charlie 1 Horse Hat Company, all part of Hatco, have manufacturing facilities in Garland, Texas, which employ approximately 400 people. Several other smaller hat-making companies have established themselves in Garland, Texas, including Master Hatters of Texas, Milano Hat Company, and Dallas Hats. The Manufacturing Association and the Garland Chamber of Commerce have worked to ensure that the city is an ideal location for businesses of all sorts by fostering a manufacturing-minded environment. The production of cowboy hats contributes not only to the Texas economy, but adds to the rich cultural heritage of the state. This resolution:

Provides that Garland, Texas, is the Cowboy Hat Capital of Texas.
Official Cobbler of Texas—H.C.R. 102
by Representative Doug Miller—Senate Sponsor: Senator Fraser

Cobbler, originally invented by British colonists in America, has become a favorite dessert choice across the Lone Star State. Cobbler refers to a dish made by pouring a sweet or savory filling into a pan and covering it with batter, biscuits, or a pie crust before baking. In Texas, cobbler filled with Texas peaches have become a signature summertime dessert, often served with a single scoop of vanilla ice cream. Many of the state’s peaches come from Gillespie County between the summer months of mid-May to early August and for many Texans a taste of peach cobbler is a taste of home. This resolution:

Designates peach cobbler as the official cobbler of Texas.

Texas Personal Financial Literacy Month—H.C.R. 111
by Representative Farney—Senate Sponsor: Senators Van de Putte and Zaffirini

Personal financial literacy is essential to becoming a responsible worker, business leader, head of household, and citizen. This vital subject often goes unaddressed in the formal classroom, as fewer than one-third of all states mandate a course on personal finance to be offered in high schools. According to the National Jump$tart Coalition, the mean score for 12th-grade students tested on financial literacy has decreased significantly in recent years, which can have far-reaching effects on the future of young people, including higher credit card debt and fewer adults reporting saving funds for retirement. A number of agencies and groups that are working to increase financial literacy rates for all Americans have designated the month of April as Financial Literacy Month to highlight the importance of personal finance education and to encourage Americans to establish and maintain responsible saving and spending habits. This resolution:

Designates April as Texas Personal Financial Literacy Month and provides that the designation remains in effect until the 10th anniversary of the date this resolution is passed.

Pickle Capital of Texas—H.C.R. 115
by Representative Zedler—Senate Sponsor: Senator Davis

Best Maid products, a leading manufacturer of pickles, originated more than 85 years ago in the City of Mansfield. The company began in the kitchen of Mildred and Jessie Otis Dalton, where Mrs. Dalton sold homemade pies, mayonnaise, sandwich spread, and pickles to the customers of Mr. Dalton’s grocery, and in 1926 the two founded the Best Maid company. Today Best Maid is known for its popular pickles and dressings and sells approximately 50 million pickles annually under the Best Maid and Del-Dixi brands. Since 2012, the City of Mansfield has celebrated its fame as the birthplace of this pickle empire by staging the World’s Only Best Maid St. Paddy’s Pickle Parade and Palooza every March, featuring pickle-eating and pickle-juice drinking competitions among other activities. This resolution:

Designates Mansfield as the official Pickle Capital of Texas and provides that the designation remains in effect until the 10th anniversary of the date this resolution is passed.
Designation of Texas Historical Use Buildings—S.B. 111
by Senator Lucio—House Sponsor: Representative Lucio III

Currently, buildings that have benefited their community for at least 150 years are not required to be recognized by the Texas Historical Commission. This bill:

Requires the Texas Historical Commission to specially designate as a Texas Historical Use Building that is considered worthy of preservation because of its history, culture, or architecture a building that is currently used regularly for a purpose that benefits the community in which the building is located, as determined by the commission, and that has been used regularly for such a purpose for at least 150 years.

Authorizing Certain Free Legal Services For Certain First Responders—S.B. 148
by Senators Williams and Nichols—House Sponsor: Representative Toth

Sections 36.08 (Gift to Public Servant by Person Subject to His Jurisdiction) and 36.09 (Offering Gift to Public Servant), Penal Code, bar gifts or the offering of gifts to public servants. However, Section 36.10 (Non-applicable), Penal Code, provides that these sections do not apply to certain gifts or services, including gifts not in excess of $50. For several years, The Woodlands Bar Association, through a program called "Wills for Heroes," provided first responders (firefighters, ambulance drivers, and police officers) with complimentary estate planning consisting of wills, powers of attorney, and directives to physicians. There is concern that "Wills for Heroes" may violate the Penal Code provisions barring gifts to public servants because the services provided under the program exceed $50 in value. This bill:

 Creates an exception to provisions barring gifts to public servants for complimentary legal services relating to a will or other estate planning rendered to a public servant who is a first responder through a program or clinic that is operated by a local bar association or the State Bar of Texas, and approved by the head of the agency employing the public servant, if the public servant is employed by an agency.

 Defines "first responder."

Parrie Haynes Trust—S.B. 157
by Senator Hegar—House Sponsor: Representative Aycock

In 2009, as part of the Texas Parks and Wildlife Department (TPWD) sunset bill, TPWD and the Texas Youth Commission (now the Texas Juvenile Justice Department) were directed to seek a modification of the Parrie Haynes Trust to make TPWD the trustee. This bill:

Repeals Section 17 (relating to the administration of the Parrie Haynes Trust and control of the Parrie Haynes Ranch), Chapter 952 (H.B. 3391), Acts of the 81st Legislature, Regular Session, 2009.
Authorizing Political Subdivisions to Offer Certain Deferred Compensation Plans—S.B. 366
by Senator Taylor—House Sponsor: Representative Callegari

State agencies are authorized under Texas law to establish deferred compensation plans utilizing traditional (pre-tax) contributions and Roth (after-tax) contributions. However, state law authorizes political subdivisions to establish traditional deferred compensation plans, but not qualified Roth contribution plans. Some political subdivisions have implemented Roth contribution programs in their deferred compensation plan offerings. Under Texas law, a political subdivision may create and administer plans under Sections 457 and 401(k) of the federal Internal Revenue Code. Texas law permits employee loans against 401(k) plans, but not loans against the 457 plans. This bill:

Authorizes a political subdivision to:

- establish a qualified Roth contribution program in accordance with the Internal Revenue Code, under which an employee may:
  - designate all or a portion of the employee's contribution under a 401(k) plan as a Roth contribution at the time the contribution is made; or
  - convert all or a portion of the employee's previous contribution under the plan to a Roth contribution; and
- if authorized by federal law, establish a program in accordance with the applicable federal law under which an employee may:
  - designate all or a portion of the employee's contribution under a 457 plan as a Roth contribution at the time the contribution is made; or
  - convert all or a portion of the employee's previous contribution under the plan to a Roth contribution.

Authorizes the plan administrator of a 457 plan to implement procedures to efficiently administer a program under the plan allowing a qualified vendor to lend money to participating employees.

Provides that this Act validates an action taken by a political subdivision before the Act's effective date to establish and administer certain Roth contribution programs or a 457 plan loan program.

Provides that such validation does not apply to a matter that on the effective date of this Act was involved in litigation, if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

Notice to Attorney General of Constitutional Challenges to Texas Statutes—S.B. 392
by Senator West—House Sponsor: Representative Lewis

The Texas Judicial Council (TJC) is the policymaking body for the Texas judicial branch. The 82nd Legislature enacted Section 402.010 (Legal Challenges to Constitutionality of State Statutes), Government Code, which requires “the court” to notify the attorney general regarding a challenge to the constitutionality of a statute and to provide the attorney general with a copy of the petition or other pleading. According to TCJ, “court” has generally been interpreted to mean the clerk of the court, placing the obligation on clerks, who are not attorneys, to determine whether the complaint rises to a constitutional challenge. TJC has
recommended that the obligation to notify the attorney general be moved to the party raising the constitutional question. This bill:

Requires a party, in an action in which the party challenges the constitutionality of a Texas statute, to file the form required by this Act.

Requires the Office of Court Administration of the Texas Judicial System to adopt such form that the party must file with the court to indicate whether the pleading must be served on the attorney general.

**Provision of State Death Benefits to Certain Employees of DPS or TPWD—S.B. 396**  
*by Senator Hegar—House Sponsor: Representative "Mando" Martinez*

Under current law, eligible survivors of certain Department of Public Safety of the State of Texas (DPS) personnel who died as a result of injury sustained in the line of duty are entitled to a one-time death benefit of $250,000. However, current law does not confer those benefits to the survivors of all DPS personnel who die in the line of duty or to Texas Parks and Wildlife Department personnel. This bill:

Changes a reference to the Texas Youth Commission to the Texas Juvenile Justice Department.

Expands current law regarding state death benefits to eligible survivors of certain employees to include an individual employed by DPS or the Parks and Wildlife Department and, as certified by the appropriate department's director, is:

- deployed into the field in direct support of a law enforcement operation; and
- given a special assignment in direct support of operations relating to organized crime, criminal interdiction, border security, counterterrorism, intelligence, traffic enforcement, emergency management, regulatory services, or special investigations.

**Energy Savings Performance Contracts—S.B. 533**  
*by Senator Zaffirini—House Sponsor: Representative Keffer*

Energy savings performance contracts allow state agencies, institutions of higher education, public school districts, and local governments to complete energy-saving improvements within an existing budget by financing them with money saved through reduced utility expenditures. The State Energy Conservation Office and the Texas Higher Education Coordinating Board are responsible for managing these contracts for state agencies and institutions of higher education, respectively, and contractors are required to periodically report on a measurement and verification of savings. Current law, however, does not provide for sufficient review of such reports. This bill:

Requires guidelines that require the Texas Higher Education Coordinating Board to review any reports submitted to the board that measure and verify cost savings to an institution of higher education under an energy savings performance contract, and based on the reports, provide an analysis, on a periodic basis, of the cost savings under the energy savings performance contract to the governing board of the institution of higher education and the Legislative Budget Board until the governing board of the institution of higher education determines that the analysis is no longer required to accurately measure cost savings.
Requires that guidelines require the State Energy Conservation Office to review any reports submitted to the office that measure and verify cost savings to a state agency under an energy savings performance contract, and based on the reports, provide an analysis, on a periodic basis, of the cost savings under the energy savings performance contract to the state agency and the Legislative Budget Board until the state agency determines that the analysis is no longer required to accurately measure cost savings.

**Police Escort—S.B. 545**

*by Senator Hancock—House Sponsor: Representative Harper-Brown*

Interested parties note that major airports in Texas often employ police forces that are frequently called upon to serve as escorts during military funerals and as security detail to dignitaries travelling from the airport to surrounding destinations. Such parties contend that while current law authorizes certain peace officers to provide these police escort services, certain airport security personnel are not included in the authorization. This bill:

Redefines, in the pertinent section, “police escort” to mean facilitating the movement of a funeral, oversized or hazardous load, or other traffic disruption for public safety purposes by certain peace officers, including airport security personnel commissioned as peace officers by the governing body of certain political subdivisions of this state that operate an airport that services commercial air carriers.

**Exercise of Power of Eminent Domain by Certain Authorized Entities—S.B. 655**

*by Senator Birdwell—House Sponsor: Representative Phil King*

Under Section 17 (Taking, Damaging, or Destroying Property for Public Use; Special Privileges and Immunities; Control of Privileges and Franchises), Article 1, Texas Constitution, no person’s property can be taken, damaged, or destroyed or applied to public use without adequate compensation being made. S.B. 18, 82nd Legislature, Regular Session, 2011, clarified that cities, counties, and school districts could only take private land for a public use, rather than a public purpose. This bill:

Provides that entities governed by Title 6 (Water and Wastewater), Special District Local Laws Code, and entities governed by the Water Code that are authorized by law to exercise the power of eminent domain may only exercise the power for a public use in accordance with Section 17, Article I, Texas Constitution.

**Amendments to the Crime Victims' Compensation Act—S.B. 745**

*by Senator Nelson—House Sponsor: Representative Otto*

The Crime Victim's Compensation Act can be found in Chapter 56, Code of Criminal Procedure. This bill:

Provides that “minimum services” means a 24-hour crisis hotline; crisis intervention; public education; advocacy; and accompaniment to hospitals, law enforcement offices, prosecutors' offices, and courts.

Clarifies review and verification procedures conducted by the Office of the Attorney General.
Allow certain claimants to file an application under the Crime Victims' Compensation Act.

Clarifies ambiguous references to crime victims in the Sexual Assault Prevention and Crisis Services Program within the Office of the Attorney General.

**Authorizing Local Governments to Participate in Statewide Technology Centers—S.B. 866**

by Senator Paxton—House Sponsor: Representatives Elkins et al.

Under current law local governmental entities are not explicitly permitted to contract with statewide data centers for technology services. This bill:

Defines "governmental entity." Provides that Section 2054.376 (Statewide Technology Centers), Government Code, applies to all information resources technologies, other than telecommunications service, advanced communications services, or information service, as those terms are defined by 47 U.S.C. Section 153 that meet certain criteria, including information resources technologies that are used by a participating local government.

Authorizes the Department of Information Resources (DIR) to operate statewide technology centers to include local government participation and to provide that DIR and its executive director have all the powers necessary or appropriate, consistent with the Information Resources Management Act, to accomplish that purpose.

Requires DIR to set and charge a fee to each governmental entity, rather than to each state agency, that receives a service from a statewide technology center in an amount sufficient to cover the direct and indirect cost of providing the service.

Authorizes a local government to submit a request to DIR to receive services or operations through a statewide technology center. Requires the local government to identify its particular requirements, operations costs, and requested service levels. Requires DIR, if DIR selects the local government for participation in a statewide technology center, to provide notice to the local government that includes the scope of the services to be provided to the local government, a schedule of anticipated costs for the local government, and the implementation schedule for the local government. Authorizes a local government, if selected to participate in a statewide technology center, to contract with DIR to receive the identified services and have the identified operations performed through the statewide technology center. Authorizes two or more local governments that are parties to an interlocal agreement, acting through the entity designated by the parties to supervise performance of the interlocal agreement under Section 791.013 (Contract Supervision and Administration), Government Code, to apply to DIR and participate in a statewide technology center.

Requires DIR to ensure compliance with service levels agreed to in an interagency contract or intergovernmental contract, as appropriate, executed under this subchapter.
Establishing the Citizens' Star of Texas Award —S.B. 877
by Senator Patrick—House Sponsor: Representatives Guillen and Flynn

The Citizens’ Star of Texas Award intends to honor citizens who are seriously injured or killed while assisting a police officer, firefighter, or emergency medical first responder in the line of duty. This bill:

Requires that the Citizens’ Star of Texas Award be awarded to a private citizen who is seriously injured while aiding or attempting to aid a peace officer, firefighter, or emergency medical first responder in the performance of the duties of the officer, firefighter, or first responder; and the surviving next of kin of a private citizen who is killed or sustains a fatal injury while aiding or attempting to aid a peace officer, firefighter, or emergency medical first responder in the performance of the duties of the officer, firefighter, or first responder.

Requires the Peace Officers’ Star of Texas Award Advisory Committee under Section 3106.002 (Peace Officers’ Star of Texas Award), Government Code; the Firefighters’ Star of Texas Award Advisory Committee under Section 3106.003 (Firefighters’ Star of Texas Award), Government Code; and the Emergency Medical First Responders’ Star of Texas Award Advisory Committee under Section 3106.004 (Emergency Medical First Responders’ Star of Texas Award), Government Code, as applicable, to advise the governor on the issuance, design, and presentation of the Citizens’ Star of Texas Award.

Authorizes the head of an agency that employs a peace officer, firefighter, or emergency medical first responder who has knowledge of a private citizen and a state legislator representing the district in which the private citizen resides to submit information about the private citizen in writing to a committee under this chapter.

Real Property Within the Capitol Complex—S.B. 894
by Senator Whitmire et al.—House Sponsor: Representative Dennis Bonnen

The 82nd Legislature, Regular Session, 2011, passed legislation calling for unsolicited proposals for public-private partnerships on state land. Since the legislation was passed, the Texas Facilities Commission (TFC) has entered into discussions with private entities to develop land within the Capitol complex. This bill:

Defines “Capitol complex.”

Prohibits TFC, notwithstanding Subchapter D (Lease of Public Grounds), Government Code, from leasing, selling, or otherwise disposing of real property or an interest in real property located in the Capitol complex.

Provides that this section does not affect TFC’s authority under Subchapter E (Lease of Space in State-Owned Buildings to Private Tenants), Government Code, to lease space in state office buildings and parking garages.

Authorizes TFC to develop or operate a qualifying project located in the Capitol complex as provided by Chapter 2267 (Public and Private Facilities and Infrastructure), Government Code, only if specifically granted the authority by the legislature.
Provides that the duty of the asset management division of the General Land Office to review and verify real property records and to make recommendations regarding real property and of the commissioner of the General Land Office to prepare a report involving real property does not apply to certain property, including the real property located in the Capitol complex.

Adopting the Uniform Trade Secrets Act—S.B. 953
by Senator Carona—House Sponsor: Representative Elkins et al.

"Trade secrets" broadly refers to any confidential business information, such as manufacturing, commercial, and industrial secrets. A number of practices may constitute a trade secret, including sales methods, distribution methods, consumer profiles, and advertising strategies. The unauthorized use of such information is regarded as unfair practice and a violation of the trade secret. The majority of states have adopted the Uniform Trade Secrets Act, drafted by the National Conference of Commissioners on Uniform State Laws, which provides a framework for litigating trade secret issues. Currently, Texas has no central law governing trade secrets, instead relying on several different statutes. This bill:

Adds Chapter 134A (Trade Secrets) to the Civil Practice and Remedies Code:

- Provides that this chapter may be cited as the Texas Uniform Trade Secrets Act.
- Authorizes the enjoining of an actual or threatened misappropriation.
- Requires that, on application to the court, an injunction be terminated when the trade secret has ceased to exist, but permits the injunction to continue for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.
- Provides that in exceptional circumstances an injunction may condition future use upon payment of a reasonable royalty for no longer than the period of time for which use could have been prohibited.
- Defines "exceptional circumstances."
- Authorizes a court, in appropriate circumstances, to order affirmative acts to protect a trade secret.
- Authorizes a claimant, in addition to or in lieu of injunctive relief, to recover damages for misappropriation.
- Provides that damages can include the actual loss caused by misappropriation and the unjust enrichment caused by misappropriation that is not taken into account in computing actual loss.
- Authorizes the damages caused by misappropriation, in lieu of damages measured by any other methods, to be measured by imposition of liability for a reasonable royalty for a misappropriator's unauthorized disclosure or use of a trade secret.
- Authorizes a court, if willful and malicious misappropriation is proven by clear and convincing evidence, to award exemplary damages in an amount not exceeding twice any award.
- Authorizes a court to award reasonable attorney's fees to the prevailing party if certain conditions are met.
- Requires a court, in an action under this chapter, to preserve the secrecy of an alleged trade secret by reasonable means.
- Provides that there is a presumption in favor of granting protective orders to preserve the
secrecy of trade secrets.

- Sets forth what protective orders may include.
- Provides that this chapter displaces conflicting tort, restitutionary, and state civil remedies for misappropriation of a trade secret, except:
  - contractual remedies, whether or not based upon misappropriation of a trade secret;
  - civil remedies that are not based upon misappropriation of a trade secret; or
  - criminal remedies, whether or not based upon misappropriation of a trade secret.
- Provides that, in any conflict between this chapter and the Texas Rules of Civil Procedure, this chapter controls.
- Bars the Supreme Court of Texas from amending or adopting rules conflicting with this chapter.
- Provides that this chapter does not affect the disclosure of public information by a governmental body under Chapter 552 (Public Information), Government Code.
- Requires that this chapter be applied and construed to effectuate its general purpose to make uniform law among states enacting it.

Strikes Section 31.05 (Theft of Trade Secrets), Penal Code, from the definition of theft under Chapter 134 (Texas Theft Liability Act), Civil Practice and Remedies Code.

Renewing Lease of Certain State Property to the City of Austin—S.B. 1023

by Senator Watson—House Sponsor: Representative Naishtat

In the 1839 Republic of Texas survey of the City of Austin, several blocks and lots were set aside for public uses, including blocks designated as “public squares.” While the squares are owned by the state, the City of Austin has been the steward of the remaining squares for almost 175 years. These historic public squares, such as Wooldridge, Brush, and Republic, have been integral to the urban landscape of Austin. The City of Austin continues to make substantial investments in capital improvements, operations, and maintenance. No formal lease exists for Wooldridge Square or Brush Square; however, in 1917, the Texas Legislature changed the designation of Republic Square from Public Square to Public Municipal Auditorium and Market Square and granted a 99-year lease of the square to the City of Austin. This bill:

Provides that the State of Texas hereby cedes and grants to the City of Austin the plot or square of land, Republic Square, for a period of 99 years beginning on August 15, 2016, rather than from the taking effect hereof.

Provides that the City of Austin through its municipal authorities is authorized and empowered to establish, operate, and maintain Republic Square, a municipal auditorium and market, in which auditorium, theatres, operas, concerts, lectures, fairs, shows, and public exhibitions and entertainments generally can be conducted with or without pay, and in this market all kinds of produce is authorized to be bought and sold either in the open square or in a market house constructed thereon.

Provides that the State of Texas grants to the City of Austin for a period of 99 years beginning on August 15, 2016, a lease of certain property, including Republic Square, Wooldridge Park, and Brush Park.
Authorizes the City of Austin to only use the tracts Wooldridge Park and Brush Park as municipal parks in which theatres, operas, concerts, lectures, fairs, shows and public exhibitions and entertainments generally can be conducted with or without pay, and produce is authorized to be bought and sold, except the City of Austin may construct, operate, and maintain public amenities on the before-mentioned tracts.

**Corrections to Special District Local Laws Code—S.B. 1026**  
by Senator Duncan—House Sponsor: Representative Ritter

The Texas Legislative Council is required to complete a nonsubstantive revision of the Texas statute, which entails the recategorization and rearrangement of the statutes into a more logical order, employing a numbering system and format that will accommodate later expansion of the law, eliminating repealed, invalid, duplicative, and other ineffective provisions, and improving the draftsmanship of the law, if practicable. This bill:

Continues the Texas Legislative Council's statutory revision program by making nonsubstantive additions and corrections and adds chapters to the Special District Local Laws Code, with each chapter representing the local law or laws governing a particular special district.

**Additions to and Corrections in Enacted Codes—S.B. 1093**  
by Senator West—House Sponsor: Representative Harper-Brown

The Texas Legislative Council is required by law to make nonsubstantive amendments to enacted codes, conform the codes to acts of previous legislatures, correct references and terminology, properly organize and number the law, and codify other law that properly belongs in the codes to ensure that the state statutes are accessible, understandable, and usable. This bill:

Continues the Texas Legislative Council's statutory revision program by making nonsubstantive additions and corrections in codifications enacted by the 82nd Legislature.

**Appointment of a State Cybersecurity Coordinator—S.B. 1102**  
by Senator Van de Putte—House Sponsor: Representative Larson et al.

Currently, the lack of a coordinated cybersecurity effort across the state is allowing malicious cyber activities to outpace the development of an effectively secure infrastructure. This bill:

Requires the executive director of the Texas Department of Information Resources (executive director) (DIR) to designate an employee of DIR as the state cybersecurity coordinator to oversee cybersecurity matters for this state no later than December 31, 2013.

Authorizes the state cybersecurity coordinator to establish a council that includes public and private sector leaders and cybersecurity practitioners to collaborate on matters of cybersecurity concerning this state.

Authorizes the state cybersecurity coordinator to establish a voluntary program that recognizes private and public entities functioning with exemplary cybersecurity practices.
Authorizes the state cybersecurity coordinator to implement any portion or all of the recommendations made by the Cybersecurity, Education, and Economic Development Council.

**Changes in Contributions to Certain Fire and Police Pension Funds——S.B. 1133**  
*by Senator Rodríguez—House Sponsor: Representative Pickett*

Article 6243b, Vernon’s Civil Statutes, concerns firemen and policemen pension fund in cities with populations of 500,000 to 600,000. Under current law, an election is required each time the contribution rate is adjusted, limiting the city’s and the fund’s ability to make necessary contribution adjustments. Current law imposes a 40-year amortization ceiling. The State Pension Review Board has determined that 40 years is the very highest end of what is acceptable and that a funding period of 15 to 25 years is preferred. This bill:

Authorizes increases in the contribution rate of a town or city and members if a qualified actuary determines that the total contribution rate is insufficient to amortize the unfunded actuarial accrued liability over a 40-year period, rather than a period not to exceed 40 years.

Authorizes decreases in the contribution rate of a town or city and members if a qualified actuary determines that the total contribution rate is sufficient to amortize the unfunded actuarial accrued liability over a 25-year period.

Provides that the sum of the city or town and the member contribution rates after a decrease under this section may not be less than the total contribution rate determined by the qualified actuary to be necessary to amortize the unfunded actuarial accrued liability over a 25-year period.

**Liability of Individuals Providing Assistance in Certain Fire Suppression Duties—S.B. 1267**  
*by Senator Nichols—House Sponsor: Representatives Clardy and Bell*

Timberland investment and management organizations (TIMO) have worked extensively with the Texas Forest Service (TFS) to train employees to fight wildfires, provide them with the proper safety equipment. TIMOs have enabled their employees and contractors to fight wildfires when called upon by TFS. However, concerns over liability when working on property not owned by TIMOs has restricted their ability to assist adjoining landowners during certain situations. This bill:

Holds an individual providing labor or assistance to TFS in the performance of fire suppression duties on privately-owned land harmless from civil damages resulting from any act or omission by the individual, unless the act or omission proximately caused the loss, and was performed with malice or constitutes gross negligence, recklessness, or intentional misconduct.
Networks For Durable Medical Equipment and Home Health Services—S.B. 1322  
by Senator Van de Putte—House Sponsor: Representative Oliveira

Over the years, the Texas Legislature has enacted various reforms of the workers' compensation system. H.B. 7, 79th Legislature, Regular Session, 2005, created a certified health care network option for employers to utilize to help manage the health care costs and treatment for injured workers. Workers' compensation health care networks had to meet certain statutory requirements and be certified by the Texas Department of Insurance (TDI) in order to operate in Texas. If an employer chose to contract with a certified health care network, all care, excluding pharmacy, had to be delivered through that network. H.B. 473, 80th Legislature, Regular Session, 2007, requires all voluntary and informal networks operating in the workers' compensation system to register with TDI's division of workers' compensation (division). In addition to registration of these informal and voluntary networks, the law prohibited any discount contracts for health care outside of a certified network. H.B. 528, 82nd Legislature, Regular Session, 2011, allows discount contracts for pharmaceutical services when agreed upon by an insurance carrier and a registered voluntary or informal network. With the exception of pharmacy, no discounted health care services can be offered to injured employees unless they are delivered through a certified network.

Because many employers have not contracted with a certified network, their workers' compensation insurance carrier is required to purchase durable medical equipment and home health services at fee schedule rates. For most durable medical equipment and home health services, there are few retail options for injured employees to access, limiting an injured worker's choice in providers. This bill:

Expands provisions of Section 408.027 (Payment of Health Care Provider), Labor Code, regarding payments by insurance carriers according to fee guidelines and Section 408.0282 (Requirements for Certain Informal or Voluntary Networks), Labor Code, regarding certain reports to the division, to include references to this Act.

Defines "durable medical equipment," "informal network," and "voluntary network."

Authorizes durable medical equipment and home health care services to be reimbursed in accordance with the fee guidelines adopted by the commissioner of insurance (commissioner) or at a voluntarily negotiated contract rate in accordance with this Act.

Authorizes an insurance carrier (carrier) to pay a health care provider (provider) fees for durable medical equipment or home health care services that are inconsistent with the fee guidelines only if the carrier or the carrier's authorized agent (agent) has a contract with the provider that includes a specific fee schedule.

Authorizes a carrier or an agent to use an informal or voluntary network (network) to obtain a contractual agreement that provides for fees different from fee guidelines for durable medical equipment or home health care services.

Provides that in order for a carrier or an agent to use a network to obtain a contractual fee arrangement, there must be a contractual arrangement between:

- the carrier or agent and the network authorizing the network to contract with providers for durable medical equipment or home health care services on the carrier's behalf; and
- the network and the provider that includes a specific fee schedule and complies with the notice
requirements of this Act.

Requires a network, or the carrier or the agent to, at least quarterly, to notify each provider of any person, other than an injured employee, to which the network's contractual fee arrangements with the provider are sold, leased, transferred, or conveyed.

Sets forth the required contents of such notice.

Permits such notice to be delivered in an electronic format, if a paper version is available on request by the division, and through an Internet website link containing the required information that is updated at least monthly.

Requires a network, or the carrier or the agent, as appropriate, to document the delivery of the notice.

Sets forth when the notice is considered to be delivered.

Requires a carrier, or the agent or a network at the carrier's request, to provide copies of each contract to the division on the division's request.

Provides that information included in a contract is confidential and is not subject to disclosure.

Provides that a carrier may be required to pay fees in accordance with the division's fee guidelines if:

• the contract:
  • is not provided to the division on the division's request;
  • does not include a specific fee schedule; or
  • does not clearly state that the contractual fee arrangement is between the provider and the carrier or the agent; or
• the carrier or the agent does not comply with the notice requirements.

States that the failure to provide such documentation to the division creates a rebuttable presumption in certain enforcement actions that a provider did not receive the notice.

Provides that a carrier or an agent commits an administrative violation if the carrier or agent violates any provision of this Act.

Authorizes an administrative penalty.

Provides that in the event of a conflict between this Act and other specified sections of the Insurance Code, this section prevails.

Requires a network with a contract between a carrier or an agent and a provider that is in effect on the Act's effective date to file the report required under Section 408.282 not later than the 30th day after the Act's effective date.
Requires that the notice, with respect to contractual agreements entered into after the Act's effective date providing for fees for durable medical equipment or home health care services that are different from the fee guidelines, be sent not later than the 30th day after the effective date of the contract.

**Audit of the Texas Enterprise Fund—S.B. 1390**  
*by Senators Davis and Eltife—House Sponsor: Representative John Davis et al.*

The Texas Enterprise Fund was established in 2003 to bring jobs and investment to Texas. Since the enterprise fund’s inception, there has been no external audit conducted to ensure the efficiency, effectiveness, and accountability of the fund. This bill:

Requires that the state auditor conduct an audit to determine the efficiency and effectiveness of the Texas Enterprise Fund established under Section 481.078 (Texas Enterprise Fund), Government Code.

Requires that the audit, at a minimum, determine whether money from the enterprise fund is efficiently and effectively disbursed in compliance with the requirements of the Government Code and other relevant laws or standards; monitored to determine whether the persons or entities awarded money from the enterprise fund comply with the terms of any applicable agreements and with the requirements of the Government Code and other relevant laws or standards; and maintained in a manner that provides adequate financial control systems to ensure accountability for the proper use of the disbursed money.

Requires that the state auditor prepare a report of the audit not later than January 1, 2015, and file the report with the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the senate and house of representatives having primary jurisdiction over fiscal matters.

Requires that the report include:
- details on the grant approval process;
- details on the compliance of past and present grant recipients with the terms of applicable agreements and with the requirements of the Government Code and other relevant laws or standards;
- a synopsis of grant agreements that have been amended to reduce the job creation goals established in the original agreement or to extend the time allotted to achieve job creation goals; and
- an itemization of grant money returned to this state, including a summary of the reasons the money was returned.

**Updating the Texas Local Fire Fighters Retirement Act—S.B. 1413**  
*by Senator Deuell—House Sponsor: Representative Susan King*

The Texas Local Fire Fighters Retirement Act (TLFFRA) allows 121 participating cities to administer their own local pension funds. TLFFRA sets forth what is required of municipal boards in providing member retirement benefits. It mandates that a firefighter’s retirement system and trust fund be established in each municipality that has a paid or part-paid department that is not covered by the Texas Municipal Retirement
System, is not covered by another state law providing retirement benefits for fire department personnel, and does not have in effect a program providing retirement benefits for the fire department that exists exclusively of volunteers. Interested parties state that some language and provisions are outdated. This bill:

Amends current law regarding the composition of a board of trustees (board) governing certain firefighters' retirement systems to include the president of the board of emergency services commissioners in an emergency services district, and strike provisions requiring certain persons to reside in the municipality or its the extraterritorial jurisdiction or other political subdivision.

Provides that if a single person is nominated for the board, that person may be elected by acclamation by those participating members present at the meeting, without a secret ballot.

Changes certain references from "book value" to "market value."

 Strikes provisions basing certain actions on the firefighters' pension commissioner filing notice stating that the United States Internal Revenue Service has determined that a plan covering employees of a municipality or other political subdivision is a qualified retirement plan under the federal Internal Revenue Code.

Repeals a provision requiring the secretary of a board to forward accurate copies of the minutes of a meeting to each fire station and to each division of the fire department by a certain date.

**Benefits Payable by the Teacher Retirement System of Texas—S.B. 1458**

*by Senator Duncan et al.—House Sponsor: Representative Callegari et al.*

The Teacher Retirement System of Texas (TRS) provides health care plans and manages the pension trust fund for active and retired teachers and other eligible employees. Increasing health care costs and the cost of maintaining the provider network are impacting the health care plans. Although the TRS pension trust fund is secure, in that it can continue to make payments for many years, it is not actuarially sound as defined by statute, and therefore the legislature cannot increase benefits under the plan. Interested parties state that it is necessary to address issues regarding TRS so that it can continue to meet the needs of its participants. This bill:

Amends the provision that a member is eligible to retire and receive a standard service retirement annuity if the sum of the member's age and amount of service credit in the retirement system equals the number 80 to require that member to have at least five years of service credit in the retirement system.

Provides that a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014, is eligible to retire and receive a standard service retirement annuity if:

- the member is at least 65 years old and has at least five years of service credit in the retirement system; or
- the member is at least 62 years old and has at least five years of service credit in the retirement system and the sum of the member's age and amount of service credit in the
Sets forth a table calculating the percentage by which the service retirement annuity is reduced for a person who retires and:

- does not have at least five years of service credit in the retirement system on or before August 31, 2014, or becomes a member of the retirement system on or after September 1, 2014; and
- is at least 55 years old and has at least five years of service credit in the retirement system, but the sum of the member's age and amount of service credit in the retirement system does not equal the number 80, or does not have at least 30 years of service credit in the retirement system.

Provides that for a person who becomes a member of the retirement system on or after September 1, 2007, if the sum of the member's age and amount of service credit in the retirement system equals the number 80, with at least five years of service credit, or if the member has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity, decreased by five percent for each year of age under 60 years.

Provides that for a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014, if the sum of the member's age and amount of service credit in the retirement system equals the number 80, with at least five years of service credit, or if the member has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity, decreased by five percent for each year of age under 62 years.

Authorizes a one-time cost-of-living adjustment payable to certain eligible annuitants receiving a monthly death or retirement benefit annuity.

Requires that such adjustment:

- be made beginning with an annuity payable for the month of September 2013; and
- be limited to the lesser of:
  - an amount equal to three percent of the monthly benefit subject to the increase; or
  - $100 a month.

Requires the board of trustees to determine the eligibility for and the amount of any adjustment in monthly annuities in accordance with this Act.

Reduces from five percent to two percent the interest creditable to a member's account in the deferred retirement option account.

Sets the following rate of contributions for each member of the retirement system to:

- 6.4 percent of the member's annual compensation for service rendered after August 31, 1985, and before September 1, 2014;
- 6.7 percent of the member's annual compensation for service rendered after August 31, 2014,
and before September 1, 2015;
• 7.2 percent of the member's annual compensation for service rendered after August 31, 2015, and before September 1, 2016;
• 7.7 percent of the member's annual compensation for service rendered after August 31, 2016, and before September 1, 2017; and
• for service rendered on or after September 1, 2017, the lesser of:
• 7.7 percent of the member's annual compensation; or
• a percentage of the member's annual compensation equal to 7.7 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the service relates is less than the state contribution rate established for the 2015 fiscal year.

Adds Section 825.4035 (Employer Contributions for Certain Employed Members for Whom the Employer is not Making Contributions to the Federal Old-Age, Survivors, and Disability Insurance Program), to the Government Code:
• Provides that this section:
  • applies to an employer who reports to the retirement system under Section 825.403 (Collection of Member's Contributions) the employment of a member for whom the employer is not making contributions to the federal Old-Age, Survivors, and Disability Insurance program (program); and
  • does not apply to an employer that is an institution of higher education.
• Requires an employer for each member the employer reports to the retirement system and for whom the employer is not making contributions to the program, to contribute monthly to the retirement system for each such member:
  • for the period beginning with the report month of September 2014 and ending with the report month of August 2015, an amount equal to 1.5 percent of the member's compensation; and
  • beginning with the report month for September 2015, an amount equal to the lesser of:
    • 1.5 percent of the member's compensation; or
    • a percentage of the member's compensation equal to 1.5 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the report month relates is less than the state contribution rate established for the 2015 fiscal year.
• Requires an employer, if a member is entitled to or would have been entitled to the minimum salary for certain school personnel under specified provisions of the Education Code, in addition to any contributions required under Section 825.405 (Contributions Based on Compensation Above Statutory Minimum), to contribute monthly to the retirement system for each such member:
  • for the period beginning with the report month of September 2014 and ending with the report month of August 2015, an amount equal to 1.5 percent of the statutory minimum salary determined under Section 825.405; and
  • beginning with the report month for September 2015, an amount equal to the lesser of:
    • 1.5 percent of the statutory minimum salary determined under Section 825.405; or
    • a percentage of the statutory minimum salary determined under Section 825.405 equal to 1.5 percent reduced by one-tenth of one percent for each
one-tenth of one percent that the state contribution rate for the fiscal year to which the report month relates is less than the state contribution rate established for the 2015 fiscal year.

- Provides that contributions under this section:
  - are subject to the requirements of Section 825.408 (Interest on Contributions and Fees; Deposits in Trust); and
  - must be used to fund the normal cost of the retirement system.

Strikes a provision providing that the amount of the state contribution made under this section may not be less than the amount contributed by members during that fiscal year in accordance with Section 825.402 (Rate of Member Contributions).

Provides that a service retiree and any dependent of a service retiree are not eligible to participate in an optional group health benefit plan unless the retiree is at least 62 years of age or older; and meets a certain statutory definition of retiree.

Authorizes a retiree, on the date the retiree reaches 62 years of age, under rules adopted by the trustee, to enroll in any coverage tier under the group program; and enroll, in the same coverage tier, the retiree's dependents who are enrolled in the group program as of the date the retiree reaches 62 years of age.

Sets forth which service may be credited in determining whether a member has at least five years of service on or before August 31, 2014.

Provides that the changes regarding eligibility for an optional group health benefit plan do not apply to a person who takes a service retirement on or after September 1, 2014, and who meets one or more of the following requirements on or before August 31, 2014:

- the sum of the person's age and amount of service credit in the retirement system equals 70 or greater; or
- the person has at least 25 years of service credit in the retirement system.

Benefits Payable by the Employees Retirement System of Texas—S.B. 1459

by Senator Duncan et al.—House Sponsor: Representative Callegari et al.

Although the Employees Retirement System of Texas (ERS) is secure, in that it can continue to make payments for many years, it is not actuarially sound as defined by statute, and therefore the legislature cannot increase benefits under ERS. Interested parties state that it is necessary to address issues regarding ERS so that it can continue to meet the needs of its participants. This bill:

Expands the authority of ERS to obtain criminal history record information:

- from certain sources to include the Federal Bureau of Investigation Criminal Justice Information Services Division, or another law enforcement agency; and
- relating to a person who is:
  - a consultant, contract employee, independent contractor, intern, or volunteer for the retirement system or an applicant to serve in one of those positions; or
  - a candidate for appointment or election to the ERS board of trustees (board) or an
advisory committee to that board.

Provides that a contributing ERS member who retires is entitled to a lump-sum payment for accrued vacation time, unless the member opts to receive service credit for that time.

Expands the statutory immunity from liability to include members of an advisory committee appointed by the board.

Provides that certain positions with a university system or institution of higher education are not positions with a department, commission, board, agency, or institution of the state for purposes of membership.

Requires the state, when a member establishes service credit by depositing a lump sum and interest with ERS, to contribute an amount in the same ratio to the interest paid, as well as the member's contribution.

Strikes provisions limiting the use of sick leave credit or annual leave credit for the purposes of calculating the member's or beneficiary's annuity to a member who was not a member on the date hired and was hired on or after September 1, 2009.

Provides that the standard service retirement annuity is reduced by five percent for each year the member retires before the member reaches age 62, rather than 60, and strikes a provision limiting the maximum possible reduction to 25 percent.

Makes the following changes in service retirement benefits for certain peace officers:
- provides that the standard service retirement annuity payable for at least 20 years of service credit is an amount computed on the basis of the member's average monthly compensation for the 60, rather than 36, highest months of compensation;
- changes the normal retirement age to the earlier of either the age of 57, rather than 50, years or the age at which the sum of the member's age and amount of service credit in the employee class equals the number 80;
- requires that the annuity of an officer retiring before the age of 57 be actuarially reduced by five percent for each year of difference between the member's age at retirement and 57;
- provides that this actuarial reduction is in addition to any other reduction required by law; and
- provides that an officer who retires before attaining the age of 50, rather than normal retirement age, is entitled only to an annuity that is actuarially reduced from the annuity available at the age of 50, rather than normal retirement age.

Authorizes a person who retired and selected an optional service retirement to change the optional annuity selection to the selection of a standard service retirement annuity if:
- pursuant to a divorce decree, a court orders the change in the annuity selection to a standard service retirement annuity; or
- the retiree files a request to change the annuity selection, if the retiree designated a beneficiary who is not currently the retiree's spouse or dependent child and has executed since the designation a written, notarized instrument releasing ERS from any claim to the annuity by the beneficiary and transferring the beneficiary's interest to the retiree.
Requires ERS to grant a one-time cost-of-living adjustment (COLA) on a finding by the ERS board that, as determined by an actuarial valuation:

- the amortization period for the unfunded actuarial liabilities of ERS does not exceed 30 years by one or more years; and
- as a result of paying the adjustment, the time required to amortize the unfunded actuarial liabilities would not be increased to a period that exceeds 30 years by one or more years.

Requires ERS to pay the COLA to a retiree who has been retired for 20 years or more on the date the board makes the finding or to a beneficiary of such retiree.

Limits the COLA to the lesser of three percent of the monthly benefit subject to the increase or $100 a month.

Reduces the annual interest rate on money in an individual employee's savings account from five percent to two percent.

Provides that member contributions to the law enforcement and custodial office supplemental fund (fund) earn this same rate of interest and are subject to the same computations and limitations that apply to member contributions under Section 815.311 (Employees Saving Account), Government Code.

Requires that the following contributions be deducted from each member's compensation:

- 6.6 percent if the member is not a member of the legislature, for service rendered after August 31, 2013, and before September 1, 2014;
- 6.9 percent if the member is not a member of the legislature, for service rendered after August 31, 2014, and before September 1, 2015;
- 7.2 percent if the member is not a member of the legislature, for service rendered after August 31, 2015, and before September 1, 2016;
- 7.5 percent if the member is not a member of the legislature, for service rendered after August 31, 2016; or
- for service rendered on or after September 1, 2017, the lesser of 7.5 percent or a percentage of the member's annual compensation equal to 7.5 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the service relates is less than the state contribution rate established for the 2015 fiscal year.

Requires the board to:

- assess each employer whose employees are members a state retirement contribution in an amount equal to 0.5 percent of the employer's total payroll, as determined by the General Appropriations Act, except as otherwise provided; and
- deposit the state retirement contribution to the credit of the ERS trust fund.

Strikes a provision providing that a person's membership is terminated by transfer of the person's accumulated contributions under Section 840.401 (Transfer of Accumulated Contributions in Certain Circumstances), Government Code.
Strikes a provision allowing a member to establish service credit for any calendar year during which the member was eligible to take the oath for an office included in ERS.

Sets forth the following contributions as a percentage of state compensation for a judicial officer who is a member of the Judicial Retirement System of Texas Plan Two:

- 6.6 percent for service rendered after August 31, 2013, and before September 1, 2014;
- 6.9 percent for service rendered after August 31, 2014, and before September 1, 2015;
- 7.2 percent for service rendered after August 31, 2015, and before September 1, 2016;
- 7.5 percent for service rendered after August 31, 2016; or
- for service rendered on or after September 1, 2017, the lesser of 7.5 percent of the officer's state compensation or a percentage equal to 7.5 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the service relates is less than the state contribution rate established for the 2015 fiscal year.

Includes in the definition of "child" a child in the possession of a participant who is designated as managing conservator of the child under an irrevocable or unrevoked affidavit of relinquishment.

Provides that eligibility for benefits under the Texas Employees Group Benefits Plan (plan) begins not later than the 90th day after the date the employee performs services or begins to hold elected or appointed office or for certain retirees, rather than on the first day of the calendar month that begins after that 90th day.

Provides for the reinstatement of health plan coverage for an unmarried dependent child whose coverage ends when the child becomes 26, rather than 25, years of age.

Sets forth the following state contribution for annuitants receiving coverage under the plan:

- for an annuitant with 20 years or more of eligible service credit, a full state contribution;
- for an annuitant with at least 15 years but less than 20 years of eligible service credit, 75 percent of a full state contribution; and
- for an annuitant with less than 15 years of eligible service credit, 50 percent of a full state contribution.

Requires an annuitant receiving a reduced state contribution to have any state contribution for dependent coverage reduced in a proportional amount.

Exempts certain specified annuitants from these provisions.

Provides that these provisions regarding contributions under the plan apply only to individuals who do not have five years of eligible service credit on September 1, 2014.

Makes the following provisions regarding the fund:

- states that it is the intent of the legislature for the 2014-2015 state fiscal biennium that all state retirement assets and liabilities attributable to members and retirees of the fund be measured and accounted for in aggregate and separately from the retirement assets and liabilities attributable to members and retirees in any other retirement plan for purposes of determining an actuarially required contribution or making any other actuarial calculation;
• requires that the fund be considered part of ERS for purposes of Section 811.006 (Action Increasing Amortization Period), Government Code, and subject to all other provisions that do not directly conflict with this provision; and
• authorizes the board to adopt rules necessary to implement or administer this provision.

Requires ERS to conduct an interim study on the feasibility of adding custodial officers employed by the Texas Juvenile Justice Department to the class of employees eligible to participate in the fund and, not later than September 1, 2014, to report the findings of the study to the governor, the lieutenant governor, the speaker of the house of representatives, and each senate and house committee that has jurisdiction over the retirement system.

Management and Use of the Texas Preservation Trust Fund—S.B. 1546
by Senator Eltife—House Sponsor: Representative Guillen

The current appropriations act will remove the Texas preservation trust fund as a source of funding for the operations of the Texas Historical Commission (THC), making those funds available to earn interest for preservation grants. These funds could be returned to the Texas Treasury Safekeeping Trust Company, which is overseen by the comptroller of public accounts of the State of Texas (comptroller), so that a higher rate of interest could likely be earned. This bill:

Prohibits the use of distributions from the Texas preservation trust fund account (account) from paying the operating expenses of THC. Requires the comptroller to manage the assets of the account. Authorizes the comptroller, in managing the assets of the account, to acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions the comptroller considers appropriate, any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would 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.

Requires that the amount of a distribution from the account 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. Prohibits the comptroller, if the purchasing power of the account investments for any 10-year period is not preserved, from increasing annual distributions from the account until the purchasing power of account investments is restored.

 Caps an annual distribution made by the comptroller from the account during a fiscal year at 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. Requires that the expenses of managing account investments be paid from the account and requires the comptroller to fully disclose all details concerning the investments of the account on request.
Appointment of Certified Communication Access Realtime Translation Providers—S.B. 1620
by Senator Paxton—House Sponsor: Representative Lewis

Interested parties assert that translators who are able to immediately translate the spoken word into English text would benefit parties to court proceedings where interpreters are needed. These translators are known as communication access realtime translation (CART) providers. This bill:

Defines "communication access realtime translation" and "certified CART provider."

Expands the requirement that a court appoint a certified court interpreter for certain persons to include a certified CART provider for an individual who has a hearing impairment.

Authorizes a court, on its own motion, to appoint a certified CART provider for an individual who has a hearing impairment.

Requires the Department of Assistive and Rehabilitative Services (DARS) to maintain a list of certified CART providers.

Authorizes DARS, on request, to send the list to a person or court.

Select Interim Committee to Study Statutes and Regulations Related to Ethics—S.B. 1773
by Senators Huffman and Uresti—House Sponsor: Representative Dennis Bonnen

Interested parties state that there is a need study the effectiveness of laws and regulations related to ethics. This bill:

Creates a select interim committee to study statutes and regulations related to ethics, including campaign finance laws, lobby laws, and personal financial disclosure laws.

Requires that the study consider:
- the purposes of the current laws and whether the laws accomplish those purposes;
- the effectiveness of the current laws; and
- what changes should be made to more effectively accomplish the purposes of the laws.

Sets forth the composition of the committee.

Provides that the committee has all other powers and duties provided to a special or select committee.

Requires the committee, not later than December 20, 2014, to report its findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor.

Requires the lieutenant governor and the speaker, not later than the 60th day after the effective date of this Act, to appoint the members of the committee.
Requires the Texas Legislative Council and the Texas Ethics Commission to provide any necessary staff and resources to the committee.

Abolishes the committee effective December 21, 2014.

Regarding Who May Be Buried in the Texas State Cemetery—S.B. 1871

by Senator Estes—House Sponsor: Representative Kuempel

Currently there are many service requirements regarding who may be buried in the Texas State Cemetery. One of those requirements is that a former state official who has been appointed by the governor and confirmed by the senate must serve at least 12 years in the office to which appointed. This bill:

Amends Section 2165.256 (State Cemetery and Other Burial Grounds), Government Code, to provide that certain property in the City of Austin, Travis County, Texas, is no longer dedicated for cemetery purposes as part of the State Cemetery if, not later than December 31, 2014, the State Cemetery Committee makes affirmative findings that: the property is no longer needed for cemetery purposes; proceeds from a real property transaction involving that property will be used to further the goals of the committee, including capital improvements or major repairs or renovations to the State Cemetery, or for a purpose relating to plans for obtaining land adjacent to the State Cemetery for expansion of the cemetery; and concerns expressed by residents of neighborhoods in the vicinity of the property have been considered and that efforts have been made to address those concerns.

Provides that certain persons are eligible for burial in the State Cemetery, including a former state official or a state official who dies in office who has been appointed by the governor and confirmed by the senate and who served at least 10 years in the office to which appointed.

Water Safety Month—S.C.R. 1

by Senators Nelson and Hancock—House Sponsor: Representative Fallon

Texas offers numerous opportunities for residents and visitors to take part in water-related recreation. While the benefits of such activities are many, it is vitally important that proper measures be taken to avoid accidents, whether individuals are enjoying lakes, rivers, the Gulf of Mexico, or a public or private pool, water safety is essential to preventing drowning and injuries.

Each year, more than 100 Texas children die from drowning, making it one of the leading causes of childhood injury deaths. Moreover, the rates of drowning-related deaths in the state are consistently higher than the national average.

Studies of seasonal variations have shown that two-thirds of the drowning deaths of young children and adolescents occur in the months of May through August. Raising awareness of this issue in advance of the summer months will encourage the citizens of the Lone Star State to exercise caution and will help reinforce the message that water safety is everyone's responsibility. This resolution:

Designates April as Water Safety Month and provides that in accordance with the provisions of Section 391.004(d) (relating to authorizing the expiration of a designation of a day, week, or month for recognition),
Government Code, the designation expires on the 10th anniversary of the date this resolution is passed by the legislature.

**Mary Ann "Molly" Goodnight Day—S.C.R. 10**  
*by Senator Seliger—House Sponsor: Representative Ken King*

Mary Ann "Molly" Goodnight embodied great strength and spirit. Molly was born in 1839, in Madison County, Tennessee, and in 1854 she moved to Fort Belknap, Texas, with her family. After her parents' deaths, she worked as a schoolteacher and looked after her five brothers. She met Charles Goodnight in the mid-1860s, and the two married in 1870. After briefly settling in Colorado, drought and the Panic of 1873 caused the family to return to Texas, where Charles received backing from Irish investor John George Adair, who became his partner.

The Goodnights founded a ranch in the Texas Panhandle based in Palo Duro Canyon. Molly became interested in the plight of the baby bison left behind by the commercial hunters who had ravaged the great bison herds that roamed the Plains. Recognizing that the extinction of the bison was imminent, she encouraged her husband to establish the Goodnight bison herd, which has since become the Official State Bison Herd of Texas and is now located at Caprock Canyons State Park.

Molly, known as the Mother of the Panhandle of Texas, helped to establish Goodnight College, and the town of Goodnight is named in honor of her and her husband. Molly died in 1926, and her headstone reads "Mary Ann Dyer Goodnight, One who spent her whole life in the service of others." This resolution:

Designates September 12 of each year from 2013 through 2022 as Mary Ann "Molly" Goodnight Day in honor of her work in saving the herd of Texas Plains bison that is now the Official State Bison Herd of Texas.

**The Official State Pie of Texas—S.C.R. 12**  
*by Senator Schwertner—House Sponsor: Representative Farney*

The pecan tree, designated as the State Tree, is indigenous to North America and native to 152 counties in Texas, where it grows in river valleys. The pecan is the state's only commercially grown nut, and Texas pecan growers account for approximately 20 percent of all the pecans grown in the United States. Pecan pie recipes are varied and numerous, but pecan pies are a popular dessert enjoyed by Texans across the state. This resolution:

Designates pecan pie as the official State Pie of Texas.

**The Walking Capital of Texas—S.C.R. 13**  
*by Senator Deuell—House Sponsor: Representative Flynn*

Walking is an easy and effective form of exercise that can play an important role in obesity prevention and health care cost savings. The City of Canton in Van Zandt County is the home of First Monday Trade Days, an event that draws about 180,000 visitors to the city each month. The average person attending
First Monday walks at least a mile and a half while browsing grounds. City leaders have also established a monthly mayor's walk at Cherry Creek Park that encourages all people to take part. This resolution:

Recognizes the City of Canton as the Walking Capital of Texas.

The Official Small Town Christmas Event of Texas—S.C.R. 18  
by Senator Hegar—House Sponsor: Representative Kolkhorst

For 30 years, Small Town Christmas, an annual Bellville holiday event, has provided many children and adults with lasting holiday memories as the tradition brings together local businesses, organizations, and groups in the spirit of Christmas cheer to provide traditional events, such as strolling carolers, a children's pageant, visits from Santa and Scrooge, and a holiday Market Day, for all families in the community. This resolution:

Recognizes the annual Small Town Christmas celebration in the City of Bellville as the Official Small Town Christmas Event of Texas.

Texas Bison Week—S.C.R. 20  
by Senator Estes—House Sponsor: Representative Anderson

American bison have been an integral part of the livelihood of inhabitants of North America for centuries. However, in the 19th century the American bison nearly became extinct as a result of commercialized hunting. In the late 19th century, Charles Goodnight, "The Father of the Panhandle of Texas," developed a small herd of bison that has become one of the five present foundation herds in the United States. In recent years the Texas bison industry has continued to experience significant growth. This bill:

Designates the first week of May each year from 2013 through 2022 as Texas Bison Week.

Municipal Courts Week—S.C.R. 21  
by Senator West—House Sponsor: Representative McClendon

Municipal courts provide citizens a local forum where questions of law and fact can be resolved in regard to alleged violations of state law and municipal ordinances. The employees of municipal courts work diligently to ensure the fair administration of justice while upholding the rigorous standards of professionalism. Municipal courts in Texas play a vital role in preserving public safety, protecting the quality of life for area residents, and deterring future criminal behavior. This resolution:

Recognizes November 4-8, 2013, and November 3-7, 2014, as Municipal Courts Week and takes special note of the important work performed by all those associated with the state's municipal courts.
Texas Assisted Living Awareness Day—S.C.R. 28
by Senator Uresti—House Sponsor: Representative Guillen

It is increasingly important to ensure housing and resources are available to preserve the quality of life for the growing number of elderly Americans. Assisted living provides one option that provides independent senior citizens the minor health care services and assistance they need to continue residing in a home setting. This resolution:

Designates the first Tuesday in March 2013 as Texas Assisted Living Awareness Day and provides that it remains in effect until the 10th anniversary of the date this resolution is passed.
Authority of a Property Owners' Association to Regulate Lot Use—H.B. 35
by Representative Menéndez—Senate Sponsor: Senator Deuell

Current law is unclear regarding the allowable uses of a residential lot owned by a homeowner that is adjacent to the homestead. This bill:

Prohibits a property owners' association from adopting or enforcing a provision that prohibits or restricts the owner of a lot on which a residence is located from using for residential purposes an adjacent lot owned by the property owner.

Requires an owner to obtain the approval of the property owners' association to the use of a lot for residential purposes.

Requires an owner who elects to use an adjacent lot for residential purposes under this section on the sale or transfer of the lot containing the residence, to include the adjacent lot in the sales agreement and transfer the lot to the new owner under the same dedicatory conditions or restore the adjacent lot to the original condition before the addition of the improvements.

Authorizes an owner to sell the adjacent lot separately only for the purpose of the construction of a new residence.

Identification Numbers on Vessels—H.B. 115
by Representative Larson—Senate Sponsor: Senator Uresti

Identification of vessels is currently required by law in the Parks and Wildlife Code. Under statute, the identification is required to be placed on the bow of a vessel, but the requirement is difficult to meet on vessels with ornate bows. This bill:

Requires the owner of a vessel to paint or attach to each side of the forward half of the vessel the identification number and a registration decal in a certain manner.

Requires that on a vessel configured so that a number on the hull is not easily visible, the number be painted on or attached to a backing plate that is attached to the forward half of the vessel so that the number is visible from each side.

Exempting Certain Bingo Games From Aggregate Prize Limit—H.B. 394
by Representative Senfronia Thompson—Senate Sponsor: Senator Van de Putte

Under current law, the aggregate prize limit on a single bingo occasion is $2,500. This limit can be reached quickly if larger prizes are awarded during a bingo occasion. There is concern that larger prizes are becoming necessary in many places to compete with other forms of entertainment and that the current law effectively reduces the number of times a charitable organization can offer bingo. Exempting smaller bingo prizes from the aggregate limit could encourage charitable organizations to offer more bingo games with lower stakes. This bill:
Exempts from the statutory prize limit bingo games that award individual prizes of $50 or less.

Residential Fire Alarm Licenses—H.B. 458  
by Representative Bohac—Senate Sponsor: Senator Estes

According to Section 6002.158(c), Insurance Code, training school instructors must be approved by the state fire marshal. To be eligible for approval, an instructor must hold a fire alarm planning superintendent license and have at least three years of experience in fire alarm installation, service, or monitoring. This law sets unnecessary high standards of training for a person to be eligible to adequately teach such courses because fire alarm superintendents must already be licensed engineers or pass a test that is equivalent to an engineer’s examination.

These high standards make it difficult for the schools approved by the state fire marshal to find and keep qualified instructors, since most of the fire alarm planning superintendents are in high demand and subject to time constraints. This bill:

Requires training school instructors, in order to be eligible for approval by the state fire marshal, to hold a fire alarm planning superintendent license, a residential fire alarm superintendent license, or a fire alarm technician license and have at least three years of experience in fire alarm installation, service, or monitoring.

Regulation of Metal Recycling—H.B. 555  
by Representative Callegari—Senate Sponsor: Senator West

Metals thieves have targeted municipal water lift stations and water plants, stealing copper wire, piping, and other valuable metals. The damage has resulted in interrupted water supplies to businesses and neighborhoods, and can cost tens of thousands of dollars to repair. The criminals then sell the stolen metals to recycling facilities. Such facilities must adhere to a number of reporting requirements, including determining the source of the metal and reporting sales to counties or municipalities. This bill:

Provides that a person commits a Class C misdemeanor offense if the person violates Chapter 1956 (Metal Recycling Entities), Occupations Code.

Consumption of Alcoholic Beverages in Certain Public Entertainment Facilities—H.B. 893  
by Representative Geren—Senate Sponsor: Senator Hancock

The Texas Rangers Ballpark in Arlington, through an independent concessionaire, holds multiple beverage permits applicable to different areas inside the stadium. Current law requires that an individual at the Rangers Ballpark consume his or her alcoholic beverage before returning to his or her seat because current law stipulates that an individual who purchases alcoholic beverages in a certain permitted area must remain in that particular area until he or she has consumed his or her beverage, even if the area to which he or she wishes to go permits the sale and consumption of alcoholic beverages. This bill:
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Authorizes an independent concessionaire for public entertainment facility located in a county with a population of more than 1.6 million, constructed not later than 1994, with a minimum seating capacity of 45,000, and for which all alcoholic beverage permits and licenses are held by a single independent concessionaire, to permit a patron who possesses an alcoholic beverage to enter or leave a licensed or permitted premises within the facility if the alcoholic beverage is in an open container, appears to be possessed for present consumption, remains within the confines of the facility, excluding the parking lot, and was purchased legally at a licensed or permitted premises within the facility.

Surety Company Regulations—H.B. 1047
by Representative Sheets—Senate Sponsor: Senator Estes

Bail bonds are an effective means of balancing the interests of those accused of crimes who do not wish to be locked up while under a presumption of innocence and the interests of prosecutors who wish to ensure that the accused appear in court to answer criminal charges. Commercial bail bond agents typically charge a service fee equal to a percentage of the bond because they ultimately are liable for payment of the bond. In the event an agent is unable to pay a forfeited bond, the agent usually relies on a bail bond insurer to pay the bond. Current law does not require such insurers to maintain unearned premium reserves because all bail fees and premiums are fully earned at the bond’s inception. A bail bond insurer records and remits taxes only on the actual premiums collected or receivable. Imposing new requirements for substantial unearned premium reserves or that base taxes on gross bail bond service fees would place significant financial burdens on bond insurers. This bill:

Provides that the premium receipts are not included in determining an insurer’s taxable premium receipts, including premiums or service fees retained by a bail bond surety licensed or by a property and casualty agent in connection with the execution or delivery of a bail bond.

Provides that a surety company is not required to maintain an unearned premium reserve for a bail bond.

Authorizes direct written premium reported by a surety company in a financial statement filed with the Texas Department of Insurance (TDI) to be calculated excluding any premiums or service fees retained by a bail bond surety or by a property and casualty agent in connection with the execution or delivery of a bail bond.

Requires a surety company that executes or delivers in this state a bail bond to disclose in the company’s financial statement filed with TDI, the aggregate amount of gross premium for bail bond business reported in the company’s surety line of business; premium or service fees retained by the bail bond surety or agent; and premium for bail bond business received by the company, net of amounts retained by the bail bond surety or agent.

Regulating Insurance Adjusters and Roofing Contractors—H.B. 1183
by Representative Guillen—Senate Sponsor: Senator Lucio

Concerns have been raised that some insurance adjusters who also are roofing contractors engage in insurance fraud by increasing the rate for roofing work and pocketing the price difference. Establishing

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certain prohibited conduct for insurance adjusters who are involved with a roofing-related business could prevent this practice and protect consumers. This bill:

Prohibits a licensed insurance adjuster from adjusting a loss related to roofing damage on behalf of an insurer if the adjuster is a roofing contractor or otherwise provides roofing services or roofing products for compensation, or is a controlling person in a roofing-related business.

Prohibits a roofing contractor from acting as an adjuster or advertising to adjust claims for any property for which the contractor is providing or may provide roofing services, regardless of whether the contractor holds a license.

Requires the commissioner of insurance to adopt rules necessary to implement and enforce this Act.

**Authorizing Racing Commission to Share Investigatory Information—H.B. 1186**

*by Representative Senfronia Thompson—Senate Sponsor: Senator Duncan*

Under the Texas Racing Act, encoded as Article 179e, Vernon's Texas Civil Statutes, investigatory files are confidential except in a criminal proceeding, in a hearing conducted by the Texas Racing Commission (TRC), on court order, or with the consent of the party being investigated. From time to time, an investigation reveals information about potential misconduct by a licensed veterinarian or a person beyond TRC's jurisdiction. Under current law, TRC staff cannot share investigatory information with other state regulatory agencies. This bill:

Authorizes TRC to share with another state regulatory agency any investigatory file information that creates a reasonable suspicion of a violation of a law or rule under that agency's jurisdiction.

Authorizes that state agency to use the information as if it was obtained through that agency's investigatory process.

**Increasing Certain Penalties Under the Texas Racing Act—H.B. 1187**

*by Representative Senfronia Thompson—Senate Sponsor: Senator Duncan*

The penalties for unethical practices or violations under the Texas Racing Act (Act), Article 179e, Vernon's Texas Civil Statutes, have not been increased since the Act was implemented in 1986. Section 3.07 (Officials of Race Meetings) of the Act establishes the authority of stewards to assess penalties against persons who commit unethical practices or violate racing rules. This bill:

Increases the penalties that may be imposed by the stewards or judges from:
- a fine of not more than $5,000 to a fine of not more than $25,000; and
- a suspension for not more than one year to a suspension for not more than five years.

Increases the amount for a penalty modified by the Texas Racing Commission executive director from:
- a fine not to exceed $10,000 to a fine not to exceed $100,000; and
- a suspension not to exceed two years to a suspension not to exceed five years.
Acting as Insurance Agent After Suspension or Revocation of License—H.B. 1305

by Representative Sheets—Senate Sponsor: Senator Carona

Currently, a person who acts as an insurance agent without a license may be found guilty of a third degree felony, imprisoned for a term of two to 10 years, and fined up to $10,000. In contrast, a person acting as an agent after the person’s insurance agent license is suspended or revoked may be punished by a fine not to exceed $5,000 and imprisonment for a term not to exceed two years. While the two acts are arguably indistinguishable, the punishments differ significantly. This bill:

Provides that such an offense is a felony of the third degree with imprisonment for a term of not more than two years, or both fine and imprisonment.

Procedures For Certain Audits of Pharmacists and Pharmacies—H.B. 1358

by Representative Hunter et al.—Senate Sponsor: Senator Van de Putte

Current law requires certain specific procedures when auditing a provider that is a pharmacist or pharmacy. Managed care organizations and pharmacy benefit managers audit such providers to detect fraud or abuse and to validate that the provider is complying with contractual requirements. However, some interested parties assert that there is a need for standardized procedures and terminology for audits of pharmacy claims. This bill:

Defines “desk audit,” “extrapolation,” “health benefit plan,” “on-site audit,” and “pharmacy benefit manager.”

Provides that this Act does not apply to an issuer or provider of health benefits under or a pharmacy benefit manager administering pharmacy benefits under the state Medicaid program and certain other specified programs or plans.

Provides that if there is a conflict between this Act and other specified provisions, this Act prevails.

Requires a health benefit plan issuer (issuer) or pharmacy benefit manager (manager) that performs an on-site audit of a pharmacist or pharmacy to provide the pharmacist or pharmacy with reasonable notice, including setting forth service requirements.

Authorizes the pharmacist or pharmacy to request within a set period that an on-site audit be rescheduled to a mutually convenient date, which must be reasonably granted.

Provides that unless the pharmacist or pharmacy consents in writing, an issuer or manager may not schedule or have an on-site audit conducted:

- before the 14th day after the date the pharmacist or pharmacy receives notice, if applicable;
- more than twice annually in connection with a particular payor; or
- during the first five calendar days of January and December.
Provides that an issuer or manager is not required to provide notice if the issuer or manager suspects the pharmacist or pharmacy has committed fraud or made an intentional misrepresentation related to the pharmacy business.

Provides that a pharmacist or pharmacy may be required to submit documents in response to a desk audit not earlier than the 20th day after the date the issuer or manager requests the documents.

Requires that a contract between a pharmacist or pharmacy and an issuer or manager include detailed audit procedures.

Requires an issuer or manager to notify the pharmacist or pharmacy in writing of a change in an audit procedure not later than the 60th day before the effective date of the change.

Sets forth the list of the claims subject to an on-site audit required to be provided in the notice to the pharmacist or pharmacy.

Sets forth the sample size if the issuer or manager in an on-site audit or a desk audit applies random sampling procedures to select claims for audit.

Requires that an audit of certain claims be completed on or before the one-year anniversary of the date the claim is received by the issuer or manager.

Requires an issuer or manager who conducts an on-site audit or a desk audit involving a pharmacist's clinical or professional judgment to conduct the audit in consultation with a licensed pharmacist.

Bars an issuer or manager who conducts an on-site audit from entering the pharmacy area unless escorted by an individual authorized by the pharmacist or pharmacy.

Authorizes a pharmacist or pharmacy that is being audited to validate actions regarding a prescription using certain records.

Prohibits an issuer or manager from calculating the amount of a recoupment based on an absence of certain documentation, an error that does not result in actual financial harm, or extrapolation.

Bars an issuer or manager from including a dispensing fee amount in the calculation of an overpayment unless certain criteria are met.

Provides that an unintentional clerical or recordkeeping error is not prima facie evidence of fraud or intentional misrepresentation and may not be the basis of a recoupment unless the error results in actual financial harm.

Requires the issuer or manager alleging that the pharmacist or pharmacy committed fraud or intentional misrepresentation to state the allegation in the final audit report.

Authorizes a pharmacist or pharmacy after an audit is initiated to resubmit certain claims.
Provides that the issuer or manager may access an audit report of a pharmacist or pharmacy only if the report was prepared in connection with an audit conducted by the issuer or manager.

Grants an issuer or manager access to other audit reports if the issuer or the manager suspects that the audited pharmacist or pharmacy committed fraud or made an intentional misrepresentation related to the pharmacy business.

Requires an auditor to conduct an on-site audit or a desk audit of similarly situated pharmacists or pharmacies under the same audit standards.

Prohibits an individual performing an on-site audit or a desk audit from directly or indirectly receiving compensation based on a percentage of the amount recovered as a result of the audit.

Sets forth the procedures at the conclusion of an on-site audit or a desk audit, including providing the pharmacist or pharmacy a summary of the audit and authorizing the pharmacist or pharmacy to challenge a result or remedy stated in the preliminary audit report.

Requires that the issuance of a final audit report be not later than the 120th day after the date the pharmacist or pharmacy receives a preliminary audit report.

Exempts certain audits from the deadlines for sending a report if the issuer or manager suspects the audited pharmacist or pharmacy committed fraud or made an intentional misrepresentation related to the pharmacy business.

Authorizes an issuer or manager to recoup from the pharmacist or pharmacy an amount based only on a final audit report.

Bars the accrual or assessment of interest on an amount due until the date the pharmacist or pharmacy receives the final audit report.

Provides that limitations on recoupment and interest accrual or assessment do not apply to an issuer or manager who suspects that the audited pharmacist or pharmacy committed fraud or made an intentional misrepresentation related to the pharmacy business.

Prohibits any contract from waiving, voiding, or nullifying the provisions of this Act.

Provides that this Act may not be construed to waive a remedy at law available to a pharmacist or pharmacy.

Authorizes the commissioner of insurance to enforce this Act and adopt and enforce reasonable rules necessary to accomplish the purposes of this Act.

Declares that it is the intent of the legislature that the requirements contained in this Act apply to all issuers and managers unless prohibited by federal law.
Regulating Food Prepared, Stored, Distributed, or Sold at Farms and Farmers' Markets—H.B. 1382
by Representatives Simpson et al.—Senate Sponsor: Senator Deuell

Current state regulations treat farm stands and farmers' markets similarly to large brick-and-mortar grocery stores and certain regulations are both impractical and unnecessary for an outdoor setting where the farmer is selling directly to consumers for a short period once or twice a week. This bill:

Defines "produce," "farmers' market," and "food."

Provides that, except as provided by Sections 437.020 (Produce Samples at Municipally Owned Farmers' Markets), 437.0201 (Regulation of Food at Farmers' Markets Under Temporary Food Establishment Permits), 437.0202 (Temperature Requirements for Food at Farmers' Markets), and 437.0203 (Regulation of Cooking Demonstrations at Farmers' Markets), Health and Safety Code, Chapter 437 (Regulation of Food Service Establishments, Retail Food Stores, Mobile Food Units, and Roadside Food Vendors), Health and Safety Code, do not regulate the provisions of samples of food or the sale of food to consumers at a farm or farmers' market and a rule adopted under state law may not regulate the provision of samples of food or the sale of food to consumers at a farm or farmers' market.

Authorizes samples of food to be prepared and distributed at a farm or farmers' market if certain sanitary conditions exist.

Requires a person who sells or provides a sample of meat or poultry or food containing meat or poultry to comply with Chapter 433 (Texas Meat and Poultry Inspection Act), Health and Safety Code.

Provides that Section 437.020, Health and Safety Code, does not authorize the sale of or provision of samples of raw milk or raw milk products at a farmers' market.

Prohibits the executive commissioner of the Health and Human Services Commission or a state or local enforcement agency from adopting a rule requiring a farmers' market to pay a permit fee for conducting a cooking demonstration or providing samples of food if the demonstration or provision of samples is conducted for a bona fide educational purpose.

Provides that except as provided by Sections 437.020, 437.0201, 437.0202, and 437.0203, Health and Safety Code, Chapter 437, Health and Safety Code, does not regulate cooking demonstrations at a farmers' market and a rule adopted under state law is prohibited from regulating cooking demonstrations at a farmers' market.

Authorizes a person to conduct a cooking demonstration at a farmers' market only if the farmers' market that hosts the demonstration has an establishment operator with a valid certification supervising the demonstration and complies with Sections 437.020 and 437.0202, Health and Safety Code; the requirements of a temporary food establishment under Chapter 437, Health and Safety Code; and the rules adopted pertaining to providing samples including that the demonstrator may only provide a sample size of food and that the samples of food prepared during the demonstration are to be disposed of not later than two hours after the beginning of the demonstration.
Regulation of Banks, Trust Companies, and Bank Holding Companies—H.B. 1664

by Representative Villarreal—Senate Sponsor: Senator Carona

The Texas Department of Banking (TDB) regulates state-chartered banks and trust companies. Questions have arisen regarding the authority of the commissioner of banking to obtain information from persons outside the bank under examination, such as a former employee or director of the bank or its holding company. This bill:

Authorizes the presiding officer of the Texas Finance Commission (presiding officer) (finance commission) to adopt rules and procedures as the presiding officer considers necessary for the orderly operation of the finance commission and for communication among the finance commission, TDB, the Department of Savings and Mortgage Lending, and the Office of Consumer Credit Commissioner.

Authorizes the banking commissioner to subpoena witnesses and require and compel by subpoena the production of documents not voluntarily produced.

Authorizes a district court of Travis County, on application by the banking commissioner, to issue an order requiring the person to appear before the banking commissioner and produce documents or give evidence regarding the matter under examination or investigation if a person refuses to obey a subpoena.

Provides that disclosure of information to the banking commissioner pursuant to a subpoena or an examination request does not constitute a waiver of or otherwise affect or diminish an evidentiary privilege to which the information is otherwise subject.

Provides that a state bank may establish one or more deposit production offices, for the purpose of soliciting deposit accounts, applications for loans, or equivalent transactions; performing ministerial duties related to solicitations; and conducting other activities as permitted by rules adopted under this subtitle.

Requires the bank to notify the banking commissioner in writing of the location of and activities to be conducted at a proposed deposit or loan production office of the bank.

Authorizes the bank to establish the proposed office beginning on the 31st day after the date the banking commissioner receives the bank's notice unless the banking commissioner specifies that the proposed office be established on an earlier or later date.

Authorizes the banking commissioner to extend the 30-day period prescribed on a determination that the bank's notice raises issues that require additional information or time for analysis.

Authorizes the bank, if the period is extended, to establish the proposed deposit or loan production office only with the prior written approval of the banking commissioner.

Prohibits a state bank from disclosing to an advisory director confidential information pertaining to the bank or the bank's customers unless the board of directors (board) of, or a person or group of persons acting in a comparable capacity, for a state bank, adopts a resolution that designates the advisory director as a person who is officially connected to the bank and that describes the purpose for disclosure of the information, which is required to be a reasonable business purpose; and the disclosure is made under a written confidentiality agreement between the bank and the advisory director.
Requires the board of a state bank to hold at least one regular meeting each month.

Authorizes the banking commissioner, on application by the board, to grant the board approval to hold regular meetings on a less frequent basis than the allowed period.

Authorizes the banking commissioner to revoke or modify a prior approval granted if the banking commissioner determines that more frequent regular meetings of the board are necessary to promote the safety and soundness of the bank.

Requires a state bank to dispose of real property not later than the fifth anniversary of the date the real property was acquired, except as otherwise provided by ruled adopted, ceases to be used as a bank facility, or ceases to be a bank facility.

Authorizes a state bank to hold nonparticipating royalty interests under certain circumstances.

Authorizes the banking commissioner to order a state bank that holds nonparticipating royalty interests, rather than nonworking mineral or royalty interests, to divest such interests at any time if the banking commissioner determines that continued ownership of such interests is detrimental to the state bank.

Provides that nonparticipating royalty interests, rather than nonworking mineral or royalty interests, are not considered to be real property.

Authorizes the banking commissioner to serve a proposed removal or prohibition order, as appropriate, on a person alleged to have committed or participated in the action, if the banking commissioner has grounds for action and finds that a removal or prohibition order appears to be necessary and in the best interest of the public, rather than of the bank involved and its depositors, creditors, or shareholders.

Prohibits a bank, during a period of supervision and without the prior approval of the banking commissioner or the supervisor or as otherwise permitted or restricted by the order of supervision, from taking certain actions, including removing an executive officer or director, changing the number of executive officers or directors, or having any other change in the position of executive officer or director.

Provides that disclosure of information to the banking commissioner pursuant to a subpoena issued in addition to an examination request does not constitute a waiver of or otherwise affect or diminish an evidentiary privilege to which the information is otherwise subject.

Authorizes the banking commissioner to subpoena witnesses and require and compel by subpoena the production of documents not voluntarily produced in addition to the authorization to administer oaths and examine persons under oath on any subject that the banking commissioner considers pertinent to the financial condition or the safety and soundness of the activities of a state trust company.

Authorizes a district court of Travis County, on application by the banking commissioner, to issue an order requiring the person to appear before the banking commissioner and produce documents or give evidence regarding the matter under examination or investigation if a person refuses to obey a subpoena.

Provides that a subpoena issued to a financial institution is not subject to Section 59.006 (Discovery of Customer Records).
Prohibits a state trust company from disclosing to an advisory director or advisory manager confidential information pertaining to the state trust company or the company's clients unless the board of directors of the state trust company adopts a resolution that designates the advisory director or advisory manager as a person who is officially connected to the trust company and that describes the purpose for disclosure of the information, which is required to be a reasonable business purpose, and the disclosure is made under a written confidentiality agreement between the state trust company and the advisory director or advisory manager.

Prohibits a state trust company, without the prior written approval of the banking commissioner, from directly or indirectly investing an amount in excess of the company's restricted capital in the state trust company facilities, furniture, fixtures, and equipment.

Requires a state trust company to dispose of any real property not later than the fifth anniversary of the date the real property was acquired, except as otherwise provided by adopted rules; ceases to be used as a state trust company facility; or ceases to be a state trust company facility.

Authorizes the banking commissioner to serve a proposed removal or prohibition order, as appropriate, on any of certain persons alleged to have committed or participated in a violation or other conduct, if the banking commissioner has grounds for action and finds that a removal or prohibition order appears to be necessary and in the best interest of the public.

Prohibit a state trust company, during a period of supervision and without the prior approval of the banking commissioner or the supervisor or as otherwise permitted or restricted by the order of supervision, from taking certain actions, including removing an executive officer or director, changing the number of executive officers or directors, or having any other change in the position of executive officer or director.

Provides that the laws of this state, including laws regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches, apply to an interstate branch located in this state to the same extent the laws of this state would apply if the branch in this state were a branch of an out-of-state national bank in this state.

Authorizes an out-of-state state bank that establishes an interstate branch in this state to conduct any activity at the branch in this state that is permissible under the laws of the bank's home state, to the extent the activity is permissible for a Texas state bank or for a branch of an out-of-state national bank in this state.

Provides that this subtitle does not limit or affect the authority of the home state regulator of a bank's home state to enforce any law applicable to a branch of an out-of-state state bank; a law enforcement officer, a regulatory supervisor, other than the banking commissioner, or another official of this state to enforce the laws of this state applicable to a branch of an out-of-state state bank; or this state to adopt, apply, or administer any tax or method of taxation to a bank, bank holding company, or foreign bank, or any affiliate of a bank, bank holding company, or foreign bank, to the extent that the tax or tax method is otherwise permissible by or under the United States Constitution or other federal law.

Provides that a cooperative agreement entered into by the banking commissioner under this section does not limit the authority of a law enforcement officer, regulatory supervisor, or other official of this state who is
not a party to the agreement to enforce the laws of this state applicable to a branch of an out-of-state state bank located in this state.

Authorizes the banking commissioner, with written notice to the home state regulator and subject to the terms of any applicable cooperative agreement with the home state regulator, to take any enforcement action the banking commissioner would be empowered to take if the branch were a Texas state bank or state savings bank, as the case may be, if the banking commissioner determines that an interstate branch maintained by an out-of-state state bank in this state is being operated in violation of law of this state that is applicable to the branch under Section 24(j), Federal Deposit Insurance Act (12 U.S.C. Section 1831a(j)), including a law that governs community reinvestment, fair lending, or consumer protection.

Authorizes one or more Texas banks to enter unto an interstate merger transaction with one or more out-of-state banks under this chapter, and authorizes an out-of-state bank resulting from the transaction to maintain and operate the branches in this state of a Texas bank that participated in the transaction.

Provides that, with respect to an interstate branch maintained by an out-of-state state bank in this state, the banking commissioner is authorized to examine the branch for the purpose of determining whether the branch is in compliance with the laws of this state that are applicable under Section 24(j), Federal Deposit Insurance Act (12 U.S.C. Section 1831a(j)), including laws governing community reinvestment, fair lending, and consumer protection, with written notice to the home state regulator and subject to the terms of any applicable cooperative agreement with the home state regulator; and is authorized to participate in the examination of the bank by the home state regulator to ascertain whether the activities of the branch in this state are being conducted in an unsafe or unsound manner if expressly permitted under and subject to the terms of any cooperative agreement with the home state regulator, or if the bank has been determined to be in a troubled condition by the home state regulator or the bank's appropriate federal banking agency.

Provides that a bank is considered to be in a troubled condition if the bank has a composite rating, as determined in the bank's most recent report of examination, of four or five under the Uniform Financial Institutions Ratings System; is subject to a proceeding initiated by the Federal Deposit Insurance Corporation for termination or suspension of deposit insurance; or is subject to a proceeding initiated by the home state regulator to vacate, revoke, or terminate the bank's charter, liquidate the bank, or appoint a receiver for the bank.

Repeals Section 201.009(c) (relating to authorizing the banking commissioner to enforce the laws of this state against certain entities), Section 203.003(c) (relating to prohibiting an out-of-state bank that does not operated a branch in this state from establishing and maintaining a branch through the acquisition of an existing Texas bank), and Section 203.005 (Required Age of Acquired Bank), Finance Code.

**Regulation of Motor Vehicle Dealers, Manufacturers, and Distributors—H.B. 1692**

*by Representative Gutierrez—Senate Sponsor: Senator Patrick*

Concerns have been raised regarding issues arising from the implementation of recent legislation relating to the relationship between motor vehicle manufacturers and distributors and their franchised dealers and relating to the regulation of motor vehicle dealers, manufacturers, distributors, and representatives. The relationship between the named entities must be clarified in order for the industry to operate under the various rules established in state law. Transferring the automobile warranty and lemon law cases to the
Texas Department to Motor Vehicles (TxDMV) from the State Office of Administrative Hearings may be more suitable because TxDMV has expertise in this matter. This bill:

Authorizes TxDMV to employ a chief hearings examiner and one or more additional hearings examiners.

Requires a hearings examiner to be licensed to practice law in this state.

Authorizes a manufacturer, converter, or distributor, in a hearing regarding warranties and rights of vehicle owners, to plead and prove as an affirmative defense to a remedy that nonconformity is the result of abuse, neglect, or unauthorized modification or alteration of the motor vehicle or does not substantially impair the use or market value of the motor vehicle.

Prohibits an order regarding warranties and rights of vehicle owners issued from requiring a manufacturer, converter, or distributor to make a refund or to replace a motor vehicle unless certain conditions are met.

Requires TxDMV, if a final order is not issued before the 151st day after the date a complaint is filed, to provide written notice by certified mail to the complainant and to the manufacturer, converter, or distributor of the expiration of the 150-day period and of the complainant's right to file a civil action.

Requires TxDMV to extend the 150-day period if a delay is requested or caused by the person who filed the complaint.

Requires that an order issued under this subchapter name the person responsible for paying the cost of any refund or replacement.

Prohibits a manufacturer, converter, or distributor from causing a franchised dealer to directly or indirectly pay any money not specifically required by the order.

Authorizes the final order, if the final order requires a manufacturer, converter, or distributor to make a refund or replace a motor vehicle under this subchapter, to require the franchised dealer to reimburse the owner, lienholder, manufacturer, converter, or distributor only for an item or option added to the vehicle by the dealer to the extent that the item or option contributed to the defect that served as the basis for the order.

Authorizes the final order in a case involving a leased vehicle, to terminate the lease and apportion allowances or refunds, including the reasonable allowance for use, between the lessee and lessor of the vehicle.

Entitles a party to a proceeding under this subchapter that is affected by a final order to judicial review of the order under the substantial evidence rule in a district court of Travis County.

Requires TxDMV to maintain a toll-free telephone number to provide information to a person who requests information about a condition or defect that was the basis for repurchase or replacement by an order issued under this subchapter, rather than by an order of the director of the Motor Vehicles Division of TxDMV.

Requires TxDMV to maintain an effective method of providing information to a person who makes a request.
Requires the parties to a contested case with the dealers and manufacturers other than a contested case in an action brought by TxDMV to participate in mediation as provided by TxDMV board rule before the parties are authorized to have a hearing in the case.

Requires that a hearing be held by an administrative law judge of the State Office of Administrative Hearings.

Requires that a hearing regarding complaint concerning vehicle defect or warranties be held by a hearings examiner.

Provides that an administrative law judge and a hearings examiner have all of the TxDMV board's power and authority as provided by this chapter to conduct hearings, including certain specific powers.

Requires a hearings examiner, in a contested case hearing, to issue a final order.

Requires a party who seeks a rehearing of an order to seek a rehearing in accordance with Chapter 2001 (Administrative Procedure), Government Code.

Authorizes the TxDMV board by rule to establish procedures to allow a party to a contested case to file a motion for rehearing.

Requires that a motion for rehearing in a contested case be filed with and decided by the chief hearings examiner.

Repeals Section 2301.606(a) (relating to requiring the director under board rules to conduct hearings and issue final orders for the implementation and enforcement of this subchapter), Occupations Code.

National Mortgage Licensing System and Registry—H.B. 1721

by Representative Villarreal—Senate Sponsor: Senator Carona

The Nationwide Mortgage Licensing System and Registry (NMLS) is a secure, web-based licensing system that allows companies and individuals to apply for, maintain, and renew licenses in one or more states through a single record. The Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators created NMLS, and it is currently owned and operated by a wholly-owned subsidiary of CSBS.

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) was passed by Congress in 2008, following the United States housing crisis. In order to better regulate the industry, the SAFE Act required NMLS registration of residential mortgage loan originators. Since the inception of NMLS, the registry has expanded to include other industries outside of the residential mortgage market as a means to maintain a single record for commonly regulated financial services industries.

In Texas, Section 180.052 of the Finance Code instructs state regulators to require those entities that are covered by the SAFE Act to register with NMLS. The Office of Consumer Credit Commissioner (CCC) is one of these state regulators, as CCC regulates certain residential mortgage loan originators who fall under
the SAFE Act’s provisions. In addition to these mortgage industry licensees, CCC regulates a number of other financial service providers including property tax lenders, credit access businesses, and pawn shops. CCC would like to expand its authority to require NMLS registration for additional industries within its jurisdiction that CCC believes would be good candidates for registration on a nationwide system.

Authorizes CCC to use NMLS to manage CCC’s non-depository, financial services licensees to provide a number of benefits to the state, including increased efficiencies for the industry and CCC, improved supervision of the industry to better protect consumers and level the playing field for businesses that comply with state regulations, and the prevention of federal regulatory encroachment. This bill:

Authorizes the consumer credit commissioner (commissioner) to require that a person submit through the NMLS and Registry in the form and manner prescribed by the commissioner and acceptable to NMLS any information or document or payment of a fee required to be submitted to the commissioner to which law or rules apply.

Authorizes the commissioner to use NMLS as a channeling agent for obtaining information required for licensing or registration purposes, including criminal history record information from the Federal Bureau of Investigation, the United States Department of Justice, or any other agency or entity at the commissioner's discretion; information related to any administrative, civil, or criminal findings by a governmental jurisdiction; and certain information requested by the commissioner.

Identification Requirements for Certain Fire Hydrants and Flush Valves—H.B. 1768
by Representative Canales—Senate Sponsor: Senator Hinojosa

In 2007, the legislature required that fire hydrants be painted black if they are not functioning or are unavailable for fire suppression services during an emergency. Certain utilities that provide hydrants have interpreted this to mean that if a hydrant cannot guarantee a flow of at least 250 gallons per minute at all times, the hydrants should be painted black to avoid liability. Often, hydrants that have water flow of fewer than 250 gallons can be used for fire suppression. This bill:

Provides that Section 341.0357 (Identification Requirement For Device With Appearance of Fire Hydrant That is Nonfunctioning or Unavailable For Use in Fire Emergency), Health and Safety Code, does not apply within the jurisdiction of a governmental entity described by Section 341.03571(b) (relating to a county or a municipality in a county that borders Mexico or is adjacent to a county that borders Mexico, has a population of at least 400,000 or a population of at least 20,000 and is adjacent to a county that has a population of at least 400,000, and is within 200 miles of the Gulf of Mexico), Health and Safety Code, as added by this bill.

Provides that Section 341.03571 (Identification Requirement For Certain Fire Hydrants and Flush Valves in Certain Municipalities), Health and Safety Code, as added by the bill, only applies to a county or a municipality in a county that borders Mexico or is adjacent to a county that borders Mexico, has a population of at least 400,000 or a population of at least 20,000 and is adjacent to a county that has a population of at least 400,000, and is within 200 miles of the Gulf of Mexico.

Requires that each public water system responsible for any fire hydrant paint all or the cap of the hydrant white if the hydrant is available to be used only to fill a water tank on a fire truck used for fire suppression
services and paint all or the cap of the hydrant black if the hydrant is unavailable for use by the entity providing fire suppression services in a fire emergency.

Provides that a hydrant is unavailable for use in a fire if it is unavailable for pumping directly from the hydrant or is unavailable for use in filling a water tank on a fire truck used for fire suppression services.

Authorizes a public water system to place a black tarp over the hydrant or use another means to conceal the hydrant if the hydrant is temporarily unavailable for use in a fire emergency for a period not to exceed 45 days. Requires the public water system responsible for the hydrant, not later than the 45th day after the date a hydrant is concealed, to remove the tarp or concealment if the hydrant is available for the provision of fire suppression services or to paint all or the cap of the hydrant black if the hydrant continues to be unavailable for use in a fire emergency.

Authorizes a public water system that paints all or the cap of a hydrant black to also ensure by any reasonable means that the hydrant is identifiable in low-light conditions, including by installing reflectors.

Sets forth the entities and systems to which the bill does not apply.

Authorizes a system for labeling or color coding hydrants to include the assignment of different colors to identify hydrants that serve certain purposes.

Provides that the fact that all or the cap of a hydrant for which a public water system is responsible is not painted black or concealed in a certain manner does not constitute a guarantee by the public water system that the hydrant will deliver a certain amount of water flow at all times. Provides that notwithstanding any provision of Chapter 101 (Tort Claims), Civil Practice and Remedies Code, a public water system is not liable for a hydrant’s inability to provide adequate water supply in a fire emergency.

Regulation of Plumbing—H.B. 2062
by Representative John Davis—Senate Sponsor: Senator Taylor

The Texas State Board of Plumbing Examiners (TSBPE), have recently expressed concerns about certain provisions of the Plumbing License Law, partly in response to recent legislation relating to rainwater harvesting. Updating and clarifying these provisions of the Plumbing License Law is in response to these concerns. This bill:

Provides that a person is not required to be licensed to perform certain duties, including water treatment installations, exchanges, services, or repairs, other than the treatment of rainwater to supply a plumbing fixture or appliance.

Requires the person who performed plumbing services performed by or under the direction of a plumber licensed to give the customer an invoice or completed contract document on completion of the job, regardless of whether the person charged a fee for performing the services.

Authorizes TSBPE to investigate an alleged violation by a person who is licensed, is the owner of a plumbing company, or performs plumbing without holding a license.
Requires a person who holds a license or registration to carry the license or registration on his or her person while engaged in plumbing.

Deletes existing text providing that a person is not required to hold a water supply protection specialist endorsement if the person acts as a backflow prevention device specialist or water supply protection specialist in the course of the person's employment.

Requires a municipality that adopts an ordinance or bylaw to provide by ordinance or bylaw that a person is required to obtain a permit before the person performs plumbing, other than the repairing of leaks, the replacement of lavatory or kitchen faucets, the replacement of ballcocks or water control valves, the replacement of garbage disposals, or the replacement of water closets.

Provides that a responsible master plumber, plumbing contractor, or other person who is required to obtain a permit under this section is not required to pay a plumbing registration fee or administrative fee in a municipality or any other political subdivision.

**Regulation of Barbers and Cosmetologists—H.B. 2095**

*by Representative Senfronia Thompson—Senate Sponsor: Senator Carona*

Under Chapters 1601 (Barbers), 1602 (Cosmetologists), and 1603 (Regulation of Barbering and Cosmetology) of the Occupations Code, the Texas Department of Licensing and Regulation (TDLR) regulates barbers, cosmetologists, and their respective facilities. There are 38 cosmetology and 26 barber programs under TDLR's programs. Furthermore, the population size of the cosmetology program makes it the largest licensing program that TDLR regulates today.

TDLR recently reviewed its barber and cosmetology regulatory programs and identified several changes that are needed to modernize, clarify, and streamline the relevant statutes. This bill:

Authorizes a person holding a license, certificate, or permit to perform a service within the scope of the license, certificate, or permit at a location other than a licensed facility for a client who, because of illness or physical or mental incapacitation, is unable to receive the services at a licensed facility.

Requires that an appointment for a service be made through a licensed facility.

Provides that the Advisory Board on Cosmetology consists of nine members appointed by the presiding officer of the Texas Commission of Licensing and Regulation (TCLR), with TCLR's approval, including one member who represents a licensed public secondary beauty culture school and two public members, rather than one public member.

Requires the associate commissioner of the Texas Education Agency (TEA) responsible for career and technical education or the associate commissioner's authorized representative to serve as an ex officio member of TCLR without voting privileges.

Authorizes a person holding a hair braiding specialty certificate to perform only the practice of cosmetology.
Requires an applicant, to be eligible for a hair braiding specialty certificate, to be at least 17 years of age and have the necessary requisites as determined by TDLR in the particular specialty for which certification is sought, including training through a TCLR-approved training program.

Authorizes a person holding a hair weaving specialty certificate to perform only the practice of cosmetology.

Requires an applicant, to be eligible for a hair weaving specialty certificate, to be at least 17 years of age and have the necessary requisites as determined by TDLR in the particular specialty for which certification is sought, including training through a TCLR-approved training program.

Authorizes a person holding a wig specialty certificate to perform only the practice of cosmetology.

Requires a cosmetology applicant, to be eligible for a wig specialty certificate, to be at least 17 years of age and have the necessary requisites as determined by TDLR in the particular specialty for which certification is sought, including training through a TCLR-approved training program.

Authorizes a person holding a student permit to shampoo or condition a person's hair in a licensed facility.

Prohibits a person from operating a vocational cosmetology program in a public school or lease space on the premises of a beauty shop, specialty shop, or dual shop, to engage in the practice of cosmetology as an independent contractor unless the person holds a license.

Authorizes a person who owns, operates, or manages a beauty shop, specialty shop, or dual shop to employ a person holding a student permit to shampoo or condition a person's hair.

Provides that participation in continuing education programs is mandatory for all license renewals other than renewal of a shampoo specialty certificate.

Prohibits a person holding a beauty shop license or specialty shop license from employing certain persons, including a person to shampoo or condition a person's hair unless the person holds a shampoo apprentice permit or student permit.

Authorizes a person holding a license, certificate, or permit to perform a service within the scope of the license, certificate, or permit at a location other than a licensed facility for a client who, because of illness or physical or mental incapacitation, is unable to receive the services at a licensed facility.

Requires that an appointment for a service performed be made through a licensed facility.

Requires the holder of a private beauty culture school license, among other requirements, to maintain on duty one licensed instructor for each 25 students in attendance.

Prohibits a private beauty culture school or public school in which a student permit holder is enrolled from receiving compensation for services.

Authorizes TCLR to adopt rules for the licensing, permitting, operation, inspection, and reporting requirements of a mini-salon or mini-barbershop; fees required to issue or renew a license or permit for or
to inspect a mini-salon or mini-barbershop; and sanitation standards required for a mini-salon or mini-barbershop.

Requires that a mini-salon or mini-barbershop licensed, certified, or permitted meet the requirements of a barbershop, beauty shop, dual shop, or specialty shop licensed, certified, or permitted under state laws regarding cosmetologists.

Removes an examination proctor from the list of persons authorized to administer a practical examination.

Requires TCLR to prescribe the minimum curriculum, including the subjects and the number of hours in each subject, taught by a licensed school.

Authorizes TCLR to adopt rules allowing distance education only for the theory portion of the curriculum taught by a licensed school.

Provides that distance education does not satisfy the requirements of the practical portion of the curriculum taught by a licensed school.

Repeals Sections 1601.261(b) (relating to requiring TDLR to issue a shampoo apprentice permit to an applicant who is at least 16 years of age) and (e) (relating to authorizing a certain facility to employ a person who holds a shampoo apprentice permit and requiring minimum pay), and Sections 1602.267(b) (relating to requiring TDLR to issue a shampoo apprentice permit to an applicant who is at least 16 years of age) and (e) (relating to authorizing a certain facility to employ a person who holds a shampoo apprentice permit and requiring minimum pay), Section 1603.153 (Analysis of Complaints and Violations); Section 1603.251 (Definition), Occupations Code; and Section 1603.257 (Examination Proctor; Registration), of the Occupations Code.

Regulation of Money Services Businesses—H.B. 2134
by Representative Villareal—Senate Sponsor: Senator Carona

The Texas Department of Banking regulates money services businesses (MSB), which is defined as money transmission and currency exchange. The Money Services Act and Chapter 278 (Regulation of Currency Transmissions) of the Finance Code governs MSB. The Money Services Act provides for two types of licenses: money transmission and currency exchange. In addition, it requires anyone who conducts these business activities to obtain the appropriate license. In 2012, there were 135 MSB license holders who conducted over $75 billion in transactions.

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 required, among other things, the creation of a federal registry for the coordination of licensing of mortgage loan originators in all states. To that end, the Nationwide Mortgage Licensing System and Registry (NMLS) was created to be a secure, web-based licensing system that allows companies and individuals to apply for, maintain, and renew licenses in one or more states through a single record.

To increase efficiency of multi-state regulation, NMLS has been expanding for use with other types of licenses, including MSB license applicants. NMLS allows state regulators to process criminal and personal background checks, as well as other required application materials. The NMLS also allows state regulatory
agencies to coordinate with one another regarding license holders and new applicants, and provides a single point of contact for filing documents that are required by multiple states.

Currently, MSB license applicants and licensees conducting business in multiple states must navigate numerous, often disparate state licensing schemes, leading to an inefficient and burdensome system. This bill:

Authorizes the banking commissioner of Texas or a person designated by the banking commissioner and acting under the banking commissioner's direction and authority (commissioner) to conduct certain investigations in or outside this state and the United States as the commissioner considers necessary or appropriate to administer and enforce this chapter (Regulation of Money Services Businesses), including certain investigations, including an investigation to determine whether to approve an application for a license, rather than to approve an application for or renewal of a license, or a request for approval or exemption.

Authorizes the commissioner, to efficiently and effectively administer and enforce this Act and to minimize regulatory burden, to cooperate, coordinate, and share information with an organization the membership of which is made up of state or federal governmental agencies.

Authorizes the commissioner to enter into a written cooperation, coordination, or information-sharing contract or agreement with the organization and share information, provided that the organization agrees in writing to maintain the confidentiality and security of the shared information.

Authorizes the commissioner to require that a person submit through NMLS in the form and manner prescribed by the commissioner and acceptable to NMLS any information or document or payment of a fee required to be submitted.

Authorizes the commissioner to use NMLS as a channeling agent for obtaining information required for licensing purposes or rules adopted, including criminal history record information from the Federal Bureau of Investigation, the United States Department of Justice, or any other agency or entity at the commissioner's discretion; information related to any administrative, civil, or criminal findings by a governmental jurisdiction; and information requested by the commissioner.

Authorizes the commissioner to suspend or revoke a license holder's license if the license holder does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license or currency exchange license, as applicable.

Deletes existing text providing that, regardless of the date on which a license is issued, the license expires on August 15 of each year unless the license is renewed in accordance with this section (Renewal of License) or is previously surrendered by the license holder or suspended or revoked by the commissioner.

Requires a license holder annually not later than July 1 of each year, to pay a license fee in an amount established by Finance Commission of Texas (finance commission) rule; and submit a report that is under oath, is in the form and medium required by the commissioner, and contains, if the license is a money transmission license, an audited unconsolidated financial statement dated as of the last day of the license holder's fiscal year that ended in the immediately preceding calendar year; if the license is a currency exchange license, a financial statement, audited or unaudited, dated as of the last day of the license
holder's fiscal year that ended in the immediately preceding calendar year; and documentation and certification, or any other information the commissioner reasonably requires to determine the security, net worth, permissible investments, and other requirements the license holder must satisfy and whether the license holder continues to meet the qualifications and requirements for licensure.

Requires the commissioner, if the Texas Department of Banking (TDB) does not receive a license holder's annual license fee and complete annual report on or before the due date prescribed by the commissioner to notify the license holder in writing that the license holder is required to submit the report and pay the license fee not later than the 45th day after the due date prescribed by the commissioner, and requires the license holder to pay a late fee, in an amount that is established by finance commission rule and not subject to appeal, for each business day after the report due date specified by the commissioner that the commissioner does not receive the completed report and license fee.

Provides that, if the license holder fails to submit the completed annual report and pay the annual license fee and any late fee due within a prescribed time, the license expires, and the license holder is required to cease and desist from engaging in the business of money transmission or currency exchange, as applicable, as of that date. Provides that the expiration of a license is not subject to appeal.

Requires TDB, on timely receipt of a license holder's complete annual report, annual license fee, and any late fee due renewal fee, and any late fee due, to review the report and, if necessary, investigate the business and records of the license holder.

Authorizes the commissioner, on completion of the review and investigation, if any, to impose conditions on the license the commissioner considers reasonably necessary or appropriate, rather than to impose conditions on the renewal of the license the commissioner may consider reasonably necessary or appropriate, or suspend or revoke the license on the basis of a ground specified in Section 151.703 (Suspension and Revocation of License).

Authorizes the commissioner, on written application and for good cause shown, to extend the due date for filing the annual license fee and annual report required.

Provides that the surrender of a license does not reduce or eliminate a license holder's civil or criminal liability arising from any acts or omissions before the surrender of the license, including any administrative action undertaken by the commissioner to revoke or suspend a license, to assess an administrative penalty, to order the payment of restitution, or to exercise any other authority.

Provides that the surrender of a license does not release the security required of the license holder.

Provides that a fee or cost paid is not refundable.

Prohibits the effective period for a temporary license from exceeding 90 days from the date the license is issued, provided that the commissioner is authorized to extend the period for not more than an additional 90 days, rather than not more than an additional 30 days, if necessary to complete the processing of a timely filed application for which approval is likely.

Requires that the security be in a form satisfactory to the commissioner; be payable to any claimant or to the commissioner, on behalf of a claimant or this state, for any liability arising out of the license holder's
money transmission business in this state, incurred under, subject to, or by virtue of this Act; and, if the security is a bond, be issued by a qualified surety company authorized to engage in business in this state and acceptable to the commissioner or, if the security is an irrevocable letter of credit, be issued by a financial institution acceptable to the commissioner.

Provides that a money transmission license holder is liable for the payment of all money or monetary value received for transmission directly or by an authorized delegate appointed in accordance with Section 151.402 (Conduct of Business Through Authorized Delegate).

Requires a license holder to notify the license holder's authorized delegates and require the delegates to take any action required by the commissioner if the license holder's license expired or is surrendered or revoked, or the license holder is subject to an emergency or final order that affects the conduct of the license holder's business through an authorized delegate.

Requires a license holder to maintain a current list of authorized delegates located in this state or doing business with persons located in this state that includes the name and business address of each delegate and to provide the list to the commissioner on request.

Requires a license holder that engages in business through 11 or more authorized delegates located in this state to include on the license holder's website a list of the names and addresses of the authorized delegates of the license holder located in this state and the delegates' business addresses. Requires the license holder to update the list quarterly.

Requires an applicant or license holder to file a written report with the commissioner not later than the 15th day after the date the applicant or license holder knows or has reason to know of a material change in the information reported in an application or annual report.

Requires a money transmission license holder to prepare written reports and statements in a certain manner, including the annual report required by Section 151.207(b)(2), and an audited unconsolidated financial statement that is dated as of the last day of the license holder's fiscal year that ended in the immediately preceding calendar year.

Requires a currency exchange license holder to prepare a written report or statement in a certain manner, including the annual report required and including a financial statement that may be audited or unaudited and that is dated as of the last day of the license holder's fiscal year that ended in the immediately preceding calendar year; a quarterly-interim financial statement and transaction report reflecting certain information; and any other report required by commission rule or the commissioner to determine compliance with this chapter.

Repeals Section 278.053 (Language of Disclosure), Finance Code.

Examination of Insurers—H.B. 2163
by Representative Elland—Senate Sponsor: Senator Van de Putte

Texas is one of the largest insurance markets in the world. However, in relation to the size of the state's insurance market, Texas is home to only an average number of insurance companies. By comparison,
other states retain a greater number of domestic insurers. Reducing costs borne by Texas domestic insurers by spreading the cost of examination overhead assessments imposed by the Texas Department of Insurance (TDI) to all insurers licensed in Texas would level the playing field with other states. This bill:

Requires TDI to impose an annual assessment on insurers not organized under the laws of this state subject to examination in an amount sufficient to meet all other expenses and disbursements necessary to comply with the laws of this state relating to the examination of insurers.

Requires that the amount imposed be computed in the same manner as the amount imposed under Section 401.151(c) (relating to requiring TDI to impose a certain annual assessment on insurers) for domestic insurers.

Requires TDI to deposit any assessments or fees collected under this subchapter relating to the examination of insurers and other regulated entities by the financial examinations division or actuarial division to the credit of an account with the Texas Treasury Safekeeping Trust Company to be used exclusively to pay examination costs to reimburse administrative support costs for the TDI operating account, and to reimburse premium tax credits for examination costs and examination overhead assessments.

Provides that money deposited accumulates and is authorized to be disbursed to TDI in a manner consistent with Subchapter F (Self-Directed Budget for Certain Divisions), Insurance Code.

Authorizes TDI to transfer funds between the account and the TDI operating account as necessary to ensure that funds are deposited to the correct account and used for the correct purposes.

Regulation of Propane Distribution System Retailers—H.B. 2532
by Representatives Workman and Isaac—Senate Sponsor: Senator Fraser

In the past, service outages related to propane systems have left customers without heat for weeks during the winter months. Some Texas residents have complained that propane distribution system retailers (retailer) have caused these problems. This bill:

Provides that Chapter 141 (Standards For Distribution System Retailers), Utilities Code, applies only to the retail sale of propane gas made by a retailer through a propane gas system (system). Provides that Chapter 141 does not apply to any other retail or wholesale of propane gas.

Requires a retailer, in each billing month, to charge a customer a just and reasonable fee for propane gas provided through a system to the customer. Provides that a just and reasonable rate charged monthly for propane gas is a rate for propane gas provided through a system to the customer if it is less than or equal to the allowable spot price plus the allowable market. Sets forth the requirements and authorizations for rate and fee ceilings.

Sets forth the requirements for the disconnection of propane gas service.

Requires the Railroad Commission of Texas (railroad commission) to establish and maintain a toll-free number to enable a customer to notify the railroad commission of a service interruption that does not
involve a refusal to serve. Requires the railroad commission to immediately investigate the notification. Requires a retailer to notify the customer of the railroad commission phone number on each billing statement.

Sets forth the requirements for continuity of service.

Sets forth grounds for which a system may refuse service to an applicant.

Authorizes a retailer to delay providing service following an application or execution of an agreement for service for a reasonable amount of time considering required approvals, inspections, or permits, the extent of the facilities to be built, and the distribution system retailer's workload at the time.

Requires a retailer that receives a written complaint to promptly investigate it and advise the complainant of the results of the investigation. Requires a retailer to keep for at least three years after the final disposition of each complaint a record that includes certain identifying information. Provides that a retailer is not required to keep a record of a complaint that does not require the retailer to take specific further action. Requires a retailer to notify each complainant of the right to file a complaint with the railroad commission if the complainant is not satisfied by the system's resolution of the matter.

Sets forth the required action that a retailer must take on receipt of a written complaint from the railroad commission on behalf of a customer.

Authorizes the railroad commission to impose sanctions on a retailer if, after an investigation, the railroad commission determines that the retailer has violated Section 141.003 (Rate and Fee Ceilings), Utilities Code, as added by this bill. Sets forth certain information that the sanctions are authorized to include.

Requires a retailer to post, in favor of the railroad commission, financial surety in the form of a letter of credit, bond, or other acceptable form of surety with the railroad commission in a certain amount. Requires the issuer of the financial surety to honor the surety if the issuer receives from the railroad commission notice that the surety is due and payable. Authorizes the railroad commission to draw down all or a portion of the surety. Requires the retailer to provide the railroad commission verification of the adequacy of the financial surety and authorizes the railroad commission to order the retailer to adjust the amount of the surety annually.

Requires a retailer to record in the real property records of each county in which the retailer owns or operates a system a notice of disclosure of the existence of the system and the service the retailer provides. Sets forth the requirements of the notice.

Requires each county to accept and record in its real property records a retailer's service map presented to the county clerk if the map meets filing requirements, does not exceed a certain size, and is accompanied by the appropriate fee. Requires that the recording required be completed not later than the later of January 1, 2014, or the 90th day after the date a retailer completes construction of a new system in the county.
Certification and Operation of Independent Review Organizations—H.B. 2645  
by Representative Chris Turner—Senate Sponsor: Senator Ellis

Independent review organizations (IROs) are small businesses regulated by the Texas Department of Insurance (TDI) that perform final administrative reviews of adverse determinations regarding the medical necessity of health care services. IROs play a critical role in providing objective, third-party reviews and in keeping disputes out of courts. Texas IRO laws are seen as a model. This bill:

Requires the commissioner of insurance (commissioner) to adopt standards and rules that:

- prohibit:
  - an individual who serves as an officer, director, manager, executive, or supervisor of an IRO from serving as an officer, director, manager, executive, supervisor, employee, agent, or independent contractor of another IRO;
  - public disclosure of patient information protected by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); or
  - transmitting such information to a subcontractor involved in the independent review process that has not signed an agreement similar to an agreement required by HIPAA; and
- require an IRO to:
  - maintain a physical address and a mailing address in this state;
  - be incorporated in this state;
  - be in good standing with the comptroller of public accounts of the State of Texas;
  - notify TDI of an agreement to sell the organization or shares in the organization;
  - submit certain information not later than the 60th day before the date of the sale; and
  - complete the transfer of ownership after TDI has sent written confirmation that the requirements of state law have been satisfied

Requires TDI to send such written confirmation within a certain period.

Provides that standards ensuring the confidentiality of medical records transmitted to an IRO must require transmission and storage of records in compliance with HIPAA.

Requires the commissioner to adopt standards requiring that:

- an officer of the IRO attest that the office is located at a physical address on application for certification;
- the office be equipped with a computer system meeting certain specified criteria; and
- if an office located is located in a residence, the working office be located in a room set aside for independent review business purposes and in a manner to ensure confidentiality.

Requires each IRO to make the determination regarding a life-threatening condition not later than the earlier of the third, rather than fifth, day after the date the IRO receives certain information; or certain other health care services the third day after the date the IRO receives the determination request.

Requires an organization seeking certification as an IRO to include in its application:

- a description of any relationship the applicant or a named individual has with any IRO in the state;
- the procedures used by the applicant to verify physician and provider credentials;
• the software used by the credentialing manager; and
• a description of the applicant's use of communications, records, and computer processes to manage the independent review process.

Requires the commissioner to establish certifications for independent review of health care services provided to persons eligible for workers' compensation medical benefits and other health care services after considering accreditation, if any, by a nationally recognized accrediting organization that imposes requirements for accreditation that are the same as, substantially similar to, or more stringent than TDI's requirements for accreditation.

Requires TDI to make available to applicants applications for certification to review health care services provided to persons eligible for workers' compensation medical benefits and other health care services.

Requires each officer and certain owners or shareholders to submit a complete and legible set of fingerprints for the purpose of obtaining criminal history record information.

Requires TDI to conduct a criminal history check of each applicant using specified information.

Provides that an application for certification for review of health care services must require an accredited organization to provide TDI with evidence of the accreditation.

Requires the commissioner to consider the evidence if the accrediting organization makes available to the commissioner the organization's accreditation process.

Authorizes an accredited IRO to request that TDI expedite the application process.

Authorizes a certified IRO that becomes accredited to provide evidence of that accreditation to the TDI to be maintained in TDI's file related to the IRO's certification.

Requires that certification be renewed biennially.

Requires an IRO to biennially, rather than annually, submit certain information.

Requires the commissioner to designate biennially, rather than annually, each organization that meets the standards for an IRO.

Requires that information regarding a material change in the location of an IRO be submitted on a form adopted by the commissioner within a certain period.

Requires the IRO to inform TDI that the location is available for inspection by TDI before the date of the relocation.

Requires an officer, on request by TDI, to attend the inspection.

Requires the commissioner to establish a group to advise TDI and make recommendations related to the efficiency of independent review.
Sets forth the composition of this advisory group and the terms of the members.

Provides that a recommendation of the advisory group does not bind the commissioner.

Requires the advisory group to meet annually and at the request of the presiding member or the commissioner; and make recommendations at least annually to the commissioner.

Bars members of the advisory group from receiving compensation for service.

Requires the commissioner to require referral by random assignment of certain adverse determinations to IROs, and notify certain specified persons of such referrals.

Requires an IRO operating under Chapter 4202 (Independent Review Organizations), Insurance Code, to maintain its primary office in this state.

Requires the commissioner to suspend enforcement of any provision of Chapter 4202 that the commissioner determines to be preempted by certain federal law.

Safety Standards For Certain Chemicals Transported by Pipeline—H.B. 2982
by Representative Keffer—Senate Sponsor: Senator Duncan

Gathering lines run from a well site to a compressor station and other well sites. The lines may carry hazardous waste or carbon dioxide. Gathering lines located before the point of sale are not currently regulated and are not subject to construction specifications. In the Code of Federal Regulations, Class 1 gathering lines are defined as located on an off-shore area or any class location unit that has 10 or fewer buildings intended for human occupancy. It remains unclear whether anyone has regulatory authority over a Class 1 gathering line. This bill:

Amends the heading to Section 117.011 (Jurisdiction), Natural Resources Code, to read “Jurisdiction Under Delegated Federal Authority.”

Requires the Railroad Commission of Texas (railroad commission) to adopt rules that include safety standards applicable to, rather than safety standard for and practices applicable to, the transportation of certain chemicals and liquids by pipeline, other than movement by tillage that does not exceed a depth of 16 inches.

Requires that rules adopted that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations be based only on certain risks, except that the railroad commission is required to revise the rules to comply with the requirement that the safety standards adopted by the railroad commission in its rules be compatible with certain federal pipeline safety rules and to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts rules that include safety standards applicable to the transportation and facilities.
Deletes existing text providing that rules that adopt safety standards to not apply to movement of hazardous liquids or carbon dioxide through gathering lines in rural locations.

Requires the railroad commission to require operators of hazardous liquid and carbon dioxide pipeline facilities or the designated representatives of such operators to communicate and conduct liaison activities with fire, police, and other appropriate public emergency response officials.

Amends the heading to Section 121.201 (Safety Rules: Railroad Commission Power), Utilities Code, to read "Safety Rules; Railroad Commission Power Under Delegated Federal Authority."

Authorizes the railroad commission to take certain actions, including by rule to establish safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by federal regulations based only on the risks the facilities and activities present to the public safety, to the extent consistent with federal law or as necessary to maintain the maximum degree of federal delegation permissible under the United States Code, or a succeeding law, if the federal government adopts safety standards and practices for gathering facilities and transportation activities in Class 1 locations as defined by federal regulation.

Sets forth the authorization date for the railroad commission's implementation of changes in law made by the bill or rules adopted under the bill.

**Joint Expenditures When One Party is Not a Registered Lobbyist—H.B. 2984**

*by Representative Dutton—Senate Sponsor: Senator Ellis*

Current law permits lobbyists to collaborate in making joint expenditures to pay for lobby activities. Interested parties have noted that when a lobbyist splits an expenditure with a person who is not a registered lobbyist, the lobbyist must report both the lobbyist's portion and the nonregistrant's portion of the expenditure. There is concern that the law is ambiguous with respect to whether the portion of a joint expenditure reported by a lobbyist on behalf of the nonregistrant specifically qualifies for the defense to prosecution for bribery and for the exemption from application of the provisions governing gifts to public servants available for certain properly reported lobby expenditures. This bill:

Provides that for purposes of Section 36.02 (Bribery) or 36.10 (Nonapplicable), Penal Code, a person who is not a registrant is not considered to have made an expenditure.

**Regulatory Programs Administered by Department of Agriculture—H.B. 3005**

*by Representative Burkett et al.—Senate Sponsor: Senator Williams*

Recent changes in federal law authorize the United States secretary of labor (secretary) to waive certain federal provisions regarding the use of money in each state's respective account in the federal unemployment trust fund (trust fund). Texas law does not currently authorize the Texas Workforce Commission (TWC) to participate in demonstration projects for the reemployment of individuals that may be authorized by federal statute or by the secretary. This bill:

Amends Section 203.025 (Use of Requisitioned Money), Labor Code:
Authorizes TWC, under an agreement with or waiver by the secretary, to use money requisitioned from the state's account in the trust fund to conduct demonstration projects for the reemployment of unemployed individuals.

Requires TWC to provide to the legislative standing committees with primary jurisdiction over TWC any evaluation reports required by the United States Department of Labor for a reemployment demonstration project.

Regulation of Auctioneers—H.B. 3038
by Representative Anderson—Senate Sponsor: Senator Carona

Chapter 1802 (Auctioneers), Occupations Code, governs the licensing and regulation of auctioneers in the state and was originally enacted in 1978. The chapter requires auctioneers to obtain a license from the Texas Department of Licensing and Regulation (TDLR), but the definition of “auctioneer” centers around live bid calling and does not take into account modern technology or techniques. Furthermore, current statute allows auctioneering license applicants to skirt the license examination requirements by simply demonstrating employment by a licensed auctioneer. These provisions undermine the state’s regulatory structure, create confusion for consumers, and perpetuate an uneven playing field for practitioners operating in Texas. This bill:

Provides that this Act does not apply to a sale conducted by any person of the person's property if the person is not engaged in the business of selling property at auction on a recurring basis; a sale conducted by sealed bid without the option of increasing or decreasing the amount of a bid; an auction conducted only for student training purposes as part of a course of study approved by TDLR, or a sale or auction conducted outside of this state.

Provides that this Act applies to a sealed bid auction.

Prohibits a political subdivision of this state from levying on or collecting from an auctioneer a license tax or fee as a regulatory or revenue measure or requiring the licensing of an auctioneer if the auctioneer or associate auctioneer holds a license under this chapter and is in compliance with state law.

Prohibits a person from acting as an auctioneer of real or personal property in this state unless the person holds a license issued by the executive director of TDLR (executive director).

Prohibits an individual who is licensed from acting as an auctioneer for an entity unless the entity fulfills certain criteria, including the entity is a real estate brokerage firm that is operated by a broker licensed by the Texas Real Estate Commission.

Deletes existing text providing that an individual is eligible for an auctioneer’s license if the individual shows proof of employment by a licensed auctioneer for at least two years during which the applicant participated in at least 10 auctions.

Requires that the application to apply to the executive director that establishes eligibility for the license be accompanied by certain items, including any fee required for the auctioneer education and recovery fund (fund).
Requires the Auctioneer Education Advisory Board (advisory board) to advise the Texas Commission of Licensing and Regulation (TCLR) on educational matters, operational matters, and common practices within the auction industry.

Sets forth the advisory board composition membership.

Requires the presiding officer of TCLR, in appointing advisory board members, to consider the geographical diversity of the members.

Provides that the members appointed to the advisory board serve two-year terms that expire on September 1 and are prohibited from serving more than two consecutive terms.

Provides that the presiding officer of the advisory board, appointed by the presiding officer of TCLR with TCLR's approval, serves for two years and is prohibited from serving more than two consecutive terms.

Authorizes the advisory board to meet at other times at the call of the presiding officer of TCLR or the executive director.

Requires each license holder at the next license renewal, if the balance in the fund on December 31 of a year is less than $350,000 to pay, in addition to the renewal fee, a fee that is equal to the greater of $50 or a pro rata share of the amount necessary to obtain a balance in the fund of $350,000.

Authorizes the executive director to use amounts in excess of $300,000 in the fund to fulfill certain obligations.

Prohibits the executive director from paying a single aggrieved party more than $15,000.

Prohibits the total payment of all claims by more than one aggrieved party arising from one auction at one location, regardless of the length of the auction, from exceeding $30,000.

Prohibits the total payment of claims against a single auctioneer from exceeding $30,000.

Provides that provisions in this Act do not limit TCLR's or the executive director's authority to take disciplinary action against a license holder for a violation of law or a rule adopted.

Authorizes TCLR or the executive director to deny an application for a license or suspend or revoke the license of any auctioneer for certain reasons, including violating a provision of the Business & Commerce Code in conducting an auction.

Requires TCLR or the executive director, before denying an application for a license, to fulfill certain obligations.

Repeals Sections 1802.001(2) (defining “associate auctioneer”), 1802.053 (Eligibility for Associate Auctioneer's License), 1802.062 (License Not Required for Certain Employees), 1802.105 (Removal), and 1802.253(d) (relating to requiring TCLR to provide written notice to the auctioneer who employs the associate auctioneer or who has agreed to employ the associate auctioneer), Occupations Code.
Requires the presiding officer of TCLR to appoint an additional member to the advisory board not later than September 1, 2013, for a term expiring September 1, 2015.

Regulation of Certain Private Security Companies and Occupations—H.B. 3433

by Representative Fletcher—Senate Sponsor: Senator Estes

The Department of Public Safety of the State of Texas (DPS) and the Texas Private Security Board (board) are responsible for the licensing and regulation of individuals and companies that provide private security services, including security guards, personal protection officers, private investigators, locksmiths, and individuals who sell, install, or monitor alarm systems. This bill:

Redefines "alarm system" for purposes of Section 1702.002(1) (defining "alarm system"); Occupations Code, to not include an accessory used only to activate a gate or door, if the system, operator, or accessory is not monitored by security personnel of a security service and does not send a signal to which law enforcement or emergency services respond.

Authorizes an alarm systems company to sell, install, maintain, or service, or offer to sell, install, maintain, or service, an electronic access control device or a mechanical security device that is capable of activation through a wireless signal and prohibits an alarm systems company from rekeying an electronic access control device or mechanical security device that can be activated by a key. Provides that this prohibition does not apply to a mechanical security device or electronic access control device installed in a motor vehicle.

Requires that an application for a license under Chapter 1702.110 (Application for License), Occupations Code, be in the form prescribed by the board and include certain information including, if the applicant is an individual, the fingerprints of the applicant or, if the applicant is an entity other than an individual, of each officer who oversees the security-related aspects of the business and of each partner or shareholder who owns at least a 25 percent interest in the applicant, provided in the manner prescribed by the board.

Authorizes DPS to return an application as incomplete if the applicant submits payment of a fee that is returned for insufficient funds and the applicant has received notice and an opportunity to provide payment in full.

Requires an applicant for a license, certificate of registration, endorsement, or security officer commission or the applicant's manager to be at least 18 years of age and prohibits at the time of the application the applicant to be charged under an information or indictment with the commission of a Class A or Class B misdemeanor or felony offense determined to be disqualifying by board rule.

Requires a manager of a security services contractor or investigations company to immediately cease all managerial actions on the effective date of any action taken against the manager and provides that any period of temporary operation authorized begins on the effective date of the summary action.

Requires that in addition to the requirements in Section 1702.124 (Insurance Requirement), Occupations Code, an applicant or license holder is to provide and maintain a certificate of insurance or other documentary evidence of insurance sufficient to cover all the business activities of the applicant or license holder related to private security.
Authorizes an alarm systems installer to sell, install, maintain, repair, or service an electronic access control device or a mechanical security device that is capable of activation through a wireless signal and prohibits an alarms systems installer from rekeying an electronic access control device or mechanical security device that can be activated by a key. Provides that such authorization does not apply to a mechanical security device or electronic access control device installed in a motor vehicle.

Requires each applicant to submit at the time of application, including an application for the renewal of a license, registration, commission, letter of approval, permit, endorsement, or certification fingerprints in the manner prescribed by the board accompanied by the fee set by the board, except as provided by Section 1702.282(d) (relating to providing that an applicant who is a peace officer is not required to submit fingerprints with the applicant’s application, requiring the law enforcement agency or other entity that employs the peace officer or the entity that maintains the peace officer’s fingerprints to provide the fingerprints for the peace officer to the board on request, and requiring the applicant to provide certain information to the board), Occupations Code.

Provides that a license holder acting as an alarm systems company does not have to provide the notice required under Section 1702.288(d) (relating to requiring that the rules require an alarm systems company to notify a recipient of services of certain information, by mail, not later than the seventh day after the date of entering into a contract for services regulated by the board with another alarms systems company or alarm systems monitor), Occupations Code, if the contact information, including the address and the telephone numbers for the alarm systems company, has not changed.

Requires an employee or agent of DPS or the board, as applicable, who enters the place of business of a person regulated under Chapter 1702 (Private Security), Occupations Code, for the purpose of conducting an inspection or audit to notify the manager or owner of the business of the presence of the person conducting the inspection or audit and present the manager or owner of the business with credentials that identify the person conducting the inspection or audit as an employer or agent of DPS or the board. Provides that this does not prohibit DPS or the board from conducting an undercover investigation or covert audit in order to determine compliance with Chapter 1702, Occupations Code, or a rule adopted under Chapter 1702, Occupations Code.

Provides that Chapter 1702, Occupations Code, does not apply to certain businesses and individuals, including persons licensed under Chapter 1101 (Real Estate Brokers and Salespersons), Occupations Code, an association thereof, their authorized agents, or a multiple listing service, engaged in the business of selling, maintaining, repairing, programming, or placing lockboxes used for accessing real property or an automobile club that holds a certificate of authority under Chapter 722 (Automobile Club Services), Transportation Code, its subcontractor, or a business that provides similar services, that unlocks a vehicle at the request of the owner or operator of the vehicle and that does not otherwise perform a locksmith service.

Requires DPS to take disciplinary action described by Section 1702.361(a) (relating to authorizing DPS to take certain disciplinary action on proof of certain conduct), Occupations Code, on proof that the applicant, license holder, manager or majority owner of a license holder, registrant, endorsement holder, or commissioned security officer has committed certain offenses including failed to qualify a new manager within the time required by board rule following the termination of a manager.
Authorizes DPS to revoke a license, certificate, registration, endorsement, or commission if the person holding that credential under Chapter 1702, Occupations Code, submits payment of a fee or payment that is returned for insufficient funds and the person has received notice and an opportunity to provide payment in full.

Provides that a person is considered ineligible for a license, certificate of registration, endorsement, or security officer commission under a rule adopted under Section 1702.004(b) (relating to requiring the board to adopt rules necessary to comply with Chapter 53 (Consequences of Criminal Conviction) and to list the specific offenses for each category of regulated persons for which a conviction would constitute grounds for the board to take action under Section 53.021 (Authority to Revoke, Suspend, or Deny License)), Occupations Code, in addition to Section 1702.113 (General Qualifications for License, Certificate of Registration, or Security Officer Commission) or 1702.163 (Qualifications for Security Officer Commission), Occupations Code, on receiving written notice from a law enforcement agency that a person has been charged with or convicted of an offense.

Provides that a person commits an offense if the person is subject to Section 1702.124 (Insurance Requirement), Occupations Code, and knowingly, meaning the person received reasonable notice from DPS and an opportunity to provide or maintain the documentation required by Section 1702.124, Occupations Code, fails to provide and maintain a certificate or insurance or other documentary evidence of insurance sufficient to cover all the business activities of the person related to private security.

Provides that an offense under Section 1702.3841 (Insufficient Insurance Coverage; Offense), Occupations Code, is a Class A misdemeanor.

Provides that Chapter 1302 (Air Conditioning and Refrigeration Contractors), Occupations Code, does not apply to a person licensed under Chapter 1702, Occupations Code, or Chapter 6002 (Fire Detection and Alarm Device Installation), Insurance Code, who sells, designs, or offers to sell or design a product or technology, including a burglar alarm or fire alarm, that is integrated with an air conditioning or refrigeration system in the sale, design, or offer does not include the installation of any part of an air conditioning or refrigeration system by that person.

Requires that the medical advisory board assist DPS in determining whether an applicant for or holder of a license to carry a concealed handgun under the authority of Subchapter H (License to Carry a Concealed Handgun), Chapter 411 (Department of Public Safety of the State of Texas), Government Code, or an applicant for or holder of a commission as a security officer under Chapter 1702, Occupations Code, is capable of exercising sound judgment with respect to the proper use and storage of a handgun.

Regulation of Advertising by Structural Pest Control Businesses—H.B. 3566
by Representative Kleinschmidt—Senate Sponsor: Senator Hegar

Current law authorizes the Texas Department of Agriculture (TDA) to adopt rules restricting advertising or competitive bidding by certain pest control businesses regulated by TDA, but not those pest control business that are not regulated by TDA, in order to prohibit false, misleading, or deceptive practices but prohibits such rules from restricting a pest control business's advertisement under a trade name. This bill:
Prohibits the Texas Department of Agriculture (TDA) from adopting a rule restricting advertising or competitive bidding by a person subject to regulation by TDA, rather than by a person regulated by TDA.

Authorizes TDA to adopt rules restricting advertising or competitive bidding to prohibit false, misleading, or deceptive practices by a person subject to regulation by TDA, rather than by a person regulated by TDA.

Provides that Section 1951.206(b)(4) (relating to prohibiting a rule adopted by TDA from restricting a person's advertisement under a trade name), Occupations Code, does not prohibit TDA from adopting a rule regulating the use of the name of a business or license holder in an advertisement for a structural pest control business.

**Composition of the Structural Pest Control Advisory Committee—H.B. 3567**

*by Representative Kleinschmidt—Senate Sponsor: Senator Estes*

The Texas Department of Agriculture is charged with regulating the structural pest control industry in order to protect the health and wellbeing of the public. A nine-member structural pest control advisory committee advises the department and the commissioner of agriculture on issues relating to such regulation. H.B. 3567 seeks to refine the composition of the advisory committee to better reflect the regulatory responsibility of the department by increasing the number of members who are individuals licensed by the department to provide structural pest control services. This bill:

Provides that the structural pest control advisory committee (committee) consists of 11, rather than nine, members appointed by the commissioner of agriculture as follows:

- one member who is an employee of a school district and associated with a school integrated pest management program;
- three members who represent the public;
- one member from an institution of higher education who is knowledgeable in the science of pests and pest control;
- three members who represent the interests of structural pest control operators and who are appointed based on recommendations provided by a trade association of operators, rather than one member who represents the interests of structural pest control operators and who is appointed based on recommendations provided by a trade association of operators;
- one member who represents the interests of consumers;
- the commissioner of state health services or the commissioner's designee; and
- one member who is a structural pest control operator with experience in natural, organic, or holistic pest control.

Provides that the members of the committee serve staggered four-year terms and that the terms of five or six members, as appropriate, expire on February 1 of each odd-numbered year.

Provides that, on September 1, 2013, the terms of the members of the structural pest control advisory committee appointed under former Section 1951.101(a)(1) (relating to providing that the committee consists of one member who is an employee of a school district and associated with a school integrated pest management program, rather than two members who are experts in structural pest control application, in addition to certain other professionals), Occupations Code, expire.
Requires the commissioner of agriculture, not later than October 1, 2013, to appoint the new members of the structural pest control advisory committee necessary to ensure that the composition of the committee complies with Section 1951.101 (Committee Membership), Occupations Code, as amended and designates the terms of those members to expire on February 1, 2015, or February 1, 2017, as appropriate, to ensure that the expiration of the terms complies with Section 1951.101(b) (relating to providing that the terms of five or six members expire on February 1 of each odd-numbered year, as appropriate, rather than providing that the terms of four or five members expire on February 1 of each odd-numbered year, as appropriate), Occupations Code.

**Filing Certain Complaints With the Texas Board of Professional Geoscientists—S.B. 138**  
*by Senator Zaffirini—House Sponsor: Representative Guillen*

The Texas Board of Professional Geoscientists (TBPG) is responsible for licensing geologists, geophysicists, soil scientists, and geoscience firms; ensuring compliance with the Texas Geoscience Practice Act; and conducting outreach activities. Included in its duties, TBPG receives, investigates, and determines disciplinary action for complaints brought against licensed geoscientists. Current statute complicates the complaint process with unnecessary obstacles and needs to be streamlined. Additionally, statute does not address the responsibility of other state employees to engage in TBPG’s complaint process. This bill:

ReQUIRES TBPG to maintain on TBPG’s Internet website information regarding the procedure for filing a complaint with TBPG, and a means by which a person may electronically file a complaint with TBPG.

ReQUIRES that a complaint from a member of the public be in writing, sworn to by the person making the complaint, and filed with the secretary-treasurer or electronically through TBPG’s Internet website.

ReQUIRES TBPG to accept a complaint regardless of whether the complaint is notarized.

ReQUIRES TBPG to work with each state agency that uses the services of a person licensed under this chapter and other appropriate state agencies as determined by TBPG, including a state agency with which TBPG has entered into a memorandum of understanding that addresses the coordination of activities or complaints, to educate the agency’s employees regarding the procedures by which complaints are filed with and resolved by TBPG.

ReQUIRES a state agency that becomes aware of a potential violation of this chapter or a rule adopted under this chapter to forward any information relating to the potential violation and any subsequently obtained information to TBPG.

Provides that information forwarded by a state agency under this section that is privileged or confidential remains privileged or confidential following receipt by TBPG.

Provides that the privilege or confidentiality extends to any TBPG communication concerning the information forwarded, regardless of the form, manner, or content of the communication.

Provides that the forwarding of privileged or confidential information by a state agency does not waive a privilege in or create an exception to the confidentiality of the information.
Provides that a state agency's provision of information or failure to provide information under this section does not give rise to a cause of action against the agency.

Requires TBPG, not later than December 1, 2013, to adopt rules necessary to implement this Act.

**Access to Criminal History Information by the Banking Commissioner—S.B. 192**

*by Senator Carona—House Sponsor: Representative Phillips*

As a regulator of financial institutions, the Texas Department of Banking (TDB) maintains highly sensitive information regarding financial institutions and their customers, much of which is held confidential under either state or federal law. The information is maintained in a database, to which some employees have access. TDB employees may also have access to a number of highly confidential federal databases. Unauthorized disclosures can result in substantial harm to financial institutions and to those persons and entities, including other financial institutions, that have relationships with them. Therefore, TDB's ability to obtain criminal background checks for employees is an indispensable tool in order to protect this information.

The commissioner of banking (commissioner) has authority to obtain criminal background checks on employees who have access to TDB information resources technologies. However, this authority does not extend to all persons who work for or provide services for TDB.

TDB also regulates perpetual care cemeteries. Current law grants the commissioner authority to obtain criminal background checks on applicants for licenses and charters, but the commissioner's authority does not extend to applicants for perpetual care cemetery certificates. In the past, there have been instances of perpetual care cemetery owners defrauding clients. The ability to obtain background checks on applicants for perpetual care cemetery certificates would help prevent future fraud. This bill:

Entitles the banking commissioner to obtain from the Department of Public Safety (DPS) criminal history record information maintained by DPS relating to a person who is an employee of or an applicant for employment with the Texas Department of Banking, who is a volunteer with that agency, or who is a contractor or subcontractor of that agency.

Entitles the commissioner to such information relating to a person who is an applicant for a license, charter, or other authority granted or issued by the commissioner under Health and Safety Code provisions relating to perpetual care cemeteries and under Finance Code provisions relating to trust companies, bank holding companies, interstate bank operations, and regulation of money services businesses.

**Regulation of Public Accountancy—S.B. 228**

*by Senator Williams—House Sponsor: Representative Otto*

The bill amends Section 901.153(f) of the Occupations Code and Section 551.090 (Enforcement Committee Appointed by Texas State Board of Public Accountancy) of the Government Code to resolve any potential conflict between codes. It allows an enforcement committee at the Texas State Board of Public Accountancy (TSBPA) to discuss disciplinary actions in closed session.
There is confusion on whether certified public accountants (CPAs) may disclose client information when required to do so by state or federal law or a court order signed by a judge. This change is needed to clarify what has been perceived by some to be a discrepancy between federal and state law. This bill:

Authorizes an enforcement committee to hold a closed meeting to investigate and deliberate a disciplinary action relating to the enforcement of state law or TSBPA rules.

Stipulates that this Act does not prohibit a license holder from disclosing information that is required to be disclosed by the professional standards for reporting on the examination of a financial statement; under a summons or subpoena under the provisions of the Internal Revenue Code of 1986 and its subsequent amendments, the Securities Act of 1933 (15 U.S.C. Section 77a et seq.) and its subsequent amendments, the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) and its subsequent amendments, or The Securities Act (Article 581-1 et seq., V.T.C.S.); under a court order signed by a judge if the order, rather than the summons or order, is addressed to the license holder, mentions the client by name, and requests specific information concerning the client; in an investigation or proceeding conducted by TSBPA; in an ethical investigation conducted by a professional organization of CPAs; in the course of a peer review under Section 901.159 (Peer Review) or in accordance with the requirements of the Public Company Accounting Oversight Board or its successor; or in the course of a practice review by another CPA or CPA firm for a potential acquisition or merger of one firm with another, if both firms enter into a nondisclosure agreement with regard to all client information shared between the firms. Makes nonsubstantive changes.

Provides that this Act does not require an enforcement committee appointed by TSBPA to conduct an open meeting to investigate and deliberate a disciplinary action under Subchapter K (Prohibited Practices and Disciplinary Procedures), Chapter 901 (Accountants), Occupations Code, relating to the enforcement of Chapter 901 or the rules of TSBPA.

Repeals Section 901.154(c) (relating to prohibiting TSBPA from waiving certain fees and penalties), Sections 901.308(d) (relating to authorizing a person who failed a paper examination to inspect the questions and answers) and (e) (relating to requiring TSBPA to provide analysis of an individual’s failed examination upon written request), Occupations Code.

**Nationwide Mortgage Licensing System and Registry—S.B. 232**

_by Senator Carona—House Sponsor: Representative Villarreal_

The Nationwide Mortgage Licensing System and Registry (NMLS) is a secure, web-based licensing system that allows companies and individuals to apply for, maintain, and renew licenses in one or more states through a single record. The Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators created NMLS, and it is currently owned and operated by a wholly-owned subsidiary of CSBS.

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) was passed by Congress in 2008, following the U.S. housing crisis. In order to better regulate the industry, the SAFE Act required NMLS registration of residential mortgage loan originators. Since the inception of NMLS, the registry has expanded to include other industries outside of the residential mortgage market as a means to maintain a single record for commonly regulated financial services industries.
In Texas, Section 180.052 (Enrollment or Registration With Nationwide Mortgage Licensing System and Registry), Finance Code, instructs state regulators to require those entities that are covered by the SAFE Act to register with NMLS. The Office of Consumer Credit Commissioner (CCC) is one of these state regulators, as it regulates certain residential mortgage loan originators who fall under the SAFE Act's provisions. In addition to these mortgage industry licensees, the CCC regulates a number of other financial service providers including property tax lenders, credit access businesses, and pawn shops. The CCC would like to expand its authority to require NMLS registration for additional industries within its jurisdiction that the CCC believes would be good candidates for registration on a nationwide system.

Authorizing the CCC to use NMLS to manage the agency's non-depository, financial services licensees will provide a number of benefits to the state, including increased efficiencies for the industry and the agency, improved supervision of the industry to better protect consumers and level the playing field for businesses that comply with state regulations, and the prevention of federal regulatory encroachment. This bill:

Defines, in this section, "Nationwide Mortgage Licensing System and Registry" or "nationwide registry."

Authorizes the consumer credit commissioner (commissioner) to require that a person submit through the Nationwide Mortgage Licensing System and Registry in the form and manner prescribed by the commissioner and acceptable to the registry any information or document or payment of a fee required to be submitted to the commissioner.

Authorizes the commissioner to use the nationwide registry as a channeling agent for obtaining information required for licensing or registration purposes including criminal history record information from the Federal Bureau of Investigation, the United States Department of Justice, or any other agency or entity at the commissioner's discretion; information related to any administrative, civil, or criminal findings by a governmental jurisdiction; and certain information requested by the commissioner.

The credit union department of the Credit Union Commission has regulatory authority over state-chartered credit unions and periodically performs a comprehensive study of statutes relating to credit unions. Interested parties report that the most recent study completed by the department resulted in a number of recommended updates to such statutes, including clarification of supervisory and regulatory matters, removal of outdated references, enhancement of corporate governance, and the provision of rules for the disclosure of information. The study also highlighted a need for compliance guidelines for federal and foreign credit unions, for clarification of the process by which a state-chartered credit union converts to a federal credit union, and for granting state-chartered credit unions limited parity with federal credit unions on interest rates for certain losses. This bill:

Authorizes the credit union commissioner (commissioner) to require each credit union to conduct business in compliance with federal laws that apply to credit unions to the extent necessary to the authority of the credit union department (department) to supervise and regulate credit.
Requires the department to periodically notify the person filing the complaint and each person who is the subject of the complaint, rather than to notify the complaint parties, of the status of the complaint until final disposition.

Authorizes the commissioner and other state and federal agencies to enter into cooperative, coordinating, or information-sharing agreements that are necessary or proper to enforce the state or federal laws applicable to credit unions to ensure effective coordination among and between the department and those agencies.

Provides that acceptance of a certificate of incorporation by the credit union is conclusive evidence that the credit union is authorized to do business.

Requires a credit union to provide the commissioner with written notice not later than the 30th day before the date that the credit union establishes additional offices or service facilities.

Requires that a new office or service facility be reasonably necessary to provide services to the credit union's members.

Requires the credit union to additionally notify the commissioner in writing not later than the 10th business day after the date that the new office or service facility begins operating. Provides that an unmanned teller machine is not considered a service facility.

Authorizes a credit union, in accordance with rules adopted by the Credit Union Commission (commission) and after notifying the commissioner in writing, to close any office or service facility, provided that the credit union designates and maintains an office as its principal place of business in this state.

Authorizes a foreign credit union to do business in this state if it is organized in a state or country that allows any credit union, rather than a credit union, organized under this subtitle to do business in that state or country.

Authorizes the commissioner to suspend or revoke a foreign credit union's authority to do business in this state if the commissioner finds that the foreign credit union has failed to conduct its business in this state in a manner consistent with the laws of this state; is in an unsafe or unsound condition; refuses to comply with an order of the commissioner; refuses to comply with a request by the commissioner to review the books and records of the credit union; has not met or does not meet a requirement imposed by commission rules.

Authorizes the commissioner, if a state contiguous to this state experiences an emergency, on request by that state's credit union regulatory agency, to authorize one or more credit unions located in that state to open temporary offices in this state to more promptly restore credit union services to their members.

Requires the commissioner to issue an order permitting the temporary office and specifying the period the office may remain open.

Authorizes the commissioner to extend the period the office may remain open on a finding that the conditions requiring the temporary office continue to exist.
Authorizes a credit union to convert a temporary office authorized to a permanent location and operate as a foreign credit union if it qualifies to do business in this state as a foreign credit union.

Prohibits a director from voting by proxy.

Authorizes a director to participate in and act at any meeting of the board of directors of a credit union (board) by means of electronic communications equipment through which all persons participating in the meeting can communicate with each other.

Authorizes the board to appoint not more than six, rather than three, individuals to serve at the board’s pleasure as honorary or advisory directors to advise and consult with the board and otherwise aid the board in carrying out the board’s duties and responsibilities.

Requires an honorary or advisory director to hold in confidence all information the director receives about a credit union during the director’s service.

Requires a credit union to submit to the commissioner, in a form approved by the department, a certificate of election that provides the name and address of each officer, director, and committee member elected or appointed.

Requires that the certificate be filed within the time prescribed by the commissioner.

Prohibits a person, while serving as a director, honorary director, advisory director, committee member, officer, or employee of the credit union, from directly or indirectly participating in the deliberation on or determination of a question affecting the person’s pecuniary interest or the pecuniary interest of a member of the person's immediate family or of a partnership, association, or corporation, other than the credit union, in which the person is directly or indirectly interested or become employed by, engage in, or own an interest in a business or professional activity that the person could reasonably expect to require or induce the person to disclose confidential information acquired because of the person’s office or employment in the credit union or impair the person’s independence or judgment in the performance of the person’s duties or responsibilities to the credit union.

Authorizes a credit union to elect to indemnify a director, officer, employee, or agent of the credit union, rather than or another person, and to purchase insurance as if the credit union were an "enterprise" subject to the credit union’s bylaws and written policy.

Prohibits a credit union from providing any indemnification or insurance that would not be permissible under Chapter 8 (Indemnification and Insurance), Business Organizations Code.

Authorizes a credit union to elect to impose the credit union's own limitations on indemnification.

Requires a credit union to prepare a quarterly call report in a manner approved by the department that states the credit union's financial condition rather than submit to the department a quarterly call report on a form supplied by the department.

Requires the credit union to submit the call report on or before the due date prescribed by the department.
Provides that on the issuance of a charter by the National Credit Union Administration, a credit union ceases to be a credit union incorporated and is no longer subject to the supervision and regulation of the commissioner and department.

Requires a converted credit union to file with the commissioner a copy of the charter issued to the credit union by the National Credit Union Administration.

Provides that failure to file the required copy of the charter does not affect the validity of the conversion.

Requires a credit union changing the location of its principal place of business or any additional office or service facility to notify the commissioner in writing of the new location and the scheduled or effective date of the change.

Requires the credit union to submit notice to the commissioner not later than the 30th day before the scheduled or effective date of the change.

Authorizes the commissioner to waive or reduce the timing of the notice requirement.

Prohibits the interest rate on a loan to a member from exceeding 28 percent a year to the extent that federal credit unions are permitted to charge that rate.

Authorizes the commissioner to adopt reasonable rules relating to the permissible disclosure of nonpublic personal information about the accounts of credit union members and duties of the credit union to maintain confidentiality of member accounts.

Requires the directors, officers, committee members, and employees and any honorary or advisory directors of a credit union to hold in confidence all information regarding transactions of the credit union, including information concerning transactions with the credit union’s members and the members’ personal affairs, except to the extent necessary in connection with making, extending, or collecting a loan or extension of credit, or as otherwise authorized by law or commission rules.

Adds a share insuring organization to the entities to which the commissioner is authorized to disclose the information if the commissioner determines that disclosure is necessary or proper to enforce the laws of this state applicable to credit unions.

Authorizes a credit union to disclose a report of examination or relevant portions of the report to another credit union proposing to merge or consolidate with the credit union or to a fidelity bond carrier if the recipient executes a written agreement not to disclose information in the report.

Authorizes service by mail if an officer or director is not available for service on the date personal service of the order is attempted, rather than on the date of issuance.

Requires that service by mail be by certified or registered mail, be addressed to the credit union at the address shown for its principal office by department records and to the home address of the chairman of the board, and is complete on deposit of the order in a postpaid, properly addressed wrapper, in a post office or official depository under the care and custody of the United States Postal Service.
Authorized the board to file a written appeal of the conservatorship order with the commissioner not later than the 10th business day after the date the order is served unless the board waives its right to appeal.

Requires that the appeal include a certified copy of the board resolution and state whether the board requests a hearing.

Requires the commissioner, if the board requests a hearing, rather than if the board files an appeal to request a hearing before the commission, to promptly request from the State Office of Administrative Hearings (SOAH) a hearing date that is not earlier than the 11th day nor later than the 30th day after the date on which the commissioner receives the appeal.

Provides that the credit union is presumed to have consented to the commissioner’s disposition action and the commissioner is authorized to dispose of the conservatorship matter as the commissioner considers appropriate if the board does not appeal to the conservatorship order or fails to appear at the hearing.

Authorizes the commissioner to issue a liquidation order without first issuing a conservatorship order if the board consents to the liquidation order and waives the necessity of a conservatorship order.

Authorizes a majority of the credit union members voting but not less than a quorum, to vote to dissolve and liquidate the credit union at a special meeting called to consider the proposed liquidation.

Repeals Section 126.104 (Reply to Order), Finance Code.

**Prepaid Funeral Benefits Contracts—S.B. 297**

*by Senator Carona—House Sponsor: Representative Flynn*

The Texas Department of Banking (TDB) regulates prepaid funeral benefits contracts and issues permits to companies authorizing the companies and individuals to sell such benefits. In fiscal year 2012, 394 companies or individuals held permits to sell prepaid funeral benefits. The value of those contracts as monitored by TDB was in excess of 3.2 billion dollars. Due to the rapid growth of this industry, there is an increased potential for fraud and therefore a need to provide TDB with tools to ensure sound business practices and protect consumers from fraud. This bill:

Requires a permit holder to notify the Texas Department of Banking (TDB) and either the depository of the money held under Subchapter F (Trust-Funded Prepaid Funeral Benefits) or the issuer of insurance policy funding contracts under Subchapter E (Insurance-Funded Prepaid Funeral Benefits) of a transfer of ownership of the permit holder's business or a transfer of 25 percent or more of the stock or other ownership or membership interest of the business in a single transaction.

Requires that the notice be given in the case of a voluntary transfer, not later than the seventh day after the date the contract for transfer is executed, or in the case of an involuntary transfer, not later than the first business day after the date the permit holder receives notice of the impending foreclosure or other involuntary transfer.
Requires the proposed transferee to file an application for a permit with TDB in accordance with this subchapter, if the proposed transferee will own 51 percent or more of the business and is not a permit holder.

Authorizes the applicant to request a hearing not later than the 15th day after the date on which notice of the determination is hand-delivered or the notice is mailed, whichever date is earlier, if the banking commissioner of Texas (commissioner) denies the application.

Requires a seller that has outstanding contracts, rather than a seller that discontinues the sale of prepaid funeral benefits but has outstanding contracts, to renew the seller’s permit until the contracts are fully discharged.

Authorizes a seller to renew the seller’s permit as an unrestricted permit if the seller wishes to continue to sell prepaid funeral benefits, and demonstrates to the commissioner that the seller continues to meet the qualifications and satisfy the requirements that apply to an applicant for a permit.

Requires a seller to renew the seller’s permit as a restricted permit if the seller cannot demonstrate to the commissioner that the seller continues to meet the qualifications and satisfy the requirements that apply to an applicant for a permit, or no longer wishes to sell prepaid funeral benefits.

Prohibits a seller that holds a restricted permit from selling prepaid funeral benefits during the period a restricted permit is in effect.

Provides that a contract entered into by a seller that at the time the contract is entered into holds a restricted permit is void and unenforceable and is not eligible for payment from a guaranty fund.

Requires the funeral provider under a prepaid funeral benefits contract subject to this chapter, to take certain actions, including, with respect to each prepaid funeral benefits contract for which the funeral provider is not also the seller, inform each seller with which the funeral provider has an outstanding contract of any closure of the provider’s funeral establishments not later than the 15th day after the date of closure.

Requires that the money, other than money retained not later than the 30th day after the date of collection, be deposited in a financial institution that has its main office or a branch in this state in an interest-bearing restricted account, rather than in an interest-bearing account insured by the federal government or in trust with a financial institution that has its main office or a branch located in this state and is authorized to act as a fiduciary in this state, to be invested by the financial institution as trustee.

Requires that an account be carried in the name of the funeral provider or other entity to whom the purchaser makes payment and include the words "prepaid funeral benefits" or "pre-need funeral benefits."

Requires a permit holder to which Section 154.3595 (Default by Funeral Provider) applies to notify each purchaser of an outstanding prepaid funeral benefits contract of any closure of the funeral provider named in the contract not later than the 90th day after the date of its receipt of notice of the closure.

Authorizes the commissioner, if the commissioner has a reasonable suspicion of a misallocation or defalcation of prepaid funeral funds or an unauthorized sale of prepaid funeral benefits, to conduct investigations as the commissioner considers necessary or appropriate to determine whether a
misallocation or defalcation of prepaid funeral funds has occurred or an unauthorized sale of prepaid funeral benefits has occurred.

Authorizes the commissioner, if the commissioner has a reasonable suspicion of a misallocation or defalcation of prepaid funeral funds or an unauthorized sale of prepaid funeral benefits, to conduct investigations as the commissioner considers necessary or appropriate to determine whether a misallocation or defalcation of prepaid funeral funds has occurred or an unauthorized sale of prepaid funeral benefits has occurred.

Provides that a subpoena issued to a financial institution is not subject to Section 59.006 (Discovery of Customer Records).

Authorizes a district court in Travis County or the county in which the subpoena was served, on application by the commissioner, to issue an order requiring a person to appear before the commissioner and produce documents or give evidence regarding the matter under investigation if the person refuses to obey a subpoena.

Requires the trier of fact to recommend to the commissioner that the maximum administrative penalty be imposed on the person committing the violation or that the commissioner cancel or not renew the person's permit if, after a hearing conducted the trier of fact finds that a violation of a law or a rule of the Finance Commission of Texas (finance commission) establishes a pattern of wilful disregard for the requirements of this chapter or rules of the finance commission.

Authorizes the commissioner to sue to enjoin a violation or threatened violation law or a final order of the commissioner or rule of the finance commission in a district court in Travis County or the county in which the violation occurred.

Requires that the written request for a hearing to show that an emergency order should be stayed be filed with the commissioner not later than the 30th day after the date on which the order is hand-delivered or the order is mailed, whichever date is earlier.

Requires the attorney general to institute suit in the name of this state against a person who violates this Act in a district court in Travis County or the county in which the violation occurred.

Provides that a record seized or a record created by or filed with TDB in connection with a seizure, is admissible as evidence in any proceeding before the commissioner without prior proof of its correctness and without other proof on certification by the commissioner.

Provides that the certified record or a certified copy of the record is prima facie evidence of the facts contained in the record.

Authorizes the commissioner, after an order becomes final and unappealable, to petition to request the issuance of an order to show cause why the business and affairs of that person should not be liquidated and a receiver appointed by the court for that purpose under certain circumstances in a district court in Travis County or in the county in which a person required to hold a permit under this chapter resides.
Authorizes the commissioner to prohibit a person from participating in the business of prepaid funeral benefits sales if the commissioner determines from examination or other credible evidence that the person intentionally committed or participated in the commission of an act described by Section 154.401 (Criminal Penalty for Certain Violations of Chapter); violated a final cease and desist order issued by TDB or another state agency related to the sale of prepaid funeral benefits; or made, or caused to be made, false entries in the records of a prepaid funeral benefits seller; and because of the action by that person the purchaser or seller of prepaid funeral benefits has suffered or will probably suffer financial loss or expense, or other damage; the interests of the purchaser have been or could be prejudiced; or the person has received financial gain or other benefit by reason of the action, or likely would have if the action had not been discovered; and the action involves personal dishonesty on the part of the person.

Authorizes the commissioner to serve a proposed prohibition order on a person alleged to have committed or participated in the action if the commissioner has grounds for action and finds that a prohibition order appears to be necessary and in the best interest of the public.

Requires that the proposed order be personally delivered or mailed by registered or certified mail, return receipt requested; state with reasonable certainty the grounds for prohibition; state the effective date of the order, which may not be before the 21st day after the date the proposed order is personally delivered or mailed; and state the duration of the order, including whether the duration is perpetual.

Authorizes the commissioner to make a prohibition order perpetual or effective for a specific period of time, to probate the order, or to impose other conditions on the order.

Provides that the order takes effect if the person against whom the proposed order is directed does not request a hearing in writing before the effective date.

Provides that the order, if the person does not request a hearing before the effective date, is final and not appealable as to the person.

Requires that the hearing be conducted and commission adopt rules to conduct such a hearing, if the person requests a hearing.

Requires the commissioner to issue or decline to issue the proposed order after the hearing.

Authorizes the proposed order to be modified as necessary to conform to the findings at the hearing.

Provides that an order issued is immediately final for purposes of enforcement and appeal.

Sets forth the appeal procedures.

Authorizes a person who is subject to a prohibition order issued to apply to the commissioner to be released from the order after the expiration of 10 years from the date of issuance, regardless of the order's stated duration or date of issuance.

Requires that the application be made under oath and in the form required by the commissioner.

Requires that the application be accompanied by any required fees.
Authorizes the commissioner, in the exercise of discretion, to approve or deny an application filed under this section.

Provides that the commissioner's decision is final and not appealable.

**Practice of Cosmetology—S.B. 362**
*by Senator Watson—House Sponsor: Representative Gutierrez*

In 2000, cosmetologists earned the right to trim beards. In 2008, the Texas Department of Licensing and Registration (TDLR) determined that the Occupations Code did not allow cosmetologists to use disposable, guarded, safety razors to trim beards. Subsequently, courts have upheld TDLR's interpretation of the Occupation Code and have found that it is up to the legislature to change the code to include safety razor authorization. This bill:

Redefines "cosmetology" to include among certain preparatory or ancillary services in treating a person's hair, trimming a person's hair or shaving a person's neck with a safety razor, and treating a person's mustache or beard by shaving with a safety razor.

Defines "safety razor."

**Credentialing For Certain Podiatrists and Therapeutic Optometrists—S.B. 365**
*by Senator Carona—House Sponsor: Representative Parker*

Under the Insurance Code, when a podiatrist or a therapeutic optometrist joins the professional practice of a contracted preferred provider, the insurer must designate the podiatrist or optometrist as a preferred provider upon the successful completion of the credentialing process. During the credentialing process, the applicant podiatrist or optometrist cannot provide treatment to any of the enrollees in the managed care plan (MCP). Chapter 1452 (Physician and Provider Credentials), Insurance Code, provides an expedited credentialing process for a physician who joins an established medical group that has a current contract in force with a MCP. This bill:

Adds Subchapter D (Expedited Credentialing Process for Certain Podiatrists) to Chapter 1452, Insurance Code:
- Provides that this subchapter applies only to a podiatrist who joins an established professional practice that has a current contract in force with an MCP.
- Sets forth the eligibility requirements for expedited credentialing under this subchapter.
- Requires an issuer, upon submission by the applicant podiatrist of certain information, to treat the applicant podiatrist for payment purposes only as if the podiatrist were a participating provider in the health benefit plan network when the applicant podiatrist provides services to the MCP's enrollees.
- Authorizes an MCP, pending the approval of an application, to exclude the applicant podiatrist...
from the MCP’s directory or other listing of participating podiatrists.

- Provides that if the MCP issuer determines that the applicant podiatrist does not meet the issuer's credentialing requirements:
  - the issuer may recover from the applicant podiatrist or the podiatrist's professional practice the difference between payments for in-network benefits and out-of-network benefits; and
  - the applicant podiatrist or the podiatrist's professional practice may retain any copayments collected or in the process of being collected as of the date of the issuer's determination.

- Holds an MCP enrollee harmless:
  - for the difference between in-network copayments paid by the enrollee to a podiatrist who is determined to be ineligible and the MCP's charges for out-of-network services; and
  - being charged for any portion of the podiatrist's fee that is not paid or reimbursed by the enrollee's MCP.

- Provides that an MCP issuer that complies with this subchapter is not subject to liability for damages arising directly or indirectly out of the payment by the issuer of an applicant podiatrist as if the podiatrist were a participating provider in the health benefit plan network.

Currently, both the state and the federal government regulate the use of authorized refrigerants and refrigerant substitutes that are used by air conditioning and refrigeration contractors. The federal standards are set by the Environmental Protection Agency (EPA). In Texas, the Texas Department of Licensing and Regulation (TDLR) regulates the air conditioning industry under Chapter 1302 (Air Conditioning and Refrigeration Contractors) of the Occupations Code. This chapter requires those who use refrigerants to comply with federal requirements, but the chapter also prohibits the sale of certain refrigerants and refrigerant substitutes. These two provisions have created confusion between state and federal regulatory standards.

The state's regulation of refrigerant products is unnecessary since those products are effectively regulated by the EPA, which is better qualified to address the scientific questions that dominate this area of regulation. This bill:
Removes the state's standards relating to authorized refrigerants and refrigerant substitutes by repealing Subchapter H (Sale and Use of Refrigerants), Chapter 1302, Occupations Code, and other references to the federal standards.

**Alcoholic Beverage Licenses When the Previous License Holder Has Been Evicted—S.B. 409**  
_by Senator Watson—House Sponsor: Representative Kuempel_

In 2011, following the arrest and imprisonment of the owner of multiple bars located in downtown Austin, the Texas Alcoholic Beverage Commission (TABC) initiated actions to cancel nine permits held by that owner. Despite the fact that the licensee was in jail and had been finally evicted from the properties associated with his state-issued permits, TABC could not issue new permits to new qualified applicants for any of the locations while their actions to cancel the permits held by the licensee were pending. This regulatory quagmire resulted in the extended closure of multiple locations in Austin's central entertainment district, hampering economic activity and imposing financial hardship on property owners and investors in new businesses. It also resulted in the loss of tax revenue to state and local government.

While still affording a permit or license holder an opportunity to be heard before a court of law, this legislation could provide an avenue for property owners to protect themselves from the harmful actions of a former tenant who is unwilling to voluntarily surrender his or her TABC permit or license. This bill:

Prohibits a permit or license from being issued for or transferred to the same licensed premises, if an order of suspension against a permit or license is pending or unexpired, or if TABC has initiated action to cancel or suspend a permit or license.

Authorizes TABC to issue an original permit or license covering an otherwise permitted or licensed premises if the holder of the permit or license that is subject to the pending or unexpired suspension order or against which the cancellation or suspension action has been initiated has been evicted from the premises under a final, nonappealable court judgment and all other conditions for the issuance of the new permit or license covering the premises are met by the applicant.

**Dismissal of Complaints Against Property Tax Professionals—S.B. 464**  
_by Senator Deuell—House Sponsor: Representative Flynn_

Certain property tax professionals, including appraisers, assessors, assessor-collectors, and collectors, are required to register with the Texas Department of Licensing and Regulation (TDLR) and are expected to comply with standards of professional practice, conduct, education, and ethics established by the Texas Commission of Licensing and Regulation (TCLR). TDLR has an established process for receiving and processing consumer complaints against property tax professionals and other persons licensed by TDLR. This bill:

Authorizes TDLR, after investigation, to dismiss a complaint, in part or entirely, without conducting a hearing if the complaint does not credibly allege a violation of Chapter 1151 (Property Tax Professionals), Occupations Code, or the standards established by the Texas Commission of Licensing and Regulation (TCLR) for registrants under Chapter 1151. Requires TDLR, after investigation, to dismiss a complaint, in
part or entirely, without conducting a hearing if the complaint challenges the imposition of or failure to waive penalties or interest under Sections 33.01 (Penalties and Interest) and 33.011 (Waiver of Penalties and Interest), Tax Code; the appraised value of a property; the appraisal methodology; the grant or denial or an exemption from taxation; or any matter for which Title I (Property Tax Code), Tax Code, specifies a remedy, including an action that a property owner is entitled to protest before an appraisal review board under Section 41.41(a) (relating to entitling a property owner to protest before the appraisal review board through certain actions), Tax Code, and the subject matter of the complaint has not been finally resolved in the complainant's favor by an appraisal review board, a governing body, an arbitrator, a court, or the State Office of Administrative Hearings under Section 2003.901 (Pilot Program), Government Code.

**Exemption From Regulations for Steam Cookers—S.B. 506**  
*by Senator Watson—House Sponsor: Representative Senfronia Thompson*

In 2011, the Texas Department of Licensing and Regulation (TDLR) sent a cease and desist letter to Illinois Tool Works, manufacturers of Vulcan food steamers, requiring the company to remove certain models from use in Texas or modify them to comply with Chapter 755 (Boilers). The steam cooker units referenced in the cease and desist letter report a zero incident safety record, and TDLR acknowledges that the units pose no threat to public safety. TDLR and Illinois Tool Works have worked together to develop legislation that would exempt steam cookers from the regulation normally used for much larger boiler units. If the proposed legislation is not enacted, TDLR will be required to send cease and desist letters to the manufacturers of nearly 20,000 similar products in the state, many of which are used in school cafeterias as an economical way to prepare food for students. Exempting low-pressure food steam cookers from boiler regulation by the Department of Licensing and Regulation (TDLR), which currently classifies steam cookers as boilers, would prevent the need to send out so many unnecessary cease and desist orders: This bill:

- Defines "steam cooker" to mean a steam heating boiler that is designed to steam cook food, operated at a pressure not exceeding five pounds per square inch, and equipped with a safety appliance operated at a pressure not exceeding five pounds per square inch.

- Adds steam cookers to the list of items to which the law applies to larger boiling units.

**Certification of Inspectors For Elevators, Escalators, and Related Equipment—S.B. 540**  
*by Senator Carona—House Sponsor: Representative Smith*

Elevator inspectors are an integral part of the regulatory framework that the state has implemented to protect public safety, conducting elevator, escalator, and related equipment inspections that building owners are required to obtain on an annual basis.

Under current law, elevator inspectors must meet certain qualifications in order to conduct their work in Texas. Specifically, inspectors are required to register with the Texas Department of Licensing and Regulation (TDLR), attend approved educational programs, be certified by an organization accredited by the American Society of Mechanical Engineers (ASME), and pay all applicable fees.
Currently, ASME certifies organizations that endorse inspectors in accordance with ASME’s Qualified Elevator Inspector (QEI) standards. However, ASME has announced that it is discontinuing its QEI accreditation program and that all accreditations will be withdrawn as of January 1, 2014. Due to this change, the state will need to provide an alternative method to ensure that elevator inspectors are qualified to operate in Texas. This bill:

Provides that the elevator advisory board is composed of nine certain members, including a representative of the insurance industry or a registered elevator inspector, rather than a certified elevator inspector.

Requires that elevators, chairlifts, or platform lifts installed in a single family dwelling on or after January 1, 2004, comply with certain codes and be inspected by a registered elevator inspector, rather than a QEI-1 certified inspector, after the installation is complete.

Requires the Texas Commission of Licensing and Regulation (TCLR) to adopt rules containing minimum safety standards that must be used by registered elevator inspectors when inspecting elevators, chairlifts, and platform lifts installed in single-family dwellings.

Authorizes a municipality to withhold a certificate of occupancy for a dwelling or for the installation of the elevator or chairlift until the owner provides a copy of the inspection report.

Requires TCLR by rule to provide for, among other certain provisions, registration, including certification of elevator inspectors, registration of contractors, and general liability insurance written by an insurer authorized to engage in the business of insurance in this state or an eligible surplus lines insurer as a condition of contractor registration with coverage of not less than $1 million for each single occurrence of bodily injury or death, and $500,000 for each single occurrence of property damage.

Authorizes the executive director of TDLR (executive director) to charge a reasonable fee as set by TCLR for certain processes, including reviewing and approving continuing education.

Requires a registered elevator inspector to date and sign an inspection report and to issue the report to the building owner not later than the 10th calendar day after the date of inspection.

Requires that the certificate of compliance required to be signed and dated by the executive director and issued to the building owner state certain information, including that the equipment has been inspected by a registered elevator inspector and found by the inspector to be in compliance, except for any delays or waivers granted by the executive director and stated in the certificate.

Requires an individual, in order to inspect equipment, to comply with certain criteria, including to be certified as an inspector in accordance with the rules adopted by TCLR; comply with the continuing education requirements established by TCLR rule for registration renewal; and pay all applicable fees.

Provides that a person assisting a registered elevator inspector, rather than a certified inspector, and working under the direct, on-site supervision of the inspector is not required to be registered.

Prohibits a registered elevator inspector from inspecting equipment if the inspector or the inspector’s employer has a financial or personal conflict of interest or the appearance of impropriety related to the inspection of that equipment.
Requires each registered elevator inspector to complete continuing education requirements set by TCLR rule before the inspector may renew the inspector's registration.

Requires a provider of continuing education under this section to comply with rules adopted by TCLR relating to continuing education for a registered elevator inspector or designated responsible party, as applicable, in addition to registering with TDLR.

Requires the owner of real property on which equipment covered by this subchapter (Inspection, Certification, and Registration) is located to complete certain actions, including having the equipment inspected annually by a registered elevator inspector.

Requires the owner, when an inspection report is filed, to submit to the executive director, as applicable, verification that any deficiencies in the registered elevator inspector's report have been remedied or that a bona fide contract to remedy the deficiencies has been entered into or any application for delay or waiver of an applicable standard.

Requires the chief elevator inspector to possess the certification in addition to prohibiting the chief elevator inspector from having a financial or commercial interest in the manufacture, maintenance, repair, inspection, installation, or sale of equipment.

Requires the executive director to compile a list of elevator inspectors and contractors who are registered with TDLR, among other actions required of the executive director.

Authorizes the building owner or manager, if an emergency order to disconnect power or lock out equipment is issued, to have the power reconnected or the equipment unlocked only if a registered elevator inspector, a registered contractor, or a TDLR representative has filed a written form with TDLR verifying the imminent and significant danger has been removed by repair, replacement, or other means, among other requirements relating to the building owner.

**Continuing Education and Registration Requirements For Tax Assessor-Collectors—S.B. 546**

_by Senators Williams and Huffman—House Sponsor: Representative Hilderbran_

County tax assessor-collectors are currently the only elected county officials who are regulated by a state agency. The Texas Department of Licensing and Regulation (TDLR) registers assessor-collectors and requires continuing education. However, some assessor-collectors feel these requirements do not cover all of the duties and responsibilities of the office. This bill:

Requires a county assessor-collector to successfully complete 20 hours of continuing education before each anniversary of the date on which the county assessor-collector takes office. Requires that the continuing education include at least 10 hours of instruction on laws relating to the assessment and collection of property taxes for a county assessor-collector who assesses or collects property taxes. Requires a county assessor-collector to successfully complete continuing education courses on ethics and on the constitutional and statutory duties of the county assessor-collector not later than the 90th day after the date on which the county assessor-collector first takes office, in addition to the 20 hours of required continuing education. Requires that the continuing education required be approved by a state agency or an accredited institution of higher education, including an institution that is a part of or associated with an
accredited institution of higher education, such as the V. G. Young Institute of County Government. Requires a county assessor-collector to file annually a continuing education certificate of completion with the commissioners court of the county in which the county assessor-collector holds office.

Authorizes a county assessor-collector to carry forward from one 12-month period to the next not more than 10 continuing education hours that the county assessor-collector completes in excess of the required 20 hours to satisfy the 20 hours of required continuing education. Provides that "incompetency" in the case of a county assessor-collector includes the failure to complete continuing education requirements, for purposes of removal under Subchapter B (Removal By Petition and Trial), Chapter 87 (Removal of County Officers from Office: Filling of Vacancies), Local Government Code.

Requires certain persons, including an assessor-collector other than a county assessor-collector, to register with TDLR. Requires a person registered as an assessor or assessor-collector other than a county assessor-collector to become certified as a registered Texas assessor not later than the fifth anniversary of the date of the person's original registration. Requires a county tax assessor-collector who holds office on January 1, 2014, to complete the continuing education required by Section 6.231(a)(relating to requiring a county assessor-collector to successfully complete 20 hours of continuing education before each anniversary of the date on which the county assessor-collector takes office), Tax Code, not later than January 1, 2015. Provides that a county tax assessor-collector who holds office on January 1, 2014, is not required to complete the continuing education course required by Section 6.231(b)(relating to requiring a county assessor-collector to successfully complete continuing education courses on ethics), Tax Code.

Continuing Education Requirements For Polygraph Examiners—S.B. 562
by Senator Carona—House Sponsor: Representative Senfronia Thompson

The Texas Department of Licensing and Regulation (TDLR) began regulating polygraph examiners in 2009 pursuant to S.B. 1005, which was enacted by the 81st Legislature, Regular Session. Prior to 2009, polygraph examiners were regulated by the Polygraph Examiners Board, which was housed within the Department of Public Safety of the State of Texas. S.B. 1005 abolished the Polygraph Examiners Board and transferred its duties to TDLR.

In order to conduct polygraph examinations in the state, a person must obtain a license from TDLR. To qualify for a polygraph examiner license, an individual must satisfy criminal history, experience, and examination requirements as outlined in Section 1703.203 (Qualifications for License), Occupations Code.

TDLR recently reviewed the polygraph examiner statute and identified problematic and outdated language. This bill:

Prohibits a person from using or offering to use, for compensation or for a law enforcement purpose, an instrument, including a polygraph, to detect deception or verify the truth of a statement unless the person is licensed under this chapter (Polygraph Examiners).

Provides that a person is qualified for a polygraph examiner license if the person meets certain criteria, including if the person has completed an acceptable polygraph examiner course of study taught by a school recognized by TDLR and has satisfactorily completed at least six months of a polygraph examiner internship, rather than if the person either is a graduate of a TDLR-approved polygraph examiners course
and has satisfactorily completed at least six months of a polygraph examiner internship, or has satisfactorily completed at least 12 months of a polygraph examiner internship.

Authorizes the executive director of TDLR (executive director) to waive any license requirement for an applicant who holds a license from another state that has license requirements substantially equivalent to those of this state; has verified service, training, or experience in using an instrument to detect deception or verify the truth of a statement while serving in the military; has verified service, training, or experience in using an instrument to detect deception or verify the truth of a statement while employed by the federal government; or has a combination of education and experience the executive director determines to be substantially equivalent to that required under Section 1703.203 (Qualifications for License).

Authorizes TDLR to recognize, prepare, or implement continuing education programs for polygraph examiners, rather than for polygraph examiners and trainees.

Provides that participation in a continuing education program is mandatory, rather than participation in a program is voluntary.

Requires the Texas Commission of Licensing and Regulation (TCLR) by rule to provide continuing education requirements for license holders.

Authorizes TCLR to adopt rules to identify other instruments and instrumentation requirements that are acceptable for use in this state.

Provides that a polygraph examiner who uses an instrument that does not comply with the instrumentation requirements or TCLR rule is subject to penalties and may be enjoined.

Examination Requirements For an Insurance Adjuster License—S.B. 569

by Senator Carona—House Sponsor: Representative Morrison

Insurance claims adjusters are governed by Chapter 4101 (Insurance Adjusters), Insurance Code. Under current law, insurance claims adjusters must be licensed through the Texas Department of Insurance (TDI). In order to obtain a license, a person is required to take a course and a subsequent examination, which is offered through TDI. However, current law allows claims adjusters to take an adjusting losses course and examination through a third party vendor as an alternative. The third party course and examination must be approved by TDI. While the examination for claims adjusters offered through TDI is subject to specific testing conditions, current law does not mandate any specific criteria or conditions for a third party adjusting losses examination, which has led to concerns regarding the structure of the examination setting. This bill:

Provides that an applicant for a license under this chapter (Insurance Adjusters) is not required to pass an examination to receive the license if the applicant adheres to certain requirements, including has completed a course in adjusting losses as prescribed and approved by the commissioner of insurance (commissioner) and it is certified, by a form signed by the applicant to the commissioner on completion of the course that the applicant has completed the course and passed an examination testing the applicant’s knowledge and qualification, as prescribed by the commissioner.
Requires an applicant wishing to claim an exemption to schedule the required examination and take the required examination in a testing center environment that is controlled, supervised, and proctored by a disinterested third party approved by the commissioner to administer the examination.

**Elimination of Licensing and Registration For Ringside Physicians and Timekeepers—S.B. 618**

_by Senator Carona—House Sponsor: Representative Vo_

The combative sports industry became regulated in Texas in 1933. As part of the current regulatory structure, which is codified in Chapter 2052 (Combative Sports) of the Occupations Code, a variety of participants in the combative sports industry, including ringside timekeepers and physicians, must hold a license with the Texas Department of Licensing and Regulation (TDLR).

The ringside timekeeper position is low-risk, as timekeepers operate under the direct supervision of TDLR event supervisors during combative sports events. Furthermore, the licensing program is small, as approximately 47 people are licensed at this time, and TDLR has never received any timekeeper complaints.

A ringside physician is defined under current law as an individual who is licensed by both the Texas Medical Board (TMB) and TDLR. However, the TDLR licensing requirement is perfunctory since TDLR only reviews a ringside physician application to ensure that the applicant is in fact licensed by TMB, which does not give TDLR the discretion it needs to ensure that ringside physicians are qualified for the specific task of overseeing a combative sports event. This bill:

Authorizes the Texas Commission of Licensing and Regulation (TCLR) to adopt certain rules, including rules establishing selection criteria and procedures for the assignment of individuals who agree to act as ringside physicians and timekeepers for combative sports events, rather than rules establishing practice requirements or specialty certifications that a person licensed to practice medicine in this state must meet to register as a ringside physician.

Deletes existing text prohibiting a person, unless the person holds a license or registration issued under this chapter, from acting as a combative sports timekeeper or ringside physician.

Provides that a disciplinary or administrative proceeding that is related to a violation of licensing or registration requirements for a timekeeper or ringside physician that existed immediately before the effective date of this Act is dismissed.

Authorizes an administrative penalty assessed by TCLR or the executive director of the Texas Department of Licensing and Regulation (executive director) that existed immediately before the effective date, to be collected.

Provides that the change in law made by this Act does not affect the pending prosecution of an offense as that chapter existed immediately before the effective date of this Act.

Provides that an offense committed before the effective date of this Act is governed by the law in effect at the time the offense was committed, and the former law is continued in effect for that purpose.
Provides that an offense was committed before the effective date of this Act is any element of the offense occurred before that date.

Requires TDLR, as soon as practicable after the effective date of this Act, to return a prorated portion of the fee paid to TDLR for the issuance or renewal of the registration or license to a person who holds a valid registration as a ringside physician or timekeeper issued under Chapter 2052, Occupations Code, as that chapter existed immediately before the effective date of this Act.

**Regulation of Industrialized Housing—S.B. 672**
by Senator Carona—House Sponsor: Representative Guillen

Industrialized housing consists of residential structures that are constructed using modular components that are transported to and erected on permanent foundations. Like other structures, industrialized homes must comply with building codes and other requirements designed to ensure occupant safety. The Texas Department of Licensing and Regulation (TDLR) is the state agency designated to ensure that industrialized housing manufacturers comply with these and other statutory requirements.

Under current law, TDLR, or an approved third-party inspector, and municipal building officials conduct an on-site inspection of industrialized homes once they are erected on their permanent sites. In addition, TDLR can conduct follow-up inspections at virtually any time after an industrialized home’s installation. This authority is overly burdensome on industrialized housing manufacturers, as it makes the task of assessing liability very difficult. This bill:

Prohibits the Texas Commission of Licensing and Regulation (TCLR), the executive director of TDLR, or TDLR, notwithstanding any other law, from performing an inspection or investigation, opening a complaint, or initiating an administrative or enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing after the second anniversary of the date of the final on-site inspection of the industrialized housing conducted under Section 1202.203 (On-Site Inspections).

Authorizes TCLR or the executive director of TDLR to impose a penalty or sanction in an enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing only if TCLR or TDLR initiates the enforcement action during the above period.

**Requirements For Elevators, Escalators, and Related Equipment—S.B. 673**
by Senator Carona—House Sponsor: Representative Smith

In accordance with Chapter 754 (Elevators, Escalators, and Related Equipment), Health and Safety Code, the Texas Department of Licensing and Regulation (TDLR) regulates nearly all of the elevators, escalators, and related equipment in the state. Recent events have prompted TDLR to review this regulatory program and suggest legislative changes. First, a deadly elevator accident in a San Antonio hotel prompted TDLR to evaluate the ways in which it could prevent similar accidents from occurring in the future. Second, the American Society of Mechanical Engineers (ASME) announced that it is discontinuing its Qualified Elevator Inspector (QEI) Accreditation Program, on which the state currently relies to certify elevator inspectors.
In light of these circumstances, TDLR is compelled to develop enhanced abilities to regulate elevators, escalators, and related equipment in the state. This bill:

Provides that this Act has certain exceptions, including equipment located in a building owned and operated by the federal government, or equipment in an industrial facility, or in a grain silo, radio antenna, bridge tower, underground facility, or dam, to which access is limited primarily to employees of or working in that facility or structure.

Provides that this Act does not prohibit a registered elevator inspector or registered contractor from performing an activity regulated by this chapter or the rules adopted under this chapter if the inspector or contractor is performing the activity as an employee of an institution of higher education.

Provides that this Act does not prohibit a registered elevator inspector or registered contractor performing an activity as an employee of an institution of higher education from providing written evidence of self-insurance coverage to satisfy an insurance requirement under this chapter or rules adopted under this chapter.

Provides that the elevator advisory board (board) is composed of nine certain members appointed by the presiding officer of the Texas Commission of Licensing and Regulation (TCLR), with TCLR's approval, including a representative of the insurance industry or a registered, rather than certified, elevator inspector.

Requires the board to meet as determined by the executive director of TDLR (executive director) or by the presiding officer of TCLR.

Requires the board, to protect public safety and to identify and correct potential hazards, to advise TCLR on certain matters, including on the adoption of appropriate standards for the installation, maintenance, alteration, operation, testing, and inspection of equipment.

Requires TCLR by rule to adopt standards for the installation, maintenance, alteration, operation, testing, and inspection of equipment used by the public in certain buildings.


Requires that standards adopted under TCLR rules require equipment to comply with the installation requirements of the ASME Code A17.1, ASME Code A18.1, or ASME Code 21 that was in effect and applicable on the date of installation of the equipment.

Requires that standards adopted under TCLR rules require equipment to comply with the installation requirements of the ASME Code A17.3 that contains minimum safety standards for all equipment, regardless of the date of installation.

Authorizes the executive director to grant a delay for compliance with the codes and adopted standards until a specified time if the executive director determines that the noncompliance does not constitute a significant threat to passenger or worker safety.
Prohibits the accumulated total time of all delays for a specific noncompliant condition from exceeding three years, except as determined by the executive director.

Provides that, for purposes of determining the applicable standards and codes the date of installation or alteration of equipment is the date that the owner of the real property entered into a contract for the installation or alteration of the equipment.

Authorizes standards adopted under TCLR rules, rather than by TCLR, to include and be guided by revised versions of ASME Code A17.1, ASME Code A18.1, and ASME Code 21, as appropriate.

Authorizes the executive director on application of a person and in accordance with procedures adopted under TCLR rules to grant a variance to allow the installation of new technology if the new component, system, subsystem, function, or device is equivalent or superior to the standards adopted under TCLR rules.

Requires TCLR to adopt rules containing minimum safety standards that are required to be used by registered elevator inspectors when inspecting elevators, chairlifts, and platform lifts installed in single-family dwellings.

Authorizes a municipality to withhold a certificate of occupancy for a dwelling or for the installation of the elevator or chairlift until the owner provides a copy of the inspection report.

Provides that the owner of a single-family dwelling is not subject to various Sections in this Act, including Section 754.0231 (Inspections and Investigations), 754.0232 (Registration Proceedings), 754.0233 (Injunctive Relief; Civil Penalty), 754.0234 (Emergency Orders), or 754.0235 (Orders to Disconnect Power to or Lock Out Equipment).

Requires TCLR, by rule, to provide for certain actions, including an annual inspection and certification of the equipment covered by standards adopted; registration, including certification, of elevator inspectors; registration of contractors; the procedures by which a certificate of compliance is issued and displayed; approval of continuing education programs for registered elevator inspectors; general liability insurance written by an insurer authorized to engage in the business of insurance in this state or an eligible surplus lines insurer as a condition of contractor registration with coverage of not less than a certain amount; maintenance control programs, maintenance, repair, and parts manuals, and product-specific inspection, testing, and maintenance procedures; the method and manner of reporting accidents and reportable conditions to TDLR; and an owner's designation of an agent for purposes of this chapter. Deletes existing text requiring TCLR to provide for registration of qualified inspectors and contractors; the form of inspection documents, contractor reports, and certificates of compliance; and approval of continuing education programs for registered QEI-1 certified inspectors. Makes conforming and nonsubstantive changes.

Authorizes TCLR by rule to require a reinspection or recertification of equipment under certain conditions, including if the equipment poses a significant threat to passenger or worker safety.

Authorizes the executive director to charge a reasonable fee as set by TCLR for certain actions, including registering or renewing registration of an elevator inspector; reviewing and approving continuing education providers and courses for renewal of elevator inspector and contractor registrations; applying for a waiver,
new technology variance, or delay; and attending a continuing education program sponsored by TDLR for registered elevator inspectors.

Authorizes TCLR by rule to require inspection reports, other documents, and fees to be filed in a manner prescribed by TDLR, including electronically.

Requires a registered elevator inspector to issue an inspection report to the owner not later than the fifth calendar day after the date of inspection in accordance with the procedures established by TCLR rule.

Requires the executive director to issue a certificate of compliance to the owner.

Requires TCLR by rule to require that a certificate of compliance for any equipment, rather than a certificate of compliance related to an elevator, be posted in a publicly visible area of the building, and to determine what constitutes a "publicly visible area."

Requires TDLR to prescribe the format and the required information contained in the inspection reports, the certificates of compliance, and other documents.

Requires an individual, in order to inspect equipment, to meet certain requirements, including to be certified as an inspector in accordance with the rules adopted by TCLR.

Provides that a person assisting a registered elevator inspector and working under the direct, on-site supervision of the inspector is not required to be registered.

Prohibits a registered elevator inspector from inspecting equipment if the inspector or the inspector's employer has a financial or personal conflict of interest or the appearance of impropriety related to the inspection of that equipment.

Prohibits a person from installing, repairing, altering, testing, or maintaining equipment without registering as a contractor with TDLR.


Requires each registered elevator inspector to complete continuing education requirements set by TCLR rule before the inspector is authorized to renew the inspector's registration.

Requires a provider of continuing education to comply with the rules adopted by TCLR relating to continuing education for a registered elevator inspector or designated responsible party, as applicable, in addition to requiring the provider of continuing education to register with TDLR.

Provides that if a municipality operates a program for the installation, maintenance, alteration, inspection, testing, or certification of equipment, is not required to apply to the equipment in that municipality, provided that the standards of installation, maintenance, alteration, inspection, testing, and certification are at least equivalent to those contained in this chapter.
Requires the owner to file with the executive director each inspection report, and all applicable fees, not later than the 15th calendar, rather than the 60th, day after the date on which an inspection is made under this chapter; display the certificate of compliance for the equipment in a publicly visible area as defined by TCLR rule; and maintain the equipment in compliance with the standards and codes adopted under TCLR rules.

Requires the owner, when an inspection report is filed, to submit to the executive director, as applicable, verification that any deficiencies in the registered elevator inspector's report have been remedied or that a bona fide contract to remedy the deficiencies has been entered into, in addition to submitting any application for application for delay or waiver of an applicable standard.

Requires an owner to report to TDLR each accident involving equipment not later than 24 hours following the accident.

Requires the chief elevator inspector appointed by the executive director to administer the equipment inspection and registration program, to possess the certification, or obtain the certification specified by this Act within six months after becoming chief elevator inspector.

Requires the executive director to compile a list of elevator inspectors and contractors who are registered with TDLR and to employ personnel who are necessary to enforce this Act.

Authorizes TDLR to conduct an inspection or investigation of equipment mentioned in this Act.

Requires TDLR to be granted access to any location in the building that is inaccessible to the public in order to conduct a full inspection or investigation of the equipment.

Authorizes the executive director or the executive director's designee, if there is good cause for the executive director to believe that equipment on the property poses an imminent and significant danger or that an accident involving equipment occurred on the property, at any time to enter the property to inspect the equipment or investigate the danger or accident.

Requires the executive director or the executive director's designee to be granted access to any location in the building that is inaccessible to the public in order to conduct a full inspection or investigation.

Authorizes TCLR or the executive director to deny, suspend, or revoke a registration under this chapter and to assess an administrative penalty for obtaining registration by fraud or false representation, falsifying a report submitted to the executive director, or violating this chapter or an adopted rule.

Provides that proceedings for the denial, suspension, or revocation of a registration and appeals from these proceedings are governed by Chapter 2001 (Administrative Procedure), Government Code.

Authorizes the attorney general or the executive director to institute an action for injunctive relief to prevent or restrain a violation or threatened violation of this chapter or an adopted rule.

Authorizes the attorney general or the executive director to institute an action to collect a civil penalty from a person that appears to be violating or threatening to violate this chapter or an adopted rule.
Prohibits a civil penalty assessed under this subsection from exceeding $5,000 per day for each violation.

Requires that an action filed under this section be filed in a district court in Travis County.

Authorizes the attorney general and TDLR to recover reasonable expenses incurred in obtaining injunctive relief or civil penalties, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition expenses.

Authorizes the executive director to issue an emergency order as necessary to enforce this chapter if the executive director determines that an emergency exists requiring immediate action to protect the public health and safety.

Requires the executive director to issue an emergency order in accordance with Chapter 51 (Texas Department of Licensing and Regulation), Occupations Code.

Authorizes an emergency order issued to also direct an owner to disconnect power to or lock out equipment if TDLR determines imminent and significant danger to passenger or worker safety exists if action is not taken immediately or an annual inspection has not been performed in more than two years.

Authorizes an owner, if an emergency order to disconnect power or lock out equipment is issued, to have the power reconnected or the equipment unlocked only if a registered elevator inspector or contractor or a TDLR representative verifies in writing to TDLR that the imminent and significant danger has been removed by repair, replacement, or other means.

Requires the executive director or the executive director's designee, if an emergency order to disconnect power or lock out equipment is issued and the owner later notifies TDLR that the imminent and significant danger no longer exists, to, after requirements are satisfied, issue written permission to reconnect power or unlock the equipment and notify the owner.

Repeals Subchapter A (Safety Devices), Chapter 754 (Elevators, Escalators, and Related Equipment), the heading to Subchapter B (Inspection, Certification, and Registration), Chapter 754, Section 754.014(i) (relating to equipment in an industrial facility), Sections 754.0171(d) (relating to a person registering as a contractor requiring to submit an initial report) and (e) (relating to submission of quarterly report by a contractor), Sections 754.022 (Notice of Noncompliance), 754.023 (Investigation; Registration Proceedings; Injunction; Emergency Orders), and 754.024 (Criminal Penalty), of the Health and Safety Code.

Requires TCLR to adopt rules implementing provisions of this Act as amended no later than January 1, 2014.

**Qualifications of Certain Nonresident Individuals to Hold Surplus Lines Agent License—S.B. 697**

*by Senator Carona—House Sponsor: Representative Eiland*

Chapter 981 (Surplus Lines Insurance), Insurance Code, governs surplus lines insurance, which is a type of insurance available for a unique or complex risk that an admitted carrier will not insure. Surplus lines agents in Texas must be licensed through the Texas Department of Insurance and are additionally required to hold a separate property and casualty license. This additional licensure is required so that the agent can
show that there is no available property and casualty coverage from an admitted insurer in Texas prior to
insuring risk through a surplus lines carrier. This provision is consistent with laws in a majority of other
states; however, there are a small number of states where surplus lines agents can do business without a
property and casualty license. This inconsistency in licensure requirements has become an impediment to
the growing number of insurance transactions that cross state lines.

In order to minimize friction in the marketplace and avoid inconsistencies, federal legislation, referred to as
the National Association of Registered Agents and Brokers (NARAB-II), is being considered as a
mechanism to streamline agent and broker licensing systems among states, but has not yet become law.
In an effort to avoid the possibility of federal preemption of the licensing industry, the National Association
of Insurance Commissioners (NAIC) Producer Licensing Uniformity Guidelines recommend that states
adopt uniform licensing laws as a means of achieving goals similar to those outlined by NARAB-II.

Consistency with the NAIC Producer Licensing Uniformity Guidelines relating to surplus lines licensure is
needed. This bill:

Provides that an individual is not required to obtain a general property and casualty agent license to hold a
surplus lines agent license if the home state of each insured is Texas; the individual is a nonresident of this
state; the individual is licensed as a surplus lines agent in the individual's state of residence; 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; 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; 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; 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; the individual has a professional relationship with, and each transaction is conducted through, a
person who is a licensed general property and casualty agent in this state or in the state of each
transaction and searches for the availability of insurance in this state before the insurance is placed through
a surplus lines agent; and each transaction complies with the laws of the state in which it occurs.

Elimination of Certain Reporting Requirements For the Texas Department of Agriculture—S.B. 772
by Senator Uresti—House Sponsor: Representative Springer

Current law requires governmental entities to submit various reports. The number of required reports grows
each year, resulting in duplicative reports as agency functions consolidate but reporting requirements do
not or in obsolete reporting requirements because related programs or funds have been abolished or
because programs and services have changed. H.B. 1781, 82nd Legislature, Regular Session, 2011,
required each state agency to examine the agency's statutory reporting requirements and identify reports
that are determined to be unnecessary, redundant, or required to be provided at a frequency for which data
is not available. This bill:

Deletes certain agency reporting requirements relating to agriculture and rural communities that have been
determined to be unnecessary, redundant, or obsolete.
Certain Banks and Trust Companies to Conform to the Business Organizations Code—S.B. 804
by Senator Carona—House Sponsor: Representative Flynn

The Finance Code and Business Organizations Code both contain statutes relating to business organizations. However, the terminology found in the Business Organizations Code is more common and up-to-date. Although the Business Organizations Code includes a provision to ensure that terminology found in the Finance Code is synonymous with terminology found in the Business Organizations Code, these differing terms have at times caused confusion and problems. This bill:

Changes references to "articles of association" to "certificate of formation."

Provides that a state bank, other than a private bank, organized before August 31, 1993, is considered to have perpetual existence, notwithstanding a contrary statement in its articles of association, unless after September 1, 1995, the bank amends its certificate of formation or articles of association to reaffirm its limited duration.

Authorizes the Finance Commission of Texas (finance commission) to adopt rules to limit or refine the applicability of a state bank to alter or supplement the procedures and requirements of those laws applicable to an action taken.

Prohibits a state bank, unless expressly authorized by this subtitle or a rule adopted under this subtitle, from taking an action authorized by a law listed regarding its corporate status, its capital structure, or a matter of corporate governance, of the type for which those laws would require a filing with the secretary of state if the bank were a filing entity.

Provides that, in this subtitle, a reference to a term or phrase listed in a subdivision of Section 1.006 (Synonymous Terms), Business Organizations Code, includes a synonymous term or phrase referenced by the same subdivision in Section 1.006 of that code.

Requires that amendment or restatement of the certificate of formation of a state bank and approval of the bank's board and shareholders be made or obtained as provided by the Business Organizations Code.

Authorizes a series of shares to be established in the manner provided by the Business Organizations Code, but prohibits the shares of the series from being issued and sold without the prior written approval of the banking commissioner under Section 32.103 (Change in Outstanding Capital and Surplus).

Requires that implementation of the merger by the parties and approval of the board, shareholders, or owners of the parties be made or obtained in accordance with the Business Organizations Code as if the state bank were a filing entity, except as may be otherwise provided by applicable rules.

Requires that the original certificate of merger and a number of copies of the new certificate and acquiring entities if the merger is subject to the prior written approval of the banking commissioner, be filed with the banking commissioner.

Changes references to "articles of association" to "certificate of formation."
Prohibits a state trust company, unless expressly authorized by this subtitle or a rule of the finance commission, from taking an action authorized by a law listed regarding its corporate status, capital structure, or a matter of corporate governance, of the type for which a law listed would require a filing with the secretary of state if the state trust company were a filing entity, rather than a business corporation or a limited liability company, without submitting the filing to the banking commissioner for prior written approval of the action.

Authorizes the finance commission to adopt rules to alter or supplement the procedures and requirements of the laws listed applicable to an action taken under a law of this state or by a state trust company.

Provides that, in this subtitle, a reference to a term or phrase listed in a subdivision of Section 1.006, Business Organizations Code, includes a synonymous term or phrase referenced by the same subdivision in Section 1.006 of that code.

Changes references to "articles of association" to "certificate of formation."

Requires that amendment or restatement of the certificate of formation, rather than articles of association, of a state trust company and approval of the board and shareholders or participants be made or obtained in accordance with the Business Organizations Code.

Authorizes two or more trust institutions, corporations, or other entities with the authority to participate in a merger, at least one of which is a state trust company, to adopt and implement a plan of merger in accordance with this section.

Prohibits the merger from being made without the prior written approval of the banking commissioner if any surviving, new, or acquiring entity that is a party to the merger or created by the terms of the merger is a state trust company or is not a trust institution.

Requires implementation of the plan of merger by the parties and approval of the board, shareholders, participants, or owners of the parties to be made or obtained as provided by the Business Organizations Code as if the state trust company were a filing entity, and all other parties to the merger were foreign entities.

Changes references to "articles of merger" to "certificate of merger."

Requires that the merger or conversion be made and approval of the state trust company's board, shareholders, or participants be obtained in accordance with the Business Organizations Code as if the state trust company were a filing entity, and all other parties to the transaction, if any, were foreign entities, except as may be otherwise provided by rule.

Provides that a conversion is considered a merger into the successor trust institution.

Changes references to "articles of association" to "certificate of formation."

Authorizes the certificate of formation to provide that management of a limited trust association in vested in a board of managers to be elected annually by the participants as prescribed by the bylaws or the participation agreement.
Changes references to "articles of association" to "certificate of formation."

Requires that an application submitted by a foreign bank that desires to establish and maintain a Texas state branch or agency meet certain criteria and have certain information, including have attached an authenticated copy of the foreign bank's certificate of formation, rather than articles of incorporation, and bylaws or other constitutive documents and, if the copy is in a language other than English, an English translation of the document, under the oath of the translator and evidence of compliance with Section 201.102 (Registration to Do Business).

**Motor Vehicle Dealer, Manufacturer, and Distributor Regulation—S.B. 854**
by Senator Van de Putte—House Sponsor: Representative Harper-Brown

In 2011, the 82nd Legislature enacted legislation relating to the regulation of motor vehicle dealers, manufacturers, and distributors, which, among other provisions, authorized a motor vehicle dealer to enter into a property use agreement with a motor vehicle manufacturer or distributor in which the manufacturer or distributor agrees to provide the dealer with money to help finance capital improvements at the dealership in exchange for the exclusive rights to direct the use of the dealership. Subsequent to the implementation of the 2011 legislation, concerns had been raised about potential unanticipated consequences to Texas dealers under the existing legislation. This bill:

Authorizes a specific use agreement to include provisions that allow an owner to limit the transferee's ability to add a line-make after the transferee has opened a franchised dealership on the property to which the specific use agreement applies; prohibit the sale or sublease of the dealership property by the transferee to a person for a purpose other than the operation of a dealership under a franchise with the owner of the property; or make the limitations applicable to any successor or sublessee of the transferee.

Prohibits an owner from coercing or attempting to coerce an existing franchised dealer of the owner to relocate an existing dealership of the same line-make to property that is subject to a specific use agreement.

Provides that, if it is a proven in a civil suit that a person entered into a specific use agreement containing a as a result of coercion, the specific use agreement is void.

Authorizes a specific use agreement executed in conjunction with the sale of real property to apply only to the necessary real estate.

Provides that a specific use agreement executed in conjunction with the sale of real property to an existing franchised dealer for the purpose of relocating an existing dealership of the same line-make to property that is the subject of the specific use agreement or to a person for the purpose of establishing a new dealership expires on the earliest of the date established by the specific use agreement; the termination or discontinuance of the franchise between the parties to the specific use agreement as a result of the owner: discontinuing all line-makes applicable to the necessary real estate that are under the control of a manufacturer or distributor holding property use rights for the necessary real estate under the specific use agreement, ceasing to do business in this state, or changing the distributor or method of distribution of the owner's products in this state; the 10th anniversary of the date the dealership opens for business; or any time after the expiration of nine years from the date the dealership opens for business if the transferee has
performed all the transferee's financial duties as provided by the contract and title to the property has passed to the transferee.

Provides that, unless a specific use agreement associated with the sale of property expressly provides otherwise, there is no penalty for the full performance by the transferee and transfer of title to the transferee prior to the time set forth by the contract's terms.

Prohibits a franchised dealer from protesting an application to relocate a dealership under this section (Right to Protest: Certain Relocations) if the proposed relocation is not more than two miles from the site where the dealership is currently located or closer to the franchised dealer than the site from which the dealership is being relocated.

**Violations of Certain Railroad Commission of Texas Statutes—S.B. 900**  
*by: Senator Fraser— House Sponsor: Representative Wu*

The current penalty amounts for pipeline safety violations have not been changed since 1983. The federal Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 increased penalty amounts to $200,000 per violation and provides that each day a violation continues is a separate violation, whereas the current Texas penalty amounts are $10,000 per violation per day. Federal sources account for more than 50 percent of the funding used to sustain the Railroad Commission of Texas's (railroad commission) Pipeline Safety Program and the state will be penalized if it does not align its penalties to federal penalties. This bill:

Prohibits a penalty from exceeding $10,000 a day for each violation that is not related to pipeline safety or $200,000 a day for each violation that is related to pipeline safety.

Authorizes each day a violation continues to be considered a separate violation for purposes of penalty assessments, provided that the maximum penalty that may be assessed for any related series of violations related to pipeline safety is prohibited from exceeding $2 million.

Provides that a person who violates Chapter 117 (Hazardous Liquid or Carbon Dioxide Pipeline Transportation Industry), Natural Resources Code, or a rule adopted by the railroad commission is subject to a civil penalty of not more than $200,000, rather than of not less than $50 nor more than $25,000, for each act of violation and for each day of violation, provided that the maximum civil penalty that is authorized to be assessed for any related series of violations is prohibited from exceeding $2 million, rather than $500,000.

Provides that an offense under Section 117.053 (Criminal Penalty For Violation of Chapter and Rules), Natural Resources Code, is punishable by a fine of not more than $2 million, rather than $25,000, confinement in the Texas Department of Criminal Justice for a term of not more than five years, or both such fine and imprisonment.

Provides that in the prosecution of a defendant for multiple offenses under Section 117.053, Natural Resources Code, all of the offenses are considered to be part of the same criminal episode, and as required by Section 3.03 (Sentences For Offenses Arising Out of Same Criminal Episode), Penal Code, the
sentences of confinement are required to run concurrently. Prohibits the cumulative total of fines imposed under Section 117.053 from exceeding the maximum amount imposed on conviction of a single offense.

Provides that an offense under Section 117.054 (Criminal Penalty For Injuring or Destroying Pipeline Facilities), Natural Resources Code, is punishable by a fine of not more than $2 million, rather than $25,000, confinement in the Texas Department of Criminal Justice for a term of not more than five, rather than 15, years, or both such fine and imprisonment.

Provides that in the prosecution of a defendant for multiple offenses under Section 117.054, Natural Resources Code, all of the offenses are considered to be part of the same criminal episode, and as required by Section 3.03, Penal Code, the sentences of confinement are required to run concurrently.

Prohibits the cumulative total of fines imposed under Section 117.054, Natural Resources Code, additionally, from exceeding the maximum amount imposed on conviction of a single offense.

Provides that a person who owns or operates, rather than a person operating, a natural gas pipeline, a liquefied gas pipeline, or an underground storage facility is not a gas utility if the person certifies to the railroad commission that the person uses the pipeline or underground storage facility solely to deliver natural gas or liquefied gas or the constituents of natural gas or liquefied natural gas to a liquefied natural gas marine terminal, from a liquefied natural gas marine terminal to the owner of the gas or another person on behalf of the owner of the gas, that is acquired, liquefied, or sold by the person as necessary for the operation or maintenance of its facility that is excluded as a gas utility under Section 121.007 (Transportation of Gas to and From Liquefied Natural Gas Marine Terminal Excluded), Utilities Code, or that has been stored for export.

Provides that this does not create an exception to the applicability of a pipeline safety requirement provided under Chapter 121 (Gas Pipeline), Utilities Code, or a penalty for a violation of such a requirement.

Provides that each day of each violation of a safety standard adopted under Subchapter A (Gas Utility Defined), Chapter 121, Utilities Code, is subject to a civil penalty of not more than $200,000, rather than $25,000, except that the maximum penalty that may be assessed for any related series of violations is prohibited from exceeding $2 million, rather than $500,000. Provides that the penalty is payable to the state.

Prohibits the penalty for each violation from exceeding $200,000, rather than $10,000. Authorizes each day a violation continues to be considered a separate violation for the purpose of penalty assessment, provided that the maximum penalty that may be assessed for any related series of violations is prohibited from exceeding $2 million.

Provides that a penalty under Section 121.302 (Civil Penalty), Utilities Code, is payable to the state and is required to be not less than $100 and not more than $1,000 for each violation failure that is not related to pipeline safety or not more than $200,000 for each violation or failure that is related to pipeline safety, provided that the maximum penalty that may be assessed for any related series of violations related to pipeline safety is prohibited from exceeding $2 million.

Prohibits the penalty for each violation or failure that is not related to pipeline safety from exceeding $10,000 a day. Prohibits the penalty for each violation or failure that is related to pipeline safety from
exceeding $200,000 a day. Authorizes each day a violation continues to be considered a separate violation for purposes of penalty assessment, provided that the maximum penalty that may be assessed for any related series of violations related to pipeline safety is prohibited from exceeding $2 million.

Provides that an offense under Section 212.310 (Criminal Penalty), Utilities Code, that is not related to pipeline safety is punishable by a fine of not less than $50 and not more than $1,000. Provides that an offense under Section 212.310, Utilities Code, that is related to pipeline safety is punishable by a fine of not more than $2 million. Provides that in addition to the fine, the offense is authorized to be punishable by confinement in jail for not more than 10 days nor more than six months.

Provides that in the prosecution of a defendant for multiple offenses under Section 212.310, Utilities Code, all of the offenses related to pipeline safety are considered to be part of the same criminal episode, and as required by Section 3.03, Penal Code, the sentences of confinement are required to run concurrently. Provides that additionally, the cumulative total of fines imposed for offenses related to pipeline safety are prohibited from exceeding the maximum amount imposed on conviction of a single offense.

Standards and Practices Applicable to Substances Transported by Pipeline—S.B. 901

by: Senator Fraser—House Sponsor: Representative Paddie

Chapter 117 (Hazardous Liquid or Carbon Dioxide Pipeline Transportation Industry), Natural Resources Code, and Chapter 121 (Gas Pipelines), Utilities Code, contain references to federal pipeline safety law that are the source of delegated authority for the pipeline safety program of the Railroad Commission of Texas (railroad commission). The references to federal pipeline safety law in those chapters are inconsistent and outdated. This bill:

Provides that Subchapter H (Underground Storage Facilities For Natural Gas), Chapter 91 (Provisions Generally Applicable), Natural Resources Code, does not apply to a storage facility that is part of an interstate gas pipeline facility as defined by the United States Department of Transportation and subject to federal minimum standards adopted under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law, rather than standards adopted under chapter 601, Title 49, United States Code and its subsequent amendments.

Provides that the railroad commission has jurisdiction over all pipeline transportation of hazardous liquids or carbon dioxide over all hazardous liquid or carbon dioxide pipeline facilities as provided by 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law.

Requires that the safety standards adopted by the railroad commission in its rules be compatible with those standards established by the United States secretary of transportation under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law, rather than under the Hazardous Liquid Pipeline Safety Act of 1979 (Pub. L. No. 96-129).

Requires each owner or operator of a pipeline engaged in the transportation of hazardous liquids or carbon dioxide within this state to maintain records, make reports, and provide any information the railroad commission may require under the jurisdiction granted by Chapter 117, Natural Resources Code, and 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law, rather than the

Requires the railroad commission to make reports and certifications to the United States Department of Transportation and to take any other actions necessary to comply with 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law, rather than with the Hazardous Liquid Pipeline Safety Act of 1979 (Pub. L. No. 96-129).

Requires that safety standards and practices adopted by the railroad commission for a storage facility that is part of an intrastate pipeline facility, as defined by the federal Department of Transportation under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law, rather than under the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. Section 2001 et seq.), be compatible with federal minimum standards. Sets forth the requirements for the rules adopted by the railroad commission.

Authorizes the railroad commission to create certain rules and take certain actions, including by rule take any other requisite action in accordance with 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law.

Provides that Subchapter I (Sour Gas Pipeline Facilities), Chapter 121, Utilities Code, does not apply to certain facilities and systems, including an interstate gas pipeline facility, as defined by 49 U.S.C. Section 60101 and its subsequent amendments or a succeeding law, that is used for the transportation of sour gas.

Provides that an interstate pipeline facility, including gathering lines, or an aboveground storage tank connected to such a facility is exempt from regulation under Subchapter I (Underground and Aboveground Storage Tanks), Chapter 26 (Water Quality Control), Water Code, if the pipeline facility is regulated under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law. Deletes existing text providing that an interstate pipeline facility, including gathering lines, or an aboveground storage tank connected to such a facility is exempt from regulation under Subchapter I, Chapter 26, Water Code, if the pipeline facility is regulated under the Natural Gas Pipeline Safety Act of 1968 (49 U.C.S. Section 1671 et seq.) or the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. Section 2001 et seq.).

Repeal of Certain Offenses Relating to Certain Occupations—S.B. 972
by Senator Carona—House Sponsor: Representative Senfronia Thompson

The Texas Department of Licensing and Regulation (TDLR) oversees dozens of occupational regulatory programs. As part of its regulatory responsibilities, TDLR enforces various chapters of the Health and Safety Code, Labor Code, and Occupations Code by utilizing remedies that include warnings and reprimands, administrative and civil penalties, and in some cases, criminal penalties.

However, it is unnecessary and inappropriate for the chapters of code that relate to occupational regulation, which is a civil matter, to contain criminal penalties given that the Office of the Attorney General can use the Penal Code to address any egregious behavior on the part of a licensed or registered professional. This bill:
Repeals the penalties for violating regulatory statutes licensing elevator inspection, leasing services, common labor, property appraisal, tax consultation, combative sports, industrialized housing, barber inspection, and cosmetology inspection.

**Regulation of Various Mortgage Lenders—S.B. 1004**  
_by Senator Carona—House Sponsor: Representative Villarreal_  

In 2008, following the United States housing crisis, Congress passed the Secure and Fair Enforcement for Mortgage Licensing ACT (SAFE Act). The SAFE Act was meant to regulate the mortgage industry by requiring states to license mortgage originators, who are individuals who, for compensation or gain, take a residential mortgage loan application or offer or negotiate the terms of a residential mortgage loan. The Texas version of the SAFE Act passed in 2009 and seeks to ensure adequate consumer protection in the residential mortgage lending industry.

Residential mortgage loan originators who are employed by mortgage bankers are licensed under Chapter 157 (Registration of Mortgage Bankers), Finance Code, and residential mortgage loan originators employed by a mortgage company are governed by Chapter 156 (Residential Mortgage Loan Companies), Finance Code. Together, Chapters 156 and 157 of the Finance Code contain six individual types of licenses. Each of these licenses require the same set of qualifications. However, an originator licensed under Chapter 156 must get a separate license to be qualified under Chapter 157 and vice versa. This licensing structure is inefficient and overly complex for the entity, the individual obtaining the origination license, and the Texas Department of Savings and Mortgage Lending (SML), which oversees the whole process.

There are several other areas in the Finance Code that require modification and updates including mortgage banker registration, examination authority for credit union subsidiary organizations, and participation in multistate examinations as scheduled by the Consumer Financial Protection Bureau (CFPB). This bill:

Removes references to individual licenses in order to have one license type.

Clarifies that an individual sponsored by an independent contractor loan processor and underwriter cannot originate under that license.

Simplifies the mortgage originator licensing process by creating one license type for mortgage origination, which will enable a qualified individual to originate for a mortgage company or a mortgage banker, so long as the individual meets the statutory licensure requirements.

Grants the commissioner of SML (commissioner) the authority to revoke the registration or license of a mortgage banker if the mortgage banker's credentials have been revoked in another state.

Provides this revocation is subject to appeal.

Enables the commissioner to participate in multistate examinations as scheduled by the CFPB.
Provides that, at the request of the Credit Union Department, the examination authority for credit union subsidiary organizations is transmitted from the Credit Union Department to SML.

Removes the cap for reimbursement of expenses for on-site out of state examinations.

Authorizes the commissioner to revoke the registration of a mortgage banker if the mortgage banker has been revoked in another state on a case by case basis.

Provides that an appeal process applies regarding the revocation of the registration of a mortgage banker.

Adds authority for the Credit Union Department to participate in multistate exams as scheduled by the CFPB.

Authorizes the commissioner to add additional pre-licensing educational requirements.

Provides that for many other technical changes to conform to current practices.

**Regulation of Savings and Loan Associations—S.B. 1008**

*by Senator Carona—House Sponsor: Representative Anderson*

The Texas Department of Savings and Mortgage Lending (SML) has regulatory authority over state savings banks (savings banks) and savings and loan associations (associations). The primary business of both savings banks and associations is residential mortgage lending. Many of the relevant provisions that govern these institutions, found in the Savings and Loan Act and Savings Bank Act in the Finance Code, are outdated, obsolete, and inconsistent with modern regulation. This bill:

Requires the savings and mortgage lending commissioner (commissioner) to have not less than five years experience in the executive management of a savings association or savings bank or in savings association or savings bank supervision during the 10 years preceding the commissioner's appointment.

Requires a savings and loan association subject to this subtitle (association) to maintain a blanket indemnity bond, rather than to maintain on file with the commissioner a blanket indemnity bond, with an adequate corporate surety protecting the association from loss by or through dishonest or criminal action or omission, including fraud, theft, robbery, or burglary, by an officer or employee of the association or a director of the association when the director performs the duties of an officer or employee.

Requires a converted association to file with the commissioner a copy of the charter issued to the federal association by the Office of the Comptroller of the Currency, or a certificate showing the organization of the association as a federal association, certified by the secretary or assistant secretary of the Office of the Comptroller of the Currency.

Provides that on the issuance of a charter by the Office of the Comptroller of the Currency the association ceases to be an association and is no longer subject to the supervision and control of the commissioner.

Requires that the application to convert be filed in the office of the commissioner and with the appropriate banking agency, rather than the Office of Thrift Supervision or its successor, not later than the 10th day
after the date of the meeting, and to include a copy of the minutes of the meeting, sworn to by the secretary or an assistant secretary of the Office of the Comptroller of the Currency.

Requires the commissioner, when a supervisory order has been issued, to report the existence of the order promptly to the finance commission but to maintain the confidentiality of the content of the order.

Provides that a person commits an offense if the person knowingly makes, utters, circulates, or transmits to another person a statement that is untrue and derogatory to the financial condition of an association; or with intent to injure an association counsels, aids, procures, or induces another person to originate, make, utter, transmit, or circulate a statement or rumor that is untrue and derogatory to the financial condition of the association.

Provides that an offense is a state jail felony punishable by a fine, imprisonment in the Texas Department of Criminal Justice for not more than two years, or both the fine and imprisonment.

Authorizes the finance commission to adopt rules necessary to supervise and regulate savings banks and to protect public investment in savings banks, including rules relating to the form and content of any report that a savings bank is required to prepare and publish or file under Chapter 96 (Supervision and Regulation).

Requires a savings bank to make any report the commissioner may require to administer and enforce Chapter 96 (Supervision and Regulation), Finance Code.

Requires that a report must be in the form and manner the commissioner prescribes and filed on the date the commissioner prescribes.

Requires the commissioner, when a supervisory order has been issued to report the existence of the order promptly to the finance commission but to maintain the confidentiality of the content of the order.

Provides that a person commits an offense if the person knowingly makes, utters, circulates, or transmits to another person a statement that is untrue and derogatory to the financial condition of a savings bank, or with intent to injure a savings bank counsels, aids, procures, or induces another person to originate, make, utter, transmit, or circulate a statement or rumor that is untrue and derogatory to the financial condition of the savings bank.

Provides that an offense is a state jail felony.

Repeals Section 92.103 (Decision on Application; Issuance of Certificate of Incorporation), Section 92.202 (Liquidity), Subchapter E (Investment in Local Service Area), Chapter 94 (Loans and Investments), Section 96.051(d) (relating to not requiring an audit by an independent accounting firm that is a member of the American Institute of Certified Public Accountants or its successor, and Section 96.053(a) (relating to requiring a savings bank to provide to the commissioner on a form to be prescribed and furnished by the commissioner a written report of its affairs and operations), of the Finance Code.
Registration of Trademarks and Service Marks—S.B. 1033
by Senator Carona—House Sponsor: Representative Villalba

Trademark is a word, phrase, symbol, or design that identifies and distinguishes the source of a product. A service mark is the same as a trademark, except that it identifies and distinguishes the source of a service rather than a product. Both trademarks and service marks are referred to simply as "marks."

The Texas Legislature implemented the Texas Trademark Act (Act) in H.B. 3141, 82nd Legislature, Regular Session, 2011. The Act was intended to make Texas's law more consistent with the Lanham Act, which governs federal trademark law. In effect, the Act strengthened marks registered in Texas through a heightened application process, shorter registration terms, and a more concrete definition of "mark dilution." However, since the Act's implementation, certain problems and inconsistencies have been identified. This bill:

Provides that a trade name is not registrable.

Provides that if a trade name is also a service mark or trademark, the trade name is registrable as a service mark or trademark.

Provides that use of a mark made merely to reserve a right in the mark is not considered to be a bona fide use of a mark.

Authorizes the registration of a mark to be renewed for an additional five-year term by filing a renewal application in the manner prescribed by the secretary of state and paying a renewal fee not earlier, rather than not later, than the 180th day before the date the registration expires.

Regulation of Professional Employer Services—S.B. 1286
by Senator Williams—House Sponsor: Representative Hunter

Modernization of Chapter 91 (Staff Leasing Services), Labor Code, is needed and all defined terms need to be updated to reflect the current state of the industry. Chapter 91 was enacted more than 15 years ago and the defined terms included in the statute no longer accurately reflect the business models of the industry. The industry seeks to change the name of the chapter to "Professional Employer Organizations" and to update all defined terms so that they accurately reflect the current state of the industry.

Additionally, clarification is needed whether a professional employer organization has the ability to sponsor a self-funded health benefit plan and whether either a professional employer organization or client may elect to obtain workers' compensation insurance for covered employees, and both the professional employer organization and its client are protected under the exclusive remedy provisions, regardless of which entity holds the policy. This bill:


Defines "coemployer," "coemployment relationship," "covered employee," "professional employer services," and "professional employer organization."
Provides that a coemployment relationship is intended to be an ongoing relationship, in which the rights, duties, and obligations of an employer that arise out of an employment relationship are allocated between coemployers under a professional employer services agreement.

Provides that coemployment is not a joint employment arrangement.

Provides that in a coemployment relationship the professional employer organization is authorized to enforce only those employer rights and is subject to only those obligations specifically allocated to the professional employer organization by the professional employer services agreement; the client is authorized to enforce any right and is obligated to perform those employer obligations allocated to the client by the professional employer services agreement; and the client is authorized to enforce any obligation of an employer not specifically allocated to the professional employer organization by the professional employer services agreement or this chapter.

Requires a covered employee to meet certain criteria, including the individual is required to receive written notice of the coemployment relationship with the professional employer organization, and the individual's coemployment relationship is required to be under a professional employer services agreement.

Provides that an individual who is an executive employee of the client is a covered employee, except to the extent the professional employer organization and the client expressly agree in the professional employer services agreement that the individual is not a covered employee.

Provides that each person who offers professional employer services are subject to state law and the rules adopted by the Texas Commission of Licensing and Regulation (TCLR).

Requires each state agency in performing duties under other law that affects the regulation of professional employer services to cooperate with the Texas Department of Licensing and Regulation (TDLR) and other state agencies as necessary to implement and enforce this chapter.

Provides that a covered employee who is licensed, registered, or certified under law, is considered to be an employee of the client, for the purpose of that license, registration, or certification, and is considered to be an employee of the client company for the purpose of that license, registration, or certification.

Provides that a license holder is not engaged in the unauthorized practice of an occupation, trade, or profession that is licensed, certified, or otherwise regulated by a governmental entity solely by entering into a professional employer services agreement with a client and covered employee.

Provides that a certificate of insurance coverage or other evidence of coverage showing that either a license holder or a client maintains a policy of workers' compensation insurance coverage constitutes proof of workers' compensation insurance coverage for the license holder and the client with respect to all covered employees of the license holder and the client.

Requires the state and a political subdivision of the state to accept a certificate of insurance coverage or other evidence of coverage as proof of workers' compensation coverage.

Prohibits a person from engaging in or offering professional employer services in this state unless the person holds a license.
Requires a person, to be qualified to serve as a controlling person of a license holder, to be at least 18 years of age and have educational, managerial, or business experience relevant to operation of a business entity offering professional employer services, or experience relevant to service as a controlling person of a professional employer organization.

Requires that each applicant for an original or renewal professional employer organization license to pay to TDLR before the issuance of the license or license renewal a fee set by TCLR by rule.

Authorizes a license holder offering professional employer services in more than one state to advertise in this state using the name of its parent company or under a trade name, trademark, or service mark.

Requires each written proposal provided to a prospective client and each contract between a license holder and a client or covered employee to clearly identify the name of the license holder.

Requires TCLR by rule to provide for the issuance of a limited license to a person who seeks to offer limited professional employer services in this state.

Provides that a professional employer organization is considered to be offering limited professional employer services if the professional employer organization employs fewer than 50 covered employees in this state at any one time; does not provide covered employees to a client based or domiciled in this state; and does not maintain an office in this state or solicit clients located or domiciled in this state.

Requires a license holder to establish the terms of a professional employer services agreement by a written contract between the license holder and the client.

Requires the license holder to give written notice of the agreement as it affects covered employees to each covered employee.

Requires that a professional employer services agreement between a license holder and a client provide that the license holder perform certain actions.

Provides that a client retains sole responsibility for the direction and control of covered employees as necessary to conduct the client's business, discharge any applicable fiduciary duty, or comply with any licensure, regulatory, or statutory requirement; goods and services produced by the client; and the acts, errors, and omissions of covered employees committed within the scope of the client's business.

Provides that a client is solely obligated to pay any wages for which obligation to pay is created by an agreement, contract, plan, or policy between the client and the covered employee, and the professional employer organization has not contracted to pay.

Requires that each professional employer organization disclose the requirements in writing to each covered employee.

Provides that a client and license holder are each considered an employer under the laws of this state for purposes of sponsoring retirement and welfare benefit plans for covered employees.
Authorizes a license holder to sponsor a single welfare benefit plan under which eligible covered employees of one or more clients is authorized to elect to participate.

Requires that a fully insured welfare benefit plan offered to the covered employees of a license holder and provided by an insurance company authorized to provide that insurance in this state or a self-funded health benefit plan sponsored by a license holder be treated for purposes of state law as a single employer welfare benefit plan.

Requires a license holder, with respect to any insurance or benefit plan provided by a license holder for the benefit of its assigned employees, to disclose certain information to TDLR, each client, and its covered employees.

Authorizes a license holder to sponsor a benefit plan that is not fully insured if the license holder meets the requirements and is approved to sponsor the plan by the commissioner of insurance (commissioner).

Authorizes the commissioner, on notice and opportunity for all interested persons to be heard, to adopt rules and issue orders reasonable necessary to augment and implement the regulation of benefit plans sponsored by a license holder that is not fully insured.

Prohibits the commissioner from adopting a rule that requires clients or covered employees to be members of an association or group in the same trade or industry in order to be covered by a license holder-sponsored benefit plan that is not fully insured.

Requires that the rules include all requirements that are required to be met by the license holder and the plan, including initial and final approval requirements; authority to prescribe forms and items to be submitted to the commissioner by the license holder; a fidelity bond; use of an independent actuary; use of a third-party administrator; authority for the commissioner to examine an application or a plan; the minimum number of clients and covered employees covered by the plan; standards for those natural persons managing the plan; the minimum amount of gross contributions; the minimum amount of written commitment, binder, or policy for stop-loss insurance; the minimum amount of reserves; and a fee in an amount reasonable and necessary to defray the costs of administering this section to be deposited to the credit of the operating fund of the Texas Department of Insurance (TDI).

Provides that the information submitted is confidential and not subject to disclosure under Chapter 552 (Public Information), Government Code.

Requires each license holder to appoint the commissioner as its resident agent for purposes of service of process.

Provides that the fee for that service is $50, payable at the time of appointment.

Authorizes the commissioner to examine the affairs of any plan and requires the commissioner to have access to the records of the plan.

Authorizes the commissioner to examine under oath a manager or employee of the license holder in connection with the plan.
Authorizes the commissioner, in addition to any requirement or remedy under a law, to suspend, revoke, or limit the certificate of authority of a plan if the commissioner determines after notice and hearing that the plan does not comply with law.

Authorizes the commissioner to notify the attorney general of a violation, and authorizes the attorney general to apply to a district court in Travis County for leave to file suit in the nature of quo warranto or for injunctive relief or both.

Authorizes a license holder or client to elect to obtain workers’ compensation insurance coverage for covered employees through an insurance company or through self-insurance.

Requires the client and the professional employer organization to specify in the professional employer services agreement whether the parties have elected to obtain workers’ compensation insurance coverage for the covered employees and to specify which party must maintain coverage.

Provides that, if the license holder maintains workers’ compensation insurance coverage for the client, an individual who is an executive employee of the client is eligible to be treated as an executive employee for premium calculation and classification purposes.

Requires that a copy of the professional employer services agreement be provided to TDI on request.

Provides that information obtained by TDI is confidential and not subject to disclosure under Chapter 552, Government Code.

Requires the client, if the client elects to maintain workers’ compensation insurance coverage for the covered employees under the client's policy or other coverage, to pay workers’ compensation insurance premiums for the covered employees based on the experience rating of the client.

Requires the license holder, if a license holder maintains workers’ compensation insurance coverage for covered employees, to pay workers’ compensation insurance premiums for the covered employees based on the experience rating of the client for the first two years the covered employees are covered under the professional employer organization's policy and as further provided by rule by TDI.

Requires a license holder and the license holder's client, for workers' compensation insurance purposes, to be coemployers.

Provides that, if either a license holder or a client elects to obtain workers' compensation insurance coverage for covered employees, the client and the license holder are subject to Sections 406.005 (Employer Notice to Employees; Administrative Violation) 406.034 (Employee Election) 408.001 (Exclusive Remedy; Exemplary Damages), and 411.032 (Employer Injury and Occupational Disease Report; Administrative Violation).

Requires that the premium for the workers' compensation insurance coverage for the client, after an expiration for a two-year period, if the client elects to obtain workers' compensation insurance coverage for covered employees through coverage maintained by the client, or if the professional employer services agreement is terminated and the client elects to maintain, through coverage maintained by the client or through coverage maintained by a successor professional employer organization, workers' compensation
insurance coverage for employees previously covered by the former professional employer organization's policy, be based on the lower of the experience modifier of the client before being covered under the professional employer organization's coverage or the experience modifier of the license holder at the time the client's coverage under the professional employer organization's coverage is terminated.

Requires a license holder that elects to provide workers' compensation insurance for covered employees, on the written request of a client, to provide to the client a list of claims associated with that client made against the license holder's workers' compensation policy.

Requires the license holder to provide the information in writing from the license holder's own records, if the license holder is a qualified self-insurer, or from information the license holder received from the license holder's workers' compensation insurance provider following the license holder's request not later than the 60th day after the date the license holder receives the client's written request.

Provides that information is considered to be provided to the client on the date the information is personally delivered to the client.

Provides that each license holder is responsible for the license holder's contractual duties and responsibilities to manage, maintain, collect, and make timely payments for certain obligations, including for any other expressed responsibility within the scope of the professional employer services agreement for fulfilling the duties.

Requires each license holder to maintain and provide certain information, including each professional employer services agreement with a client.

Prohibits a person from engaging in or offering professional employer services without holding a license as a professional employer organization; using the name, title, or designation "professional employer organization," "PEO," "staff leasing company," "employee leasing company," "licensed professional employer organization," "professional employer organization services company," "professional employer organization company," or "administrative employer;" or otherwise representing that the entity is licensed under this chapter unless the entity holds a license issued.

Defines "professional employer organization."

Provides that a license holder commits a violation if the license holder fails to provide the information required.

Provides that a license holder does not commit an administrative violation if the license holder requested the information required from the license holder's workers' compensation insurance provider and the provider does not provide the information to the license holder within the required time.

Provides that certain services are not taxable, including a service performed by covered employees of a professional employer organization or that is exempt from the licensing requirements for a client under a written contract that provides for shared employment responsibilities between the professional employer organization and the client for the covered employees, most of whom must have been previously employed by the client.
Requires the comptroller of public accounts of the State of Texas (comptroller) to prescribe by rule the minimum percentage of covered employees that must have been previously employed by the client, the minimum time period the covered employees are required to have been employed by the client prior to the commencement of its contract, and such other criteria as the comptroller is authorized to deem necessary for implementation of this Act.

Requires a taxable entity that is a professional employer organization to exclude from its total revenue payments received from a client for wages, payroll taxes on those wages, and employee benefits for the covered employees of the client.

Prohibits a taxable entity that is a professional employer organization from including as wages or cash compensation payments, and requires the entity to determine compensation only for the taxable entity's own employees that are not covered employees.

Requires a taxable entity that is a client of a professional employer organization, in calculating cost of goods sold or compensation, to rely on information provided by the professional employer organization on a form promulgated by the comptroller or an invoice.

Repeals Sections 91.001(2) (defining "assigned employee") and 91.043 (Health Benefit Plans), Labor Code, and Section 171.0001(2) (defining "assigned employee"), Tax Code.

**Regulation and Practice of Veterinary Medicine—S.B. 1312**

*by Senator Schwertner—House Sponsor: Representative Aycock*

Currently, veterinary technicians are not licensed by the state but are registered as veterinary technicians through the Texas Veterinary Medical Association (TVMA). As a nonprofit organization, TVMA lacks the ability to investigate complaints and to prevent misrepresentation of education and credentialing by veterinary technicians. In most states veterinarian technicians are recognized as licensed professionals. Licensure increases the incentive for individuals to take advantage of the many educational opportunities in the state for veterinary technicians while bettering the veterinary profession and increasing the pool of educated employees. This bill:

Defines "certified veterinary assistant," "immediate supervision," "licensed veterinary technician," and "veterinary assistant."

Requires the State Board of Veterinary Medical Examiners (SBVME) to adopt rules to provide for the licensing and regulation of licensed veterinary technicians.

Requires SBVME to adopt rules to implement a jurisprudence examination for licensed equine dental providers and licensed veterinary technicians, including rules relating to the development and administration of the examination, examination fees, guidelines for reexamination, examination grading, and provision of notice of examination results.

Authorizes SBVME to appoint advisory committees to perform advisory functions as assigned by SBVME and requires the advisory committees to provide independent expertise on SBVME functions and policies, but prohibits the advisory committees from being involved in setting SBVME policy.
Requires SBVME to adopt rules regarding the purpose, structure, and use of an advisory committee, including rules on:

- the purpose, role, responsibility, and goal of an advisory committee;
- the size and quorum requirements for an advisory committee;
- the composition and representation of an advisory committee;
- the qualifications of advisory committee members, including any experience requirements or requirements that members represent specific geographic regions of the state;
- the appointment procedures for an advisory committee;
- the terms of service for advisory committee members;
- the training requirements for advisory committee members, if necessary;
- the method SBVME will use to receive public input on issues addressed by an advisory committee; and
- the development of SBVME policies and procedures to ensure that an advisory committee meets the requirements for open meetings under Chapter 551 (Open Meetings), Government Code, including notice requirements.

Provides that, to the extent of any conflict with Chapter 2110 (State Agency Advisory Committees), Government Code, Section 801.163 (Advisory Committees), Occupations Code, and board rules adopted control.

Requires SBVME to develop and administer a jurisprudence examination for licensed equine dental providers to determine an applicant's knowledge of Chapter 801 (Veterinarians), Occupations Code, SBVME rules, and any other applicable laws of this state affecting the applicant's practice, rather than the applicant's equine dentistry practice.

Requires SBVME to develop and administer a jurisprudence examination for licensed veterinary technicians to determine an applicant's knowledge of Chapter 801, Occupations Code, SBVME rules, and any other applicable laws of this state affecting the applicant's employment as a licensed veterinary technician.

Requires SBVME to issue a veterinary technician license to a person who is qualified and provides that a person is qualified to be licensed as a licensed veterinary technician if the person:

- passes a jurisprudence examination conducted by SBVME in accordance with Section 801.264 (Jurisprudence Examination);
- is at least 18 years old;
- has graduated from a program accredited by the American Veterinary Medical Association;
- has passed the Veterinary Technician National Examination; and
- is not disqualified under this chapter or board rule.

Requires an applicant for a veterinary technician license to submit to SBVME an application on the form prescribed by SBVME, information to enable SBVME to conduct a criminal background check if required by SBVME, and any other information required by SBVME.

Prohibits a person from using the title "Licensed Veterinary Technician" or "LVT" or advertising or offering services in a manner to lead other people to believe that the person is licensed as a licensed veterinary
technician unless the person holds a license under Section 801.265 (Licensed Veterinary Technician: Application, Qualifications, and Issuance), Occupations Code.

Requires a licensed veterinary technician, if employed by a veterinary hospital, to display at that facility the person's license issued by SBVME or a legible photocopy of the license.

Requires SBVME by rule to establish a minimum number of hours of continuing education required to renew a license to practice veterinary medicine or work as a licensed veterinary technician.

Requires that decisions relating to the diagnosis, treatment, management, and future disposition of an animal patient be made by a supervising veterinarian.

Requires a supervising veterinarian to determine the appropriate level of supervision and protocol for a task that is delegated to a licensed veterinary technician, certified veterinary assistant, or veterinary assistant by considering the level of training and experience of the person to whom the task is delegated.

Authorizes a veterinarian, according to the judgment of the supervising veterinarian, to delegate greater responsibility to a licensed veterinary technician than to a certified veterinary assistant or a veterinary assistant and authorizes a veterinarian to provide greater supervision for a task performed by a certified veterinary assistant or a veterinary assistant than for the same task performed by a licensed veterinary technician.

Prohibits a satellite office or mobile facility from being operated without a supervising veterinarian.

Authorizes a licensed veterinary technician to:

- under the direct or immediate supervision of a veterinarian suture to close existing surgical skin incisions and skin lacerations; induce anesthesia; and extract loose teeth or dental fragments of companion animals with minimal periodontal attachments by hand and without the use of an elevator;
- under the direct, immediate, or general supervision of a veterinarian draw blood; and take samples for the purpose of testing and diagnosis;
- perform a task assigned by the supervising veterinarian under a level of supervision determined by the supervising veterinarian; and
- immediately supervise a certified veterinary assistant or veterinary assistant who is performing a task or other tasks related to animal care as assigned by the supervising veterinarian according to the protocol established by the supervising veterinarian.

Provides that a licensed veterinary technician who is immediately supervising a task performed by a certified veterinary assistant or a veterinary assistant is responsible for conduct that violates laws, including SBVME rules, related to the practice of veterinary medicine.

Authorizes a certified veterinary assistant or veterinary assistant, under the direct or immediate supervision of a veterinarian, to suture existing surgical skin incisions and skin lacerations and induce anesthesia, and perform other tasks assigned by the supervising veterinarian under a level of supervision determined by the supervising veterinarian.
Prohibits a licensed veterinary technician, certified veterinary assistant, or veterinary assistant from:

- performing surgery;
- performing an invasive dental procedure, except for extracting loose teeth or dental fragments;
- diagnosing or determining a prognosis for an animal disease or condition;
- prescribing a drug or appliance; or
- initiating treatment without prior instruction by a veterinarian, except in the case of an emergency.

Provides that a person is subject to denial of a license or to disciplinary action under Section 801.401 (Disciplinary Powers of Board), Occupations Code, for engaging in certain actions, including if the person is convicted for an offense under Section 42.09 (Cruelty to Livestock Animals), 42.091 (Attack on Assistance Animal), or 42.092 (Cruelty to Nonlivestock Animals), Penal Code; represents the person as a veterinarian without a license issued under this chapter; practices veterinary medicine or assists in the practice of veterinary medicine without an appropriate license; or violates Section 801.353 (Confidentiality; Waiver), Occupations Code, or a rule adopted by SBVME related to confidentiality.

Requires SBVME, before September 1, 2014, to issue a veterinary technician license described by Section 801.265, Occupations Code, to a person who presents proof of registration in good standing as a registered veterinary technician with the Texas Veterinary Medical Association and submits an application and required fee.

Authorizes a license issued under this section to be renewed in the same manner as a license issued to a person under Section 801.265, Occupations Code.

Requires SBVME, not later than June 1, 2014, to adopt the rules, procedures, fees, and jurisprudence examination necessary to administer Chapter 801, Occupations Code, as amended by this Act.

Provides that, notwithstanding Chapter 801, Occupations Code, a person employed as a licensed veterinary technician is not required to hold a license under that chapter to practice as a licensed veterinary technician in this state before September 1, 2014.

Applicability of Certain Public Works Contracting Requirements—S.B. 1430

by Senator Hinojosa—House Sponsor: Representative Herrero

Current law limits the number of design-build public works contracts certain entities can award. In addition, change order authority is now reserved for municipalities with a population of least 500,000, even though the only limitation on an administrative official's ability to approve a change order was the dollar amount of the change order. This bill:

Removes statutory provisions relating to limits on the number of certain civil works projects delivered by the design-build method for which a governmental entity with a population of 500,000 or more within the entity's geographic boundary or service area or a municipally owned water utility with a separate governing board appointed by the governing body of such a municipality may enter into contracts before September 1, 2013. Establishes August 31, 2013, as the date after which such a governmental entity or such a municipally owned water utility may enter into not more than six contracts for such civil works projects.
Removes a provision limiting to not more than two the number of certain civil works projects delivered by the design-build method for which the following entities may enter into contracts before September 1, 2015: a governmental entity that has a population of 100,000 or more but less than 500,000, or a governmental entity that is a board of trustees of a harbor and port facility in a municipality that has a population of more than 5,000 located on the Gulf of Mexico or a channel, canal, bay, or inlet connected to that gulf.

Establishes August 31, 2013, as the date after which such an entity may enter into not more than four contracts for such civil works projects.

Changes from 500,000 to 300,000 the minimum population of a municipality for the governing body of the municipality to be authorized to grant general authority to an administrative official of the municipality to approve a change order if the change order for a public works contract involves a decrease or an increase of $100,000 or less, or a lesser amount as approved by ordinance.

**Deposit of Assessments and Fees Collected For Examination Expenses—S.B. 1665**

*by Senator Carona—House Sponsor: Representative Smithee*

In 2011, the 82nd Legislature passed S.B. 1291, which established a self-directed budget for the examinations and actuarial divisions of the Texas Department of Insurance (TDI). In part, this established an account in the Texas Safekeeping Trust Company to pay defined TDI examination costs. The intent of this legislation was to ensure that only TDI's self-directed budget was used to fund these defined examination costs. Furthermore, S.B. 1291 expressly stated that TDI's regular operating account may not directly or indirectly incur examination costs.

S.B. 1, the General Appropriations Act of the 83rd Legislature, requires TDI to use its operating account to reimburse the comptroller of public accounts of the State of Texas $10,000,000 in fiscal year 2015 for certain premium tax credits relating to examination costs. In effect, this requires TDI to use its operating account to indirectly pay for examination costs that are shifted to the state as a result of these premium tax credits. This requirement directly conflicts with statute prohibiting TDI's operating account from incurring examination costs. Moreover, TDI has no mechanism to reimburse its operating account through the self-directed budget established by S.B. 1291. This bill:

Requires that TDI deposit any assessments or fees collected under this subchapter relating to the examination of insurers and other regulated entities by the financial examinations division or actuarial division to the credit of an account with the Texas Treasury Safekeeping Trust Company to be used exclusively to pay examination costs, reimbursement of TDI operating account for administrative support costs, and reimbursement of premium tax credits for examination costs and examination overhead assessments.

Provides that money deposited accumulates and is authorized to be disbursed to TDI.
Oversight and Management of State Contracts—S.B. 1681
by Senator Zaffirini—House Sponsor: Representative Harper-Brown

There is a need for increased oversight and training in the state contracting process. This bill:

Requires the comptroller of public accounts of the State of Texas (comptroller) to establish by rule threshold requirements that exclude small or routine contracts, including purchase orders, from the application of statutory provisions relating to statewide contract management. Exempts from the application of such provisions an enrollment contract with multiple vendors for the purchase of goods and services by health and human service agencies under Health and Human Services Commission (HHSC) rules.

Requires the comptroller to consult with state agencies in developing forms, contract terms, and criteria required under provisions relating to statewide contract management.

Adds HHSC to the list of entities with which the comptroller is required to coordinate in developing a training program for contract managers. Requires the comptroller to certify contract managers who have completed the required contract management training. Authorizes a state agency to develop qualified contract manager training to supplement the required training and authorizes the comptroller to incorporate the training developed by the agency into the comptroller-developed training program. Requires the comptroller to develop the training program not later than May 1, 2014. Provides that a contract manager is not required to be certified until September 1, 2015.

Requires the comptroller, not later than May 1, 2014, to adapt the contract management training program to provide an abbreviated program for training the members of state agency governing bodies. Authorizes the training to be provided together with other required training for members of state agency governing bodies. Requires all members of such governing bodies to complete at least one course of such training, specifies that such a member is not required to complete the training until September 1, 2015, and exempts from this requirement a state agency that does not enter into any contracts.

Repeals provisions requiring the state agency contract management guide to establish procedures by which a state agency is required to consult with the Contract Advisory Team (advisory team) before issuing a solicitation for a major contract.

Requires the comptroller to evaluate a vendor's performance based on information reported by state agencies and criteria established by the comptroller. Requires the comptroller to establish an evaluation process that allows vendors who receive an unfavorable performance review to protest any classification given by the comptroller and to include the performance reviews in a vendor performance tracking system and requires the comptroller to use the vendor performance tracking system established by the comptroller before the bill's effective date in carrying out the comptroller's duties under these provisions.

Provides that the duty of the advisory team to state agencies in improving contract management practices by reviewing the solicitation of major contracts includes reviewing and making recommendations on the solicitation documents and contract documents for contracts of state agencies that have a value of at least $10 million. Expands the advisory team's duties in providing such assistance to include providing recommendations and assistance to state agency personnel throughout the contract management process; coordinating and consulting with the quality assurance team on all contracts relating to a major information resources project; and creating and periodically performing a risk assessment to determine the appropriate level of management and oversight of contracts by state agencies. Requires the risk assessment to include
as criteria the amount of appropriations to the agency, the total contract value as a percentage of appropriations to the agency, and the impact of the functions and duties of the state agency on the health, safety, and well-being of residents.

Requires the comptroller to oversee the activities of the advisory team, including ensuring that the advisory team carries out its duties to coordinate and consult with the quality assurance team on all contracts relating to a major information resources project. Requires a state agency to comply with a recommendation made on the solicitation documents and contract documents for contracts of state agencies that have a value of at least $10 million or to submit a written explanation regarding why the recommendation is not applicable to the contract under review. Authorizes the advisory team to review such documents only for compliance with contract management and best practices principles and prohibits the advisory team from making a recommendation regarding the purpose or subject of the contract. Authorizes the advisory team to develop an expedited process for reviewing solicitation documents for contracts of state agencies that have a value of at least $10 million that the team identifies as posing a low risk of loss to the state, or for which templates will be used more than once by a state agency.

Increases the membership of the advisory team from five members to six members, adds one member from a state agency with fewer than 100 employees, and includes one member from HHSC. Requires the attorney general's office to provide legal assistance to the team.

Requires the comptroller to develop recommendations for contract terms regarding remedies for noncompliance by contractors, including remedies for noncompliance with any required disclosure of conflicts of interest by contractors. Authorizes the comptroller to develop recommended contract terms that are generally applicable to state contracts and terms that are applicable to important types of state contracts. Authorizes a state agency to include applicable recommended terms in a contract entered into by the agency. Requires the comptroller to develop and make available a uniform and automated set of forms that a state agency may use in the different stages of the contracting process. Requires the comptroller, as part of such uniform forms, to develop forms for state agencies to report a contractor's performance for use in the vendor performance tracking system. Requires the comptroller and the advisory team to develop the forms and recommendations required under the bill's provisions as soon as practicable, but not later than May 1, 2014.

Repeals provisions requiring the contract management guide to establish procedures by which a state agency is required to consult with the advisory team before issuing a solicitation for a major contract. Repeals Section 2262.051(f) (relating to certain requirements of the contract management guide), Government Code.
Sunset Review of Certain Powers and Duties of the Department of State Health Services—H.B. 1394
by Representative Susan King—Senate Sponsor: Senator Duncan

The Texas Health Care Information Council (council) was established to develop a statewide health care data collection system to collect certain information relating to health care charges, utilization data, provider quality data, and outcome data. Legislation in the 78th Legislature abolished the council and transferred its functions to the Department of State Health Services (DSHS). This bill:

Requires the Sunset Advisory Commission (sunset), in the review of DSHS by the sunset commission, as required by Section 11.003 (Sunset Provision) and Section 1001.003 (Sunset Provision), Health and Safety Code, to review the powers and duties exercised by DSHS under Chapter 108 (Texas Health Care Information Council), Health and Safety Code, and determine whether DSHS, under that chapter, is achieving the legislature's intent of empowering consumers with information to make informed health care decisions; maintaining appropriate privacy and security standards for patient information; and limiting the patient information DSHS collects to the information necessary for performing DSHS's duties under Chapter 108.

Requires sunset to report its findings to the legislature in the report required by Section 325.010 (Commission Report), Government Code.

Provides that these provisions expire September 1, 2015.

Provides that, unless continued in existence in accordance with the Texas Sunset Act, after the required review, Chapter 108, Health and Safety Code, expires September 1, 2015.

Continuation of the Public Utility Commission—H.B. 1600
by Representative Cook et al.—Senate Sponsor: Senator Nichols

The Public Utility Commission (PUC) oversees electric and telecommunications companies in Texas. The legislature created PUC in 1975 to regulate rates and services of monopoly utilities as a substitute for competition. Since then, legislative changes have restructured and deregulated major portions of electric and telecommunications markets, and PUC's focus has evolved to one of overseeing aspects of these changes. The 82nd Legislature reviewed PUC under the Sunset Act, but the bill failed to pass. The legislature continued PUC for two years and directed the Sunset Advisory Commission (sunset) to consider the continuing appropriateness of sunset recommendations from the last biennium. Sunset has concluded that most of the recommendations continue to be appropriate, with limited changes. This bill:

Sets forth the membership of PUC and appointment qualifications.

Prohibits a commissioner or PUC employee, during the period of service with PUC, from having a pecuniary interest, including an interest as an officer, director, partner, owner, employee, attorney, or consultant, in a public utility or affiliate; or a person a significant portion of whose business consists of furnishing goods or services to public utilities or affiliates; or accept a gift, gratuity, or entertainment from a public utility, affiliate, or direct competitor of a public utility; a person a significant portion of whose business consists of furnishing goods or services to public utilities, affiliates, or direct competitors of public utilities; or
an agent, representative, attorney, employee, officer, owner, director, or partner of a person of such businesses.

Authorizes PUC, in limited circumstances, to issue emergency cease-and-desist orders to electric industry participants.

Requires PUC to provide for the renewal of certificates for competitive local exchange carriers.

Requires PUC to exercise additional oversight authority of the Electric Reliability Council of Texas (ERCOT), including budget approval.

Requires the system administration fee to vary when needed to match revenues to the budget approved by PUC.

Transfers responsibility for regulating water and wastewater rates and services from the Texas Commission on Environmental Quality (TCEQ) to PUC.

Provides for the Office of Public Utility Counsel (OPUC) and directs OPUC to represent residential and small commercial interests relating to water and wastewater utilities.

Continues PUC for 10 years.

Prohibits PUC commissioners from being employed by ERCOT for a period of two years after they leave PUC.

Establishes investor-owned utility (IOU) classifications based on the number of connections.

Sunset Review Schedule—H.B. 1675

by Representative Dennis Bonnen—Senate Sponsor: Senator Nichols

State agencies undergo periodic review by the Sunset Advisory Commission (sunset). The legislature frequently changes the review schedule for certain agencies to balance sunset's workload and to better align the reviews of agencies by grouping them based on subject matter. Rules under which sunset reviews are conducted require occasional review and clarification. Legislation is needed to better align and group agencies set for sunset review in upcoming biennia and establish the parameters under which sunset staff will work with named agencies and provide clarification of the sunset review process for the coming biennium. This bill:

Changes the sunset dates for the Texas Education Agency and the Texas Facilities Commission to September 1, 2015.

Adds the University Interscholastic League (UIL) to the sunset review process for September 1, 2015. Requires UIL to pay for its sunset review.

Changes the sunset dates for the Texas Department of Transportation, the Texas Facilities Commission, and the Texas Department of Housing and Community Affairs to September 1, 2017.
Adds the board of trustees of the Employees Retirement System of Texas to the sunset review process. Requires the board to be reviewed during the period in which state agencies abolished in 2017, and every 12th year after that year, are reviewed.

Adds Sulphur River Basin Authority sunset review process and makes the sunset date for the authority September 1, 2017. Requires the authority to pay for its sunset review.

Requires the Railroad Commission of Texas (railroad commission) to undergo a limited review sunset in September 1, 2017. Requires the railroad commission to pay for its sunset review.

Changes the sunset date of the regional education service centers, Texas Finance Commission, Office of Banking Commissioner Office of Savings and Mortgage Lending Commissioner and the Department of Savings and Mortgage Lending, Texas Windstorm Insurance Association, State Securities Board, and Texas State Board of Public Accountancy to September 1, 2019.

Changes the sunset date of the Texas Invasive Species Coordinating Committee, the Division of Workers Compensation of the Texas Department of Insurance, and the Office of Injured Employee Counsel to September 1, 2021.

Provides that the State Employee Charitable Campaign Policy Committee sunset date is September 1, 2025.

Requires sunset to review the Early Childhood Health and Nutrition Interagency Council as part of its periodic review of the Texas Department of Agriculture.

Defines "self-directed semi-independent agency" and requires a self-directed semi-independent agency to pay the costs incurred by sunset in performing a review of the agency under this chapter. Requires sunset to determine the costs of the review, and the agency to pay the amount of those costs promptly on receipt of a statement from sunset regarding those costs.

Authorizes sunset or its designated staff member to attend any meetings and proceedings of any state agency, including any meeting or proceeding of the governing body of the agency that is closed to the public, and to inspect the records, documents, and files of any state agency, including any record, document, or certain files.

Provides that it is the intent of the legislature to allow sunset and its designated staff members to have access to all meetings or proceedings of a state agency being reviewed by the commission under this chapter and to all records, documents, and files of that agency. Provides that to the extent that this conflicts with other law that purports to limit sunset's access to meetings or proceedings or to records, documents, and files, this section controls. Authorizes the state agency, if federal law prohibits a state agency from disclosing information in a record, document, or file to the commission, including information in a record, document, or file created as a result of or considered during a meeting or proceeding, to redact the protected information from the record, document, or file.

Provides that a state agency that provides sunset with access to a privileged or confidential communication, record, document, or file for purposes of a review does not waive the attorney-client privilege, or any other privilege or confidentiality requirement protected or required by the Texas
Constitution, common law, statutory law, or rules of evidence, procedure, or professional conduct, with respect to the communication, record, document, or file provided to the commission. Provides that a communication includes a discussion that occurs at a meeting or proceeding of the state agency that is closed to the public.

Authorizes the state agency to require sunset or the members of sunset's staff who view, handle, or are privy to information, or who attend a meeting that is not accessible to the public, to sign a confidentiality agreement that covers the information and requires that the information not be disclosed outside sunset for purposes other than the purpose for which it was received; the information be labeled as confidential; the information be kept securely; and the number of copies made of the information or the notes taken from the information that implicate the confidential nature of the information be controlled, with all copies or notes that are not destroyed or returned to the governmental body remaining confidential and subject to the confidentiality agreement.

Provides that a person who obtains access to confidential information in connection with the performance of sunset's duties under this chapter or another law commits an offense if the person knowingly uses the confidential information for a purpose other than the purpose for which the information was received or for a purpose unrelated to the law that permitted the person to obtain access to the information, including solicitation of political contributions or solicitation of clients; permits inspection of the confidential information by a person who is not authorized to inspect the information; or discloses the confidential information to a person who is not authorized to receive the information.

Continuation of Texas Board of Architectural Examiners—H.B. 1717
by Representative Price—Senate Sponsor: Senator Nichols

The Texas Board of Architectural Examiners (TBAE) regulates architects, landscape architects, and registered interior designers. To fulfill its mission of protecting the public, TBAE licenses these design professionals, investigates complaints, and takes disciplinary actions against individuals who violate TBAE's statute or rules.

TBAE is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. The Sunset Advisory Commission concluded that Texas has an ongoing need for the functions of TBAE, but that changes are needed to ensure public protection and effective state regulation of interior designers. This bill:

Provides that TBAE is subject to Chapter 325 (Sunset Law), Government Code (Texas Sunset Act).

Provides that, unless continued in existence TBAE is abolished and this subtitle expires September 1, 2025.

Requires TBAE to require that an applicant for a certificate of registration submit a complete and legible set of fingerprints, on a form prescribed by TBAE, to TBAE or to the Department of Public Safety of the State of Texas (DPS) for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation (FBI).
Prohibits TBAE from issuing a certificate of registration to a person who does not comply with certain requirements.

Requires TBAE to conduct a criminal history check of each applicant for a certificate of registration using information provided by the individual and made available to TBAE by DPS, the FBI, and any other criminal justice agency.

Authorizes TBAE to enter into an agreement with DPS to administer a criminal history check and authorizes DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history check.

Prohibits a person who holds a certificate of registration without examination from renewing the certificate on or after September 1, 2017, unless, before September 1, 2017, the person has passed the registration examination in effect on January 1, 2014. Provides that this provision expires January 1, 2019.

Authorizes a person whose certificate of registration has been expired for 90 days or less to renew the certificate by paying to TBAE a renewal fee that is equal to 1-1/2 times the required renewal fee.

Requires an applicant renewing a certificate of registration to submit a complete and legible set of fingerprints for purposes of performing a criminal history check of the applicant.

Prohibits TBAE from renewing the certificate of registration of a person who does not comply with the requirement.

Provides that a holder of a certificate of registration is not required to submit fingerprints for the renewal of the certificate of registration if the holder has previously submitted fingerprints for the initial issuance of the certificate of registration or as part of a prior renewal of a certificate of registration.

Prohibits the amount of an administrative penalty from exceeding $5,000 for each violation.

Provides that each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

Provides that the fee for the issuance of a certificate of registration and the fee for the renewal of a certificate of registration are increased by $200.

Repeals Section 1053.158 (Registration Without Examination), Occupations Code.

Requires TBAE, not later than December 1, 2013, to adopt rules necessary to implement the changes in law made by this Act.

Provides that this Act applies only to an application for a certificate of registration or renewal of a certificate of registration filed with TBAE on or after January 1, 2014.

Provides that an application filed before that date is governed by the law in effect at the time the application was filed, and the former law is continued in effect for that purpose.
Continuation and Functions of the Texas Lottery Commission—H.B. 2197
by Representative Anchia—Senate Sponsor: Senator Huffman

The Texas Lottery Commission (TLC) is subject to Chapter 325, of the Government Code, known as the Texas Sunset Act, and will be abolished on September 1, 2013, unless continued by the legislature. The Sunset Advisory Commission (sunset), following its review of TLC, has concluded that Texas has an ongoing need for the functions of TLC, but that opportunities exist to increase TLC’s effectiveness and accountability. This bill enacts the sunset recommendations and continues the existence of TLC. This bill:

Requires that a contract between the lottery division and a lottery operator allow termination of the contract without penalty if the division is abolished.

Requires TLC to develop a comprehensive business plan to guide its major initiatives.

Requires that the plan include certain criteria.

Requires TLC to at least annually hold a public meeting to discuss the plan or updates to the plan.

Authorizes TLC to purchase or lease facilities, goods, and services and make any purchases, leases, or contracts necessary for carrying out its purposes.

Requires TLC to review and approve all major procurements as provided by TLC rule.

Require TLC by rule to establish a procedure to determine what constitutes a major procurement.

Authorizes TLC to delegate to the executive director the authority to approve certain procurements.

Provides that TLC, along with the executive director:

- is authorized to establish procedures for the purchase or lease of facilities, goods, and services; and
- is required to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery.

Requires certain hearings to be conducted by the State Office of Administrative Hearings (SOAH).

Requires TLC by rule to require that a ticket containing words in a non-English language include disclosures in that language.

Authorizes certain revenues to be appropriated to provide indigent health care services.

Requires that certain prize money be deposited to the credit of the foundation school fund.

Continues TLC until September 1, 2025.

Creates the Legislative Committee to Review the Texas Lottery and Texas Lottery Commission (committee):
• Sets forth the composition of the committee.
• Requires the committee to study:
  • charitable bingo and the distribution of charitable bingo revenue; and
  • the elimination of the state lottery, including potential consequences.
• Sets forth the committee's powers.
• Requires the committee make an initial report of any findings and recommendations to the legislature not later than December 1, 2014.
• Authorizes the committee to make supplemental reports.
• Provides that these provisions expire September 1, 2015.

Increases the membership of TLC from three to five members.

Revises the staggered terms of members to provide that the terms of either one or two members expire February 1 of each odd-numbered year.

Bars an individual who is registered, certified, or licensed by a regulatory agency in the field of bingo or lottery from appointment to TLC.

Provides that a person is prohibited from being employed by TLC in certain capacities if the person or the person's spouse has a certain specified association with a Texas bingo or lottery trade association.

Prohibits a person from acting as TLC general counsel if the person is required to register as a lobbyist on behalf of a profession related to the operation of TLC.

Sets forth training requirements for TLC members.

Provides that a TLC member is entitled to reimbursement for certain travel expenses.

Clarifies the grounds for removal from TLC.

Requires the executive director to notify the TLC presiding officer of any potential ground for removal.

Requires the presiding officer to notify the governor and the attorney general of such potential ground.

Provides that if the potential ground for removal involves the presiding officer, the executive director must notify the next highest ranking TLC officer and this officer then must notify the governor and the attorney general.

Requires TLC to implement policies clearly separating the policymaking responsibilities of TLC and the management responsibilities of the executive director and TLC staff.

Requires TLC to develop and implement policies encouraging the use of negotiated rulemaking and alternative dispute resolution, and providing the public with a reasonable opportunity to appear before TLC and speak on issues under TLC's jurisdiction.
Requires TLC to maintain a system to promptly and efficiently act on complaints filed with TLC. Sets forth requirements for such complaint process.

Requires TLC to prepare a report on the trends and issues regarding violations of state laws under TLC's jurisdiction.

Requires TLC to adopt rules and guidelines:
- regarding the use of criminal history record information to issue or renew a bingo license or to list or renew the listing of an individual in the registry of approved bingo workers; and
- governing each part of the license renewal process.

Strikes provisions barring TLC from issuing certain licenses to a person convicted of a felony or a crime of moral turpitude.

Requires TLC to set the annual manufacturer's license fee and distributor's license fee in an amount reasonable to defray administrative costs, striking the set fees. Requires TLC to set a fee for amending a license, striking the $10 fee. Authorizes TLC to impose a fee for an initial registration application and renewal application in an amount sufficient to cover the application processing costs.

Requires that certain hearings be conducted by SOAH.

Authorizes TLC to:
- refuse to renew a license or registration;
- place on probation a person whose license or registration is suspended; and
- impose certain requirements on a person whose license or registration is suspended.

Requires TLC to adopt written guidelines ensuring that probation is administered consistently and to develop a system to track compliance with probation requirements.

Requires the director of bingo operations, before temporarily suspending a license, to determine if the license holder's continued operation may constitute a financial loss to the state.

Requires TLC to adopt rules governing the temporary suspension of such license; and a schedule of sanctions that defines and summarizes violations. Sets forth the required contents of this schedule.

Requires TLC to implement policies and procedures prioritizing the inspection of premises where bingo is or will be conducted in accordance with certain risk factors.

Requires TLC to develop a policy for auditing license holders. Sets forth the required contents of this auditing policy.

Requires TLC, not later than:
- January 1, 2014, to adopt all rules, policies, and procedures required by this Act; and
- September 1, 2014, to adopt the comprehensive business plan as added by this Act.
Continuation and Functions of DIR and Certain Procurement Functions of Comptroller—H.B. 2472

by Representative Cook—Senate Sponsor: Senator Birdwell

The Department of Information Resources (DIR) and the Texas Procurement and Support Services Division (TPASS) of the comptroller of public accounts of the State of Texas (comptroller) are both subject to the Sunset Advisory Commission's review process. The Sunset Advisory Commission determined that the state has a continuing need for the procurement, support, and information technology functions performed by DIR and TPASS and that no major organizational change is needed at this time. However, the Sunset Advisory Commission recommends increased coordination and improved data collection between the two agencies' procurement programs, as well as a broader Sunset evaluation of the state's overall approach to procurement and contracting in eight years. Finally, the Sunset Advisory Commission concluded that DIR has made progress to address concerns arising from the 2010 Sunset review, but statutory changes are still needed to ensure lasting change. This bill:

Provides that unless continued in existence as provided by Chapter 325 (Texas Sunset Act), DIR is abolished September 1, 2021, rather than September 1, 2013.

Requires that DIR board member training program provide information to the person regarding certain requirements, roles, rules, and laws pertaining to DIR, including information regarding this chapter and the governing board of DIR (board) to which the person is appointed to serve, rather than the enabling legislation that created DIR and its policymaking body to which the person is appointed to serve, and information regarding contract management training.

Removes text providing that an employee of DIR, other than the executive director of DIR (executive director), is prohibited from participating in DIR's bidding process, including the proposal development related to a contract and the negotiation of a contract, if the employee receives more than five percent of the employee's income from any likely bidder on the contract, or the employee's spouse is employed by any likely bidder on the contract.

Requires the board to appoint a customer advisory committee. Provides that the advisory committee is composed of representatives of customers who receive services from each of DIR's key programs, including state agencies with fewer than 100 employees, and the public. Requires the board, in making appointments to the advisory committee, to the extent practicable, ensure that the committee is composed of a cross-section of DIR's customers, including institutions of higher education, and the public. Requires the advisory committee to report to and advise the board on the status of DIR's delivery of critical statewide services.

Requires DIR to adopt a process to determine the amount of the administrative fee DIR charges to administer any of its programs, including fees charged for certain programs. Requires that the process requires that the amount of a fee directly relates to the amount necessary for DIR to recover the cost of its operations as determined by DIR's annual budget process. Requires DIR to develop clear procedures directing staff for each DIR program and DIR's financial staff to work together to determine the amount of administrative fees. Requires that the procedures require review and approval of all administrative fees by the board, the executive director, and DIR's chief financial officer. Requires DIR to report to the Legislative Budget Board (LBB) all administrative fees that DIR sets under Section 2054.0345 (Determination of Administrative Fees), Government Code, each fiscal year. Requires that the report include the underlying analysis and methodology used to determine the fee amounts and the cost allocation charged to
customers. Requires DIR to post on DIR's Internet website information about each administrative fee DIR charges, including a description of how the fee is determined. Requires DIR to update this information when a contract amendment or other action results in a major change to the costs incurred or the price paid by DIR or a customer of DIR.

Requires the board to develop and implement a policy to encourage the use of negotiated rulemaking procedures for the adoption of DIR rules and appropriate alternative dispute resolution procedures to assist in the resolution of internal and external disputes under DIR's jurisdiction. Requires that DIR's procedures relating to alternative dispute resolution conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings (SOAH) for the use of alternative dispute resolution by state agencies. Requires DIR to coordinate the implementation of the administrative fee reporting policy; provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and collect data concerning the effectiveness of those procedures.

Requires the board to appoint an internal auditor who reports directly to the board and serves at the will of the board and provide staff and other resources to the internal auditor as appropriate. Requires the internal auditor to prepare an annual audit plan using risk assessment techniques to rank high-risk functions in DIR. Requires the internal auditor to submit the annual audit plan to the board for consideration and approval. Authorizes the board to change the plan as necessary or advisable. Authorizes the internal auditor to bring before the board an issue outside of the annual audit plan that requires the immediate attention of the board. Prohibits the internal auditor from being assigned to any operational or management responsibilities that impair the ability of the internal auditor to make an independent examination of DIR's operations. Requires the board to adopt a policy describing the board's role in setting a strategic direction for DIR. Requires that the policy address the board's role in developing new initiatives for and service offerings by DIR, including requiring the board to evaluate and approve new initiatives for, or categories of, services offered by DIR under DIR's various programs. Requires the board to regularly evaluate the extent to which DIR fulfills DIR's information resources technology mission by providing cost-effective services and meeting customer needs. Requires the board to regularly evaluate DIR operations, including an evaluation of analytical data and information regarding trends in DIR revenue and expenses, as well as performance information.

Requires DIR to develop clear criteria for the appropriate use of consultants and outside staff by DIR to temporarily augment DIR's existing staff. Requires DIR to annually analyze DIR's staffing needs, the need for and cost-effectiveness of contracting for consultants and outside staff, whether DIR could use DIR staff to accomplish tasks proposed for the consultants and outside staff, and whether and what type of training or additional resources are necessary for DIR to use DIR's own staff to accomplish tasks proposed for the consultants or outside staff. Requires DIR, in conjunction with the budget process, to provide the analysis to the board for approval. Prohibits DIR from hiring or training any consultants or outside staff unless it has been approved during this budget process.

Requires DIR to develop a consistent and clear method of measuring the costs and progress of an information resources technology consolidation initiative. Requires DIR to work with any entity involved in
an information resources technology consolidation to develop an agreed on methodology for collecting and validating data to determine a baseline assessment of costs. Requires DIR to use the data both in DIR's initial cost projections and in any later cost comparison. Requires DIR to coordinate with the internal auditor for guidance on developing a methodology that provides an objective assessment of costs and project status. Requires DIR, using the methodology agreed on, to evaluate actual costs and cost savings related to the consolidation. Requires DIR to also evaluate the progress of DIR's information resources consolidation projects compared to the initially projected timelines for implementation. Requires that the evaluation results break out the information on both statewide and individual entity levels. Requires DIR to annually report the evaluation results to the board, LBB, and customers involved in the consolidation. Requires DIR to post the report on DIR's Internet website.

Defines "major contract" and "team." Requires DIR, for any solicitation of a major contract DIR is required to submit for review by the contract advisory team (team) to implement any recommendations made by the team regarding the solicitation, or provide a written explanation of why the team's recommendations cannot be implemented.

Requires DIR, not later than November 15, rather than not later than September 1, of each even-numbered year, to report on the status, progress, benefits, and efficiency gains of the state electronic Internet portal project. Requires DIR, not later than November 15, rather than not later than September 1, of each even-numbered year, to report on financial matters, including project costs and revenues, and on any significant issues regarding contract performance on the state electronic Internet portal project.

Requires the comptroller to establish in the state treasury the statewide technology account. Provides that the account is a revolving fund account for the administration of this subchapter. Provides that the account is the depository for all money received from entities served under this subchapter. Authorizes money in the account to be used only for the operation and management of a statewide technology center or for any other purpose specified by the legislature.

Requires the board by rule to define what constitutes a major outsourced contract with regard to contracts DIR executes with entities other than this state or a political subdivision of this state. Requires that the definition include as a major outsourced contract certain outsourced contracts entered into and certain contracts that exceed a monetary threshold.

Requires DIR to receive approval from the board before entering into a major outsourced contract or amending any major outsourced contract, if the amendment has significant statewide impact. Requires the board to establish one or more subcommittees to monitor DIR's major outsourced contracts.

Requires DIR to specify procedures for administering, monitoring, and overseeing each major outsourced contract by creating a management plan for each contract. Requires DIR, in each management plan, to specify DIR's approach to managing and mitigating the risks inherent in each contract.

Requires DIR staff who perform contract administration and program duties to jointly develop the management plans with input from executive management and the board. Requires that each management plan be approved by the executive director. Requires that each management plan establish clear lines of accountability and coordination of contract activities. Requires that the plan provide details about implementing the program that is the subject of the contract as well as procedures for monitoring contractor performance, identifying and mitigating risks related to the contract, and involving and communicating with
customers who will be served by any programs implemented through the contract. Requires that the plan, as appropriate, define an approach for transitioning from one major outsourced contract to another major outsourced contract. Requires DIR to revise each management plan as necessary to keep current during the contracting process and when DIR renews, amends, or resolicits a major outsourced contract to ensure the plan remains updated and incorporates any changes resulting from a new contract.

Requires DIR to establish formal procedures to ensure customer involvement in decision making regarding each of DIR's major outsourced contracts, including initial analysis, solicitation development, and contract award and implementation, that affect those customers.

Defines "contract management guide." Prohibits a DIR employee from having an interest in, or in any manner be connected with, a contract or bid for a purchase of goods or services by DIR, or in any manner, including by rebate or gift, directly or indirectly accepting or receiving from a person to whom a contract is authorized to be awarded anything of value or a promise, obligation, or contract for future reward or compensation. Provides that a DIR employee who violates the contract management guide is subject to dismissal. Requires the board to adopt rules to implement this section. Requires DIR to train staff in the requirements of certain sections and incorporate the requirements into the contract management guide and DIR's internal polices, including employee manuals.

Requires DIR to develop a policy for training DIR staff in contract management. Requires that the policy establish contract management training requirements for all staff involved in contract management, including contract managers, program staff, and executive management. Requires that the policy specify DIR's overall approach to procuring and managing contracts, as well as contract-specific procedures.

Requires DIR to develop and periodically update a contract management guide to provide an overall, consistent approach on procurement and management of major outsourced contracts and other contracts. Requires DIR, in updating the guide, to make changes based on contract experiences and account for changing conditions to guide the updates. Requires DIR to coordinate with DIR's internal auditor as needed for assistance and guidance in developing procedures in the contract management guide for monitoring contracts and individual contractors. Authorizes the board to adopt rules necessary to develop or update the contract management guide. Requires that the contract management guide provide information regarding DIR's general approach to business case analysis, procurement planning, contract solicitation, contract execution, and contract monitoring and oversight; ethics standards and policies, including those required; and approach to changing a program's internal structure or model for delivering services to customers. Requires that the contract management guide establish clear lines of accountability, staff roles and responsibilities, and decision-making authority for program staff, contract management staff, executive management, customers, and the board; include the procedures established regarding customer involvement; and establish DIR's process for evaluating and managing risk during each stage of contract procurement, implementation, and management. Requires that the contract management guide describe the expectations and standards for obtaining and using customer input during all contract management phases.

Provides that the comptroller's authority to perform any act under this title that relates to state purchasing is subject to Chapter 325 (Texas Sunset Act) and under H.B. 3560, Acts of the 80th Legislature, Regular Session, 2007, is subject to Chapter 325 (Texas Sunset Act). Provides that that authority, notwithstanding any other law, expires September 1, 2021, unless continued in existence as provided by Chapter 325 (Texas Sunset Act).
Requires the Texas Sunset Advisory Commission (Sunset) to evaluate the state's overall procurement system, including the provisions of this subtitle and Chapter 2054 (Information Resources), Government Code. Authorizes the evaluation to include any provision in state law that relates to procurement and contracting for goods and services. Requires Sunset to present not later than January 1, 2021, a report to the legislature on its evaluation and recommendations in relation to the report's findings. Authorizes Sunset, in conducting the required evaluation, to request the assistance of LBB, the state auditor, and each standing committee of the senate and house of representatives having primary jurisdiction over matters relating to state procurement.

Defines "department." Requires DIR and the comptroller to establish a committee composed of essential personnel of DIR and the comptroller to identify areas of overlap in the procurement functions of DIR and the comptroller and methods to avoid duplication of services; mutually beneficial contracting and procurement methodologies, data collection and management techniques, and customer relations management; opportunities for collaboration on procurement functions that would benefit the state or other customers; and opportunities for consolidation of administrative or other functions to improve customer service and reduce operating costs; develop a standardized method for DIR and the comptroller to collect and analyze spending data relating to procurement contracts; benchmark and quantitatively measure cost savings and increased administrative efficiency resulting from collaboration and cooperative purchasing; and strategies that encourage coordination between DIR and the comptroller relating to procurement functions. Authorizes the committee to appoint advisory members as appropriate to assist the committee. Requires the committee to report to Sunset the committee's findings. Requires the committee to file a first report on September 1, 2015, that covers the two-year period preceding that date. Requires the committee to file a second report on September 1, 2017, that covers the two-year period preceding that date. Requires DIR and the comptroller to publish the reports on DIR's and the comptroller's Internet website. Requires DIR and the comptroller, in addition to the reports, to include the analysis in a report filed under Section 325.007 (Agency Report to Commission), Government Code. Requires the comptroller to file a report as required by Section 325.007, but only to the extent required by Section 2151.0041(a) (relating to authorizing the comptroller to perform any act that relates to state purchasing as subject to Chapter 325, Government Code).

Requires DIR, when negotiating with a vendor, to use information related to the state's historical spending levels on particular commodity items to secure the best value for the state. Requires DIR, to the greatest extent practicable, to negotiate a specific price for commonly purchased commodity items. Requires DIR, if DIR selects a vendor based on the vendor's offer of a percentage discount from the list price of commodity items, to document in writing how that arrangement obtains the best value for the state.

Requires the comptroller to establish in the state treasury the clearing fund account. Provides that the account is a revolving fund account for the administration of Section 2157.068 (Purchase of Information Technology Commodity Items), Government Code. Provides that the account is the depository for all money received from entities served under that section. Authorizes money in the account to be used only to administer that section or for any other purpose specified by the legislature.

Requires the comptroller to send to the presiding officer of each house of the legislature on May 15 of each year, a report on the previous six-month period, and on November 15 of each year, a report on the preceding fiscal year, rather than requiring the comptroller to send on April 15 of each year a report on the previous six-month period to the joint committee charged with monitoring the implementation of the historically underutilized business goals.
Requires the comptroller, before October 15 of each year, rather than September 1 of each year, to report to the governor, the lieutenant governor, and the speaker of the house of representatives on the education and training efforts that the comptroller has made toward historically underutilized businesses.

Provides that the comptroller's authority to perform any act under this bill that relates to state purchasing is subject to Chapter 325, Government Code. Provides that the authority, notwithstanding any other law, expires September 1, 2021, unless continued in existence as provided by Chapter 325, Government Code.

Repeals: Section 2054.005(b) (relating to providing that Sunset's review of DIR in preparation for the work of the 83rd Legislature, Regular Session, is not limited to the appropriateness of recommendations made by Sunset to the 82nd Legislature), Government Code; Section 2151.0041(b) (relating to requiring Sunset to evaluate the transfer of powers and duties to the comptroller and providing that the comptroller is required to perform certain duties), Government Code; Section 2151.0041(c) (relating to transferring certain powers, duties, rules, and other information and obligations of the comptroller to the Texas Facilities Commission), Government Code; and Section 2161.121(e) (relating to requiring the comptroller to send on October 15 of each year a report on the preceding fiscal year to the presiding officer of each house of the legislature and the joint committee), Government Code.

Requires DIR and the comptroller to enter into a memorandum of understanding to facilitate the implementation of Section 2155.007 (Procurement Coordination Committee) Government Code, as added by this Act, not later than March 1, 2014.

Continuation and Functions of Texas Department of Housing and Community Affairs—H.B. 3361
by Representative Dutton—Senate Sponsor: Senator Birdwell

In 2008, the legislature passed a bill containing the Sunset Commission's recommendations of the Texas Department of Housing and Community Affairs (TDHCA). However, the governor vetoed the bill over concerns about language pertaining to TDHCA's disaster recovery functions. In 2010, the legislature transferred the disaster recovery program to the General Land Office, continued TDHCA for two years, and focused the Sunset review on the appropriateness of the recommendations voted on and adopted by the Sunset Commission in 2010. The Sunset Commission concluded that most of its previous recommendations remain appropriate, and that TDHCA continues to need statutory authority and direction to implement them. TDHCA is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. This bill:

Provides that TDHCA, unless continued in existence as provided by that chapter, is abolished and this chapter expires September 1, 2025.

Requires that written notice of violation and penalty given by the executive director of TDHCA (director) include a brief summary of the alleged violation, state the amount of the recommended penalty, and inform the person of the person's right to a hearing before the State Office of Administrative Hearings (SOAH) on the occurrence of the violation, the amount of the penalty, or both.

Authorizes a person, not later than the 20th day after the date the person receives the notice, in writing, to accept the determination and recommended penalty of the director, or make a request for a hearing before SOAH on the occurrence of the violation, the amount of the penalty, or both.
Requires the director, if a person requests a hearing before SOAH or fails to respond in a timely manner to
the notice, to set a hearing and give written notice of the hearing to the person. Requires SOAH to hold the
hearing, make findings of fact and conclusions of law about the occurrence of the violation and the amount
of a proposed penalty, and issue a proposal for decision regarding the penalty and provide notice of the
proposal to the governing board of TDHCA (board). Provides that any administrative proceeding relating to
the imposition of certain penalties is a contested case.

Requires the board to issue an order after receiving a proposal for decision from SOAH under Section
2306.045 (Hearing). Removes the authority of the board by order, based on the findings of fact and
conclusions of law, to find that a violation occurred and impose a penalty, or to find that a violation did not
occur.

Provides that a judicial review of a board order imposing an administrative penalty is under the substantial
evidence rule, rather than is by trial de novo.

Requires the board by rule to adopt a policy providing for the debarment of a person from participation in
programs administered by TDHCA. Authorizes TDHCA to debar a person from participation in a TDHCA
program on the basis of the person’s past failure to comply with any condition imposed by TDHCA in the
administration of its programs. Requires TDHCA to debar a person from participation in a TDHCA program
if the person materially or repeatedly violates any condition imposed by TDHCA in connection with the
administration of a TDHCA program, including a material or repeated violation of a land use restriction
agreement regarding a development supported with a housing tax credit allocation or is debarred from
participation in federal housing programs by the United States Department of Housing and Urban
Development (HUD). Authorizes a person debarred by TDHCA from participation in a TDHCA program to
appeal the person’s debarment to the board.

Provides that the Low Income Housing Tax Credit Program, except where provided, does not apply to the
allocation of housing tax credits to developments financed through the private activity bond program.

Requires an applicant, before submitting to TDHCA an application for housing tax credits for developments
financed through the private activity bond program, including private activity bonds issued by TDHCA, the
Texas State Affordable Housing Corporation, or a local issuer, to provide notice of the intent to file the
application to the governing body of a municipality in which the proposed development site is to be located;
the commissioners court of a county in which the proposed development site is to be located, if the
proposed site is to be located in an area of a county that is not part of a municipality; and the
commissioners court of a county in which the proposed development site is to be located and the governing
body of the applicable municipality, if the proposed site is to be located in the extraterritorial jurisdiction of a
municipality. Requires a county or municipality, as applicable, to hold a hearing at which public comment is
authorized to be made on the application. Prohibits the board from approving an application for housing tax
credits for developments financed through the private activity bond program unless the applicant has
submitted to TDHCA a certified copy of a resolution from each applicable governing body. Requires that
the resolution certify that notice has been provided to each governing body; each governing body has had
sufficient opportunity to obtain a response from the applicant regarding any questions or concerns about
the proposed development; each governing body has held a hearing; and after due consideration of the
information provided by the applicant and public comment, the governing body does not object to the
proposed application. Authorizes TDHCA by rule to provide for the time and manner of the submission to TDHCA of a required resolution.

Changes certain criteria for the scoring and ranking of an application submitted to TDHCA.

Requires TDHCA, subject to law, to make the certain items available on TDHCA's website.

Requires TDHCA, for a violation other than a violation that poses an imminent hazard or threat to health and safety, to provide the owner of a development with the following periods to correct a failure to comply with a condition or law: 30 days for a failure to file the annual owner's compliance report and 90 days for any other failure to comply. Authorizes the director, for good cause shown, to extend these periods. Prohibits a development, for purposes of determining eligibility to apply for and receive financial assistance from TDHCA, from being considered to be in noncompliance with an applicable condition or law if the owner of the development takes appropriate corrective action during the period. Requires TDHCA to submit to the applicable federal agency any report required by federal law regarding an owner's noncompliance with a condition or law, and for purposes of developing and administering the policy relating to debarment, consider recurring violations of a condition or law, including violations that are corrected during the applicable period.

Provides that any reference to the administration of the housing tax credit program, to the extent TDHCA receives federal emergency funds that are required to be awarded by TDHCA in the same manner as and that are subject to the same limitations as awards of housing tax credits, applies equally to the administration of the federal funds. Authorizes TDHCA, notwithstanding any other law, to establish a separate application procedure for the federal emergency funds that does not follow the uniform application cycle or the established deadlines, and provides that any reference in this chapter to an application period occurring in relation to those federal emergency funds refers to the period beginning on the date TDHCA begins accepting applications for the federal funds and continuing until all of the available federal funds are awarded.

Authorizes the executive director of the manufactured housing division of TDHCA (division director) to allow an authorized employee of the manufactured housing division (division) to dismiss a complaint if an investigation demonstrates that a violation did not occur, or the subject of the complaint is outside the division's jurisdiction. Requires an employee who dismisses a complaint to report the dismissal to the division director and the Manufactured Housing Board within TDHCA. Requires that the report include a sufficient explanation of the reason the complaint was dismissed.

Requires the division to develop and implement a policy to encourage the use of negotiated rulemaking procedures for the adoption of division rules, and appropriate alternative dispute resolution procedures to assist in the resolution of internal and external disputes under the division's jurisdiction. Requires that the division's procedures relating to alternative dispute resolution conform, to the extent possible, to any model guidelines issued by SOAH for the use of alternative dispute resolution by state agencies. Requires the division to coordinate the implementation of the policy adopted under Subsection (a) (relating to implementing a policy of negotiated rulemaking), provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution, and collect data concerning the effectiveness of those procedures.
Redefines "license holder" or "licensee" as it refers to Chapter 1201 (Manufactured Housing), Occupations Code.

Requires the Manufactured Housing Board, with guidance from the federal Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from the rules and regulations adopted under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.), to establish certain fees, including a fee for the inspection of the rebuilding of a salvaged manufactured home, to be paid by the retailer. Removes a requirement of a rebuilder to be charged for the actual cost of travel of a TDHCA operating through its manufactured housing division representative to and from certain locations.

Removes rebuilders from the list of persons and entities for which the Manufactured Housing Board is required to establish fees for the issuance and renewal of licenses. Authorizes the Manufactured Housing Board by rule to establish a fee for reprinting a license issued.

Prohibits a person from repairing, rebuilding, or otherwise altering a salvaged manufactured home unless the person holds a retailer's, rather than a retailer's or rebuilder's, license. Prohibits a retailer from being licensed to operate more than one location under a single license. Revokes authorization of a retailer to be licensed to operate at a principal location and one or more branch locations under a single license, provided, however, that a separate application is required to be made for each branch, and each branch is required to be separately bonded.

Removes an applicant for a license as a rebuilder from the list of persons required to file with the division director a license application containing certain information. Requires that a license application be accompanied by proof of the security required by this subchapter, payment of the fee required for issuance of the license, and the information and the cost required.

Requires TDHCA to require that an applicant for a license or renewal of an unexpired license submit a complete and legible set of fingerprints, on a form prescribed by the Manufactured Housing Board, to TDHCA or to the Department of Public Safety of the State of Texas (DPS) for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation (FBI). Provides that the applicant is required to submit a set of fingerprints only once under this section unless a replacement set is otherwise needed to complete the criminal history check. Requires TDHCA to refuse to issue a license to or renew the license of a person who does not comply with the fingerprint requirement. Requires TDHCA to conduct a criminal history check of each applicant for a license or renewal of a license using information provided by the individual under this section, and made available to TDHCA by DPS, the FBI, and any other criminal justice agency under Chapter 411 (Department of Public Safety of the State of Texas), Government Code. Authorizes TDHCA to enter into an agreement with DPS to administer a criminal history required check. Requires the applicant to pay the cost of a criminal history check.

Removes a salvage rebuilder's license from the list of licenses for which a person who was not licensed or registered with TDHCA or a predecessor agency on September 1, 1987, except where provided, is required to, not more than 12 months before applying for the person's first license under this chapter, attend and successfully complete eight hours of instruction in the law, including instruction in consumer protection regulations.
Requires an applicant for a license or a license holder to file a bond or other security under Section 1201.105 (Security Required), Occupations Code, for the issuance or renewal of a license in the following amount: $100,000 for a manufacturer; $50,000 for a retailer, rather than for a retailer's principal location; $50,000 for a broker; or $25,000 for an installer. Removes a requirement for an applicant for a license or a license holder to file a bond or other security under Section 1201.105 for the issuance or renewal of a license in the amounts of $50,000 for each retailer's branch location and $50,000 for a rebuilder.

Requires TDHCA to maintain on file a security other than a bond canceled as provided by Section 1201.109(a) (relating to cancelling a license if a required bond is canceled), Occupations Code, until the later of the second anniversary of the date the manufacturer, retailer, broker, or installer, rather than the manufacturer, retailer, broker, installer, or rebuilder, ceases doing business, or the date the division director determines that a claim does not exist against the security.

Requires TDHCA to renew a license if, before the expiration date of the license, TDHCA receives the renewal application and payment of the required fee as well as the cost required.

Authorizes the division director, to order a manufacturer, retailer, or installer, as applicable, to pay a refund directly to a consumer as part of an agreed order instead of or in addition to instituting an administrative action.

Authorize a salvaged manufactured home to be sold only to a licensed retailer.

Authorizes the division director, to order a manufacturer, retailer, broker, or installer, as applicable, to pay a refund directly to a consumer who sustains actual damages resulting from an unsatisfied claim against a licensed manufacturer, retailer, broker, or installer if the unsatisfied claim results from a violation of law; a rule adopted by the division director; the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.); a rule or regulation of the United States Department of Housing and Urban Development; or Subchapter E (Deceptive Trade Practices and Consumer Protection), Chapter 17 (Deceptive Trade Practices), Business & Commerce Code. Provides that the refund of a consumer's actual damages is determined according to Section 1201.405 (Limitations on Claims), Occupations Code. Requires the division director to prepare information for notifying consumers of the division director's option to order a direct refund under this section, to post the information on the TDHCA's Internet website, and to make printed copies available on request.

Authorizes the division director to issue without notice and hearing an order to cease and desist from continuing a particular action or an order to take affirmative action, or both, to enforce compliance if the division director has reasonable cause to believe that a person has violated or is about to violate any provision or a rule adopted under this chapter. Authorizes the division director to issue an order to any person to cease and desist from violating any law, rule, or written agreement or to take corrective action with respect to any such violations if the violations in any way are related to the sale, financing, or installation of a manufactured home or the providing of goods or services in connection with the sale, financing, or installation of a manufactured home unless the matter that is the basis of such violation is expressly subject to inspection and regulation by another state agency, provided, however, that if any matter involves a law that is subject to any other administration or interpretation by another agency, the division director is required to consult with the person in charge of the day-to-day administration of that agency before issuing an order. Authorizes the division director, if a licensed person fails to pay an administrative penalty that has become final or fails to comply with an order of the division director that has
become final, in addition to any other remedy provided by law, after not less than 10 days' notice to the person, to without a prior hearing suspend the person's license.

Removes provisions making Chapter 1302 (Air Conditioning and Refrigeration Contracts) inapplicable to a person or entity licensed as a rebuilder.

Requires the state agency that administers the federal weatherization assistance program to participate in energy efficiency cost recovery factor proceedings related to expenditures under this subsection to ensure that targeted low-income weatherization programs are consistent with federal weatherization programs and are adequately funded. Removes a requirement of the state agency that administers the federal weatherization assistance program to provide reports as required by the Public Utility Commission to provide the most current information available on energy and peak demand savings achieved in each transmission and distribution utility service area.

Repeals: Sections 2306.255(h) (relating to requiring the office established by TDHCA to promote initiatives for colonias to compose an annual report that evaluates the repayment history and coinciding guarantee percentages for issued guarantees), Government Code, and 2306.560(d) (relating to requiring that all transfers of funds, personnel, or in-kind contributions from TDHCA to the Texas State Affordable Housing Corporation be reported to LBB), Government Code.

Continuation of the State Pension Review Board—S.B. 200
by Senators Patrick and Nichols—House Sponsor: Representative Anchia

The State Pension Review Board (PRB) oversees state and local public retirement systems through the ongoing assessment of the systems' actuarial and financial soundness. PRB also provides policymakers and the public with objective information on Texas' public pensions, and provides needed education to help pensions remain actuarially sound. PRB is subject to Chapter 325 (Texas Sunset Act), Government Code, and will be abolished September 1, 2013, unless continued by the legislature. The Texas Sunset Advisory Commission (sunset) concluded that Texas has an ongoing need for the functions of PRB, but has recommended changes to improve PRB's efficiency. This bill:

Reduces the number of PRB members from nine to seven.

Defines "Texas trade association."

Bars a person from membership on PRB or as board employee in certain capacities if:
- the person is an officer, employee, or paid consultant of a Texas trade association in the field of pensions; or
- the person's spouse is an officer, manager, or paid consultant of such an association.

Provides that board members hold office for staggered terms, with the terms of two or three members, as appropriate, expiring on a prescribed date.

 Strikes provisions regarding Section 801.104 (Members Appointed by Others), Government Code.
Provides that PRB is abolished effective September 1, 2025.

Requires PRB to develop and implement a policy encouraging the use of negotiated rulemaking and appropriate alternative dispute resolution procedures.

Requires procedures relating to alternative dispute resolution to conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings (SOAH).

Requires PRB to coordinate the implementation of the policy, provide training to implement the procedures, and collect data concerning the effectiveness of those procedures.

Authorizes PRB to develop and conduct educational activities for trustees and administrators of public retirement systems.

Defines a "defined contribution plan."

Exempts from certain specified provisions of Chapter 802 (Administrative Requirements), Government Code defined contribution plans, and a retirement system organized under the Texas Local Fire Fighters Retirement Act (TLFFA) for a fire department consisting exclusively of volunteers.

Defines "actuarial experience study."

Requires a public retirement system that conducts an actuarial experience study to submit a copy to PRB before the 31st day after the date of the study's adoption.

Provides that the provision regarding such studies do not apply to the Employees Retirement System of Texas and certain other specified systems.

Provides that a general audit of a governmental entity does not satisfy the requirement that the governing body of a public retirement system have the system accounts audited at least annually by a certified public accountant.

Amends current law to impose the same deadlines on the submission of certain information to PRB under Section 802.106 (Information to Member or Annuitant), Government Code:

- Adds Chapter 807 (Prohibition on Investment in Iran) to the Government Code:
- Sets forth when a company engages in scrutinized business operations.
- Provides that a company that the federal government affirmatively declares is excluded from federal sanctions relating to Iran is not subject to divestment or the investment prohibition under this chapter.
- Exempts a state governmental entity (SGE) from any conflicting statutory or common law obligations with respect to actions taken in compliance with this chapter.
- Requires the state, in a cause of action arising under this chapter, to indemnify and hold harmless, and defend:
• an employee or any officer of an SGE;
• a contractor of an SGE;
• a former state officer or employee or a former state contractor employed or acting as a contractor when the act or omission on which the damages are based occurred; and
• an SGE.

• Provides that there is no private cause of action against the state, an SGE, an SGE employee or officer, or an SGE contractor, for any claim arising under this chapter.
• Provides that a person who files such a suit is liable for costs and attorney's fees.
• Exempts an SGE from this chapter if the SGE determines that the requirement would be inconsistent with its fiduciary responsibility or legal duties with respect to SGE assets.
• Authorizes PRB and an SGE to rely on a company's response to a notice or communication made under this chapter.

• Requires PRB to:
  • prepare and provide to each SGE a list of all scrutinized companies;
  • update the list at least annually, but not more often than quarterly; and
  • file the list with the presiding officer of each legislative house and the attorney general not later than the 30th day after the date the list is first provided or updated.

• Requires an SGE, not later than the 14th day after the date the SGE receives the list, to notify PRB of the listed companies in which the SGE owns direct or indirect holdings.

• Requires an SGE to send written notice to each listed company engaged in:
  • only scrutinized inactive business operations informing the company of this chapter and encouraging the company to continue to refrain from initiating active business operations in Iran until it is able to avoid being considered a listed company; or
  • scrutinized active business operations informing the company of its listed company status and warning the company that it may become subject to divestment.

• Requires that such notice must offer the company the opportunity to clarify its Iran-related activities and must encourage the company, not later than the 90th day after the date the company receives notice, to either cease its scrutinized business operations or convert the operations to inactive business operations in order to avoid qualifying for divestment.

• Requires PRB, if the company ceases scrutinized business operations, to remove the company from the list.

• Requires an SGE, if the company continues to have scrutinized active business operations after time provided by this chapter expires, to sell, redeem, divest, or withdraw all publicly traded securities of the company, except for certain specified securities.

• Sets forth a schedule for an SGE to sell, redeem, divest, or withdraw all publicly traded securities of a listed company.

• Exempts from divestment any indirect holdings in actively or passively managed investment funds or private equity funds.

• Requires an SGE to submit letters to the managers of investment funds containing listed companies requesting that they consider removing those companies from the fund or create a similar managed fund with indirect holdings devoid of listed companies.

• Authorizes an SGE, if a similar fund is created with substantially the same management fees
and same level of investment risk and anticipated return, to replace all applicable investments with investments in the similar fund.

- Authorizes an SGE to cease divesting from or to reinvest in one or more listed companies if clear and convincing evidence shows that as a result of divestment:
  - the SGE has suffered or will suffer a loss in the hypothetical value of all assets; or
  - an individual portfolio that uses a benchmark-aware strategy would be subject to an aggregate expected deviation from its benchmark.

- Provides that an SGE may cease divesting from or may reinvest in a listed company to the extent necessary to ensure that the SGE does not suffer a loss in value or deviate from its benchmark.

- Requires an SGE:
  - before ceasing divesting from or reinvesting in a listed company, to provide a written report to the presiding officer of each legislative house of the legislature and the attorney general setting forth the reason and justification, supported by clear and convincing evidence, for its decisions to cease divestment, to reinvest, or to remain invested in a listed company; and
  - to update the report semiannually, as applicable.

- Prohibits an SGE from acquiring securities of a listed company, except as provided by this chapter.

- Provides that this chapter expires on the earlier of the date the:
  - United States revokes its sanctions against the government of Iran; or
  - United States Congress or the president of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this chapter interferes with the conduct of United States foreign policy.

- Requires each SGE, not later than December 31 of each year, to file a publicly available report with the presiding officer of each legislative house and the attorney general that:
  - identifies all securities sold, redeemed, divested, or withdrawn in compliance this chapter; and
  - summarizes certain changes made under this chapter.

- Authorizes the attorney general to bring any action necessary to enforce this chapter.

- Requires PRB, not later than January 1, 2014, to prepare and provide to each SGE the list of scrutinized companies.

Makes the following changes to TLFFRA:

- provides that certain hearings are referred to SOAH, rather than the firefighter’s pension commissioner (commissioner);

- replaces certain references to the commissioner with PRB; and

- makes conforming changes.

Provides that these changes take effect only on the failure of legislation by the 83rd Legislature, Regular Session, 2013, providing for the abolition of the office of the firefighters’ pension commissioner and the transfer and disposition of its functions relating to the Texas Emergency Services Retirement System and the Texas local firefighters retirement systems.

Repeals Section 801.104 (Members Appointed by Others).
Requires the governor to make appointments to fill PRB vacancies in compliance with this Act.

Requires PRB, contingent on the failure of legislation providing for the abolition of the office of the firefighters’ pension commissioner and the transfer and disposition of its functions relating to the Texas Emergency Services Retirement System and the Texas local firefighters retirement systems, to provide any necessary assistance, to retirement systems organized under TLFFRA.

**Continuation and Functions of the State Preservation Board—S.B. 201**

*by Senators Birdwell and Nichols—House Sponsor: Representatives Price and Guillen*

The State Preservation Board (SPB) is responsible for the preservation and maintenance of Texas' key historic buildings, such as the Capitol, the Governor's Mansion, and the Bob Bullock Texas State History Museum. SPB is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. The Sunset Advisory Commission found that the agency continues to be needed, but that its unique governance structure prevents SPB from meeting regularly to provide the level of direction and oversight typical of most other state agencies, and certain roles and responsibilities for the management of the Bob Bullock Museum are not clearly defined in statute. This bill:

Extends the date SPB will be abolished from September 1, 2013, to September 1, 2025, unless continued by the legislature.

Authorizes the governor, lieutenant governor, and the speaker, as a member of SPB, to designate a representative to act, including the ability to vote, on behalf of the member during an SPB meeting.

Requires SPB to meet at least twice a year and at other times at the call of the governor as provided by SPB rules.

Provides that the Governor's Mansion renewal trust fund (fund) is created as a trust fund outside the treasury with the comptroller of public accounts of the State of Texas and is required to be administered by SPB, as a trustee on behalf of the people of this state, to maintain and preserve the Governor's Mansion.

Provides that the fund consists of money transferred to the fund at the direction of the legislature and money donated to SPB for the purposes of preserving and maintaining the Governor's Mansion.

Authorizes money in the fund to be used only for the purpose of performing major repairs to or preserving the Governor's Mansion, as determined by SPB.

Requires the interest received from investment of money in the fund to be credited to the fund.

Requires the executive director of SPB to employ a museum director to manage and operate the Bob Bullock Texas State History Museum.

Requires SPB to adopt reasonable policies for naming areas within the Bob Bullock Texas State History Museum, including rooms and exhibition halls, in honor of donors or other benefactors when appropriate.
Continuation and Functions of the Texas Commission on the Arts—S.B. 202
by Senators Huffman and Nichols—House Sponsor: Representatives Price and Guillen

The Texas Commission on the Arts (TCA) is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. As a result of its review of TCA, the Sunset Advisory Commission recommended continuation of the agency and some statutory modifications. This bill:

Changes TCA’s Sunset review date to 2025 to continue the agency for 12 years. Reduces the size of TCA to nine members, instead of 17, and requires TCA members to represent a diverse cross-section of arts fields rather than all fields of the arts. Provides that members of TCA serve staggered terms of six years.

Authorizes TCA to award grants in accordance with TCA’s mission to advance the state economically and culturally by investing in the arts in this state.

Continuation of the Texas Facilities Commission—S.B. 211
by Senators Nichols and Whitmire—House Sponsor: Representative Dutton

The Texas Facilities Commission (TFC) manages the building construction, maintenance, and leasing needs of state agencies, as well as maintaining state-owned facilities. TFC is subject to Chapter 325 (Texas Sunset Act), Government Code, and will be abolished on September 1, 2013, unless continued by the legislature. The Sunset Advisory Commission (sunset) has determined that Texas has an ongoing need for TFC, but that TFC needs to operate with greater transparency, collaboration, and accountability, particularly when planning for the future development of the Capitol Complex and other state properties. This bill:

Requires TFC to provide facilities maintenance services for the physical facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf by a memorandum of understanding between the board for each school and TFC.

Requires the State Preservation Board (SPB), if it updates or modifies its long-range master plan for the Capitol and the Capitol grounds, to conform its plan to the Capitol Complex master plan (CCMP) prepared by TFC.

Clarifies certain provisions regarding exemption from disclosure for certain information in the custody of a governmental entity relating to a proposal for a qualifying project.

Provides that TFC is abolished effective September 1, 2021.

Requires TFC to develop and implement a policy to encourage the use of negotiated rulemaking and appropriate alternative dispute resolution procedures.

Requires procedures relating to alternative dispute resolution to conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings.

Requires TFC to coordinate the implementation of the policy, to provide training as needed to implement the procedures, and to collect data concerning the effectiveness of those procedures.
Requires TFC to provide professional service staff and the expertise of other necessary advisors and consultants to support the Partnership Advisory Commission (PAC) in its review and evaluation of qualifying project proposals.

Changes references to the Texas Youth Commission to the Texas Juvenile Justice Department.

Provides that TFC's duty to provide facilities management services does not include facilities owned or operated by the Texas School for the Blind and Visually Impaired or the Texas School for the Deaf.

Changes provision regarding the TFC report about improvements and repairs to require TFC to electronically submit the report on July 1 of each even-numbered year, rather than annually; and to expand the persons entitled to receive such report.

Provides that an amount equal to the costs associated with the lease of state parking lots and garages may be appropriated only to TFC from certain money received for lease of space in state-owned parking lots and garages.

Permits TFC to submit certain reports electronically.

Defines "Capitol Complex."

Bars TFC from leasing, selling, or otherwise disposing of real property or an interest in real property located in the Capitol Complex.

Provides that this provision does not affect TFC's authority to lease space in state office buildings and parking garages.

Authorizes TFC to develop or operate a qualifying project if the legislature by general law specifically authorizes the project; and the legislature individually approves the project before TFC enters into a comprehensive agreement for the project.

Adds Subchapter H (Public and Private Facilities and Infrastructure: Qualifying Projects) to Chapter 2165, Government Code:

- Defines "Partnership Advisory Commission" and "qualifying project."
- Requires TFC, in adopting the qualifying project review guidelines, to include certain review criteria and documentation to guide the initial review of each substantially complete qualifying project proposal received by TFC.
- Requires TFC, on completion of the negotiation phase for the development of a comprehensive agreement and before a comprehensive agreement is entered into, to:
  - post on TFC's Internet website the review report and other evaluation documents of the oversight committee established by the TFC for the project; and
  - before posting the report and documents, redact certain confidential information.
- Authorizes TFC to charge a reasonable fee to cover the costs of reviewing a qualifying project.
- Requires TFC to adopt a qualifying project proposal fee schedule sufficient to cover its costs, including required professional expertise.
- Authorizes TFC to use the money from such fees to hire persons who have the professional
expertise necessary to effectively evaluate a qualifying project proposal.

- Requires TFC staff to conduct an initial review of each qualifying project proposal and provide to a summary of the review.
- Requires TFC to use a value for money analysis in evaluating such a project proposal.
- Requires TFC staff, if the staff determines that a value for money analysis is not appropriate, to submit to TFC a written report stating the reasons for using an alternative analysis methodology.
- Requires TFC to coordinate with its office of internal audit for review of the reasonableness of the assumptions used in the value for money analysis or alternative analysis methodology.
- Requires TFC, before submitting a detailed qualifying project proposal to PAC, to hold an initial public hearing on the proposal.
- Requires TFC to post a copy of the detailed qualifying project proposal on its Internet website before the required public hearing, redacting all confidential information.
- Requires TFC, after the hearing, to:
  - modify the proposal as appropriate based on the public comments; and
  - include the public comments in the documents submitted to PAC.
- Requires TFC, not later than the 60th day before the date TFC is scheduled to vote on approval of a qualifying project contract, to submit to the Contract Advisory Team (CAT) documentation of the modifications to a proposed qualifying project made during the TFC's evaluation and negotiation.
- Requires CAT to review the documentation and provide written comments and recommendations to TFC.
- Requires TFC staff to provide to the TFC members a copy of CAT's written comments and recommendations and the staff's response.
- Requires TFC staff, not later than the 30th day before the date TFC is scheduled to meet and vote on a project to develop or improve state property in a municipality, to:
  - place the project on TFC's meeting agenda; and
  - present sufficient information to TFC members to enable the members to adequately prepare for the meeting and to address the members' questions and concerns.
- Prohibits a TFC employee from being employed by another person to perform duties related to the employee's duties in developing and implementing a qualifying project.
- Requires TFC to require from each TFC employee sufficient information for TFC to determine whether a potential conflict of interest exists between the employee's TFC duties and the employee's duties with another employer.
- Requires each TFC employee whose duties relate to a qualifying project to attest that the employee is aware of and agrees to TFC's ethics and conflict-of-interest policies.
- Provides that these provisions do not prohibit additional employment for a TFC employee whose duties are not related to a qualifying project, to the extent the employment is authorized by TFC policy.

Amends the heading of Chapter 2166 (Building Construction and Acquisition), Government Code, to add "and Disposition of Real Property."

Provides that this chapter applies to the acquisition of real property for state purposes and the disposition of real property owned by the state.
Amends current law to require TFC to:

- not later than July 1 of each even-numbered year, electronically submit its findings on the status of state-owned buildings and current information on construction costs to certain specified persons;
- electronically submit a master facilities plan to certain specified persons; and
- not later than July 1 of each even-numbered year, electronically submit a report identifying counties in which more than 50,000 square feet of usable office space is needed and TFC's recommendations to certain specified persons.

Requires TFC to prepare a CCMP. Sets forth what the CCMP must include at a minimum.

Requires TFC to ensure that the General Land Office (GLO), the SPB, the Texas Historical Commission, and other relevant parties are included in the development of the CCMP.

Requires TFC to submit to certain specified persons the initial CCMP, not later than April 1, 2016, and updates to the CCMP, not later than July 1 of each even-numbered year thereafter.

Requires TFC to ensure that the CCMP and the master facilities plan do not conflict and comprehensively address the space needs of state agencies.

Requires TFC to submit the CCMP and any update to PAC for review and comment.

Requires PAC, not later than the 60th day after the date it receives the CCMP or update, in a public hearing by majority vote of the members present to vote to approve the CCMP or update; or submit to TFC written comments and recommended modifications to the CCMP or update.

Requires TFC, not later than the 90th day before the date it holds a public meeting to discuss a proposed CCMP or update, to submit the CCMP or update to SPB and GLO for review and comment.

Authorizes SPB, later than the 90th day after the date it receives a proposed CCMP or update, to by a public vote disapprove the CCMP or update if the CCMP or update are not in the best interest of the state or of the Capitol Complex; and submit to TFC written comments and recommended modifications to the CCMP or update.

Provides that the proposed CCMP or update is considered to be approved by SPB if SPB does not hold such public vote authorized.

Provides that the review of the CCMP is in addition to the review required for a proposed project.

Requires TFC to by rule adopt a comprehensive process for planning and developing state property in TFC's inventory and for assisting state agencies in space development planning for state property.

Sets forth required provisions for this process.
Requires TFC to develop a comprehensive capital improvement and deferred maintenance plan (CCIDMP) that clearly defines the capital improvement needs and critical and noncritical maintenance needs of state buildings.

Sets forth the requirements of the CCIDMP. Requires TFC to include the CCIDMP and regular updates in its long-range plan.

Bars a political subdivision or assistance organization from leasing, selling, or otherwise disposing of certain property transferred or acquired from a state agency before the second anniversary of the date the property was acquired.

Requires a political subdivision or an assistance organization that violates this prohibition to remit to TFC the amount the political subdivision or assistance organization received from the disposition of the property, unless TFC approves such disposition.

Bars an assistance organization from leasing or otherwise disposing of certain data processing equipment, except by transferring the equipment to the school district that specified the assistance organization for transfer.


Bars an employee of a responsible governmental entity (RGE) or a person related to the employee within the second degree by consanguinity or affinity from accepting money or other consideration from a contracting person that has entered into a comprehensive agreement with the RGE.

Prohibits a contracting person from employing or entering into a professional services contract or a consulting services contract with a former or retired employee of the RGE with which the person has entered into a comprehensive agreement before the first anniversary of the date on which the former or retired employee terminates employment with the RGE.

Provides that a contracting person may enter into a professional services contract with a corporation, firm, or other business organization that employs a former or retired employee of the RGE before the first anniversary of the date the former or retired employee terminates employment with the RGE if the former or retired employee does not perform services for the corporation, firm, or other business organization under the comprehensive agreement with the RGE that the former or retired employee worked on before terminating employment with the entity.

Prohibits an employee of an RGE from being employed or hired by another person to perform duties that relate to the employee's specific duties in developing and implementing a qualifying project.

Requires an RGE to obtain from each employee sufficient information to determine whether there is a potential conflict of interest between the employee's duties for the entity and the employee's duties with the other employer.

Requires each employee of an RGE whose duties relate to a qualifying project to attest that the employee is aware of and agrees to the RGE's ethics and conflict-of-interest policies.
Provides that to the extent the other employment is authorized by the RGE, additional employment is not prohibited for an employee of an RGE whose duties are not related to a qualifying project.

Provides that if the state intends to develop or operate a qualifying project, the state entity proposing to develop or operate the project may adopt a development plan on the real property associated with the project.

Sets forth the purpose and requirements of a development plan.

Requires a state entity that is requested to prepare a development plan to notify the local government of the state entity's intent to prepare a development plan.

Sets forth the information that the state entity must provide the local government.

Authorizes the local government, not later than the 30th day after the date it receives the notice, to request the state entity to hold a public hearing to solicit public comment.

Requires the state entity, if requested, to hold such a hearing.

Authorizes the state entity to hold the hearing if the local government does not request a public hearing.

Sets forth notice requirements for such hearings and what may be included in such hearings.

Requires the state entity to prepare a report summarizing of the information and testimony presented at a hearing.

Requires the governing body of the state entity to review the report and authorizes the body to instruct the state entity to incorporate such information in preparing the development plan.

Authorizes the state entity to adopt rules to implement these provisions.

Requires the adopted development plan to be submitted to any local government having jurisdiction over the real property in question for consideration.

Requires the local government to evaluate the plan and either accept or reject it not later than the 120th day after the date the state entity submits the plan.

Provides that the plan may be rejected only on grounds that it does not comply with local ordinances and land use regulations.

Requires the local government, if the plan is rejected, to specifically identify any ordinance with which the plan conflicts and propose specific modifications to the plan.

Authorizes the state entity to either modify the plan to conform to the ordinances and resubmit the plan for approval, or to apply for necessary rezoning or variances from the local ordinances.
Provides that failure by the local government to act within the 120-day period is considered an acceptance by the local government of the plan.

Authorizes the state entity, if the plan would require zoning inconsistent with any existing zoning or other land use regulation, to submit a request for rezoning to the local government with jurisdiction over the real property in question.

Requires such request to be submitted in the same manner as any such request is submitted to the affected local government.

Requires the local government to take final action on the request not later than the 120th day after the date the request is submitted, or the request is considered approved.

Bars a local government from imposing application or other fees or assessments on the state for consideration of the plan or the application for rezoning or variance; and requiring the submission of architectural, engineering, or impact studies to be completed at state expense before considering the plan or application for rezoning or variance.

Provides that if the local government denies the rezoning request, the matter may be appealed to a special board of review (SBR). Sets forth the composition of SBR and the hearing process.

Requires SBR, if it determines after hearings that local zoning requirements are detrimental to the best interest of the state, to issue an order establishing a development plan to govern the use of the real property.

Requires development of the real property to be in accordance with such plan and comply with all local rules, regulations, orders, or ordinances except as specifically identified in an order of SBR.

Provides that in the event that substantial progress is not made toward development of the tract within five years of the date of adoption by SBR, local development policies and procedures become applicable to the tract, unless SBR promulgates a new plan.

Provides that a development plan promulgated by SBR and any plan accepted by a local government are final and binding on the state and affected local governments or political subdivisions, unless revised by SBR.

Authorizes the state entity, if it does not receive a bid or auction solicitation for the real property subject to the development plan, to revise the development plan to conserve and enhance the value and marketability of the real property.

Prohibits a local government, political subdivision, owner, builder, developer, or any other person from modifying the development plan without specific approval by SBR.

Requires SBR to file a copy of the development plan in the deed records of the county in which the real property is located.
Provides that revisions to the development plan requested after the later of the 10th anniversary of the date
on which the development plan was adopted or the date on which the state no longer holds a financial or
property interest in the real property subject to the plan are governed by local development policies and
procedures.

Provides that a person may not develop or operate a qualifying project on property located within the
Capitol Complex unless the person obtains the approval of and contracts with the RGE.

Provides that a person may not initiate the approval process by submitting a proposal requesting approval,
but that the RGE may request proposals or invite bids under.

Provides that if S.B. 894, 83rd Legislature, Regular Session, 2013, or similar legislation relating to real
property within the Capitol Complex is enacted and becomes law, this provision has no effect.

Provides that the public and private facilities and infrastructure guidelines for an RGE must:
  • ensure that the governmental entity, for a proposed project to improve real property, evaluates
design quality, life-cycle costs, and the proposed project's relationship to any relevant
comprehensive planning or zoning requirements; and
  • provide a reasonable period, as determined by the RGE, of not less than 45 days or more than
180 days, or a longer period specified by the RGE's governing body to accommodate a large-
scale project.

Provides that for a proposal with an estimated cost of $5 million or more for the construction or renovation
of a structure or project, the requisite analysis must include review of the proposal by an architect, a
professional engineer, and a certified public accountant not otherwise employed by the governmental
entity.

Requires an RGE to submit a copy of the guidelines adopted by the entity to PAC for approval.

Requires PAC to prescribe the procedure for submitting the guidelines, to complete its review of the
guidelines not later than the 60th day after the date PAC receives the guidelines, and to provide written
comments and recommendations to the RGE to ensure timely compliance.

Prohibits the RGE from requesting or considering a proposal for a qualifying project until the guidelines are
approved by PAC.

Requires a private entity or other person submitting a proposal requesting approval of a qualifying project
by the RGE to include a statement of the specific public purpose served by the qualifying project, and
describing the qualifying project's compliance with the responsible RGE's best value determination.

Requires an RGE that accepts an unsolicited proposal for a qualifying project to select the contracting
person for the project by soliciting additional proposals through a request for qualifications, request for
proposals, or invitation to bid.

Requires an RGE to make a best value determination in evaluating the proposals received.
Expands the factors that an RGE may consider.

Authorizes an RGE to approve a qualifying project that the RGE determines serves a public purpose.

Requires the RGE to include in the comprehensive agreement for the qualifying project a written declaration of the specific public purpose served by the project.

Requires the RGE before completing the negotiation and entering into an interim or comprehensive agreement to submit copies of detailed proposals to PAC.

Requires a private entity whose proposal, other than a proposal for a service contract, is accepted for conceptual stage evaluation to notify each affected jurisdiction by providing a copy of its proposal.

Requires that the comprehensive agreement provide that a security document or other instrument purporting to encumber the contracting party's interest may not extend to or affect the fee simple interest of the state in the qualifying project or the state's rights or interests under the comprehensive agreement.

Requires any holder of debt to acknowledge that the mortgage or other encumbrance against the contracting party's interest is subordinate to the state's fee simple interest in the qualifying project and the state's rights or interests under the comprehensive agreement.

Provides that after submission by an RGE of a detailed qualifying project proposal to PAC, the trade secrets, proprietary information, financial records, and work product of the proposer are not protected from disclosure unless expressly considered confidential under law.

Requires the RGE to hold a public hearing on the proposal during the proposal review process in the area in which the proposed qualifying project is to be performed.

Requires the RGE to hold a public hearing on the final version of the proposed comprehensive agreement and vote on the proposed comprehensive agreement after the hearing.

Requires the hearing to be held not later than the 10th day before the date the entity enters into a comprehensive agreement with a contracting person.

Adds Section 2267.067 (Qualifying Project in Capitol Complex), to the Government Code:

- Requires a qualifying project for property located in the Capitol Complex to be consistent with Capitol Complex design guidelines or standards adopted as part of the CCMP plan.
- Requires an RGE to include certain design guidelines and standards in the request for proposals or invitation for bids for the development or operation of a qualifying project.
- Requires that the final proposal or invitation be submitted to SPB for verification that the proposal complies with the design guidelines and standards.
- Requires an RGE to submit a final qualifying project proposal for certain property to SPB.
- Authorizes SPB by majority vote to disapprove the proposal not later than the 60th day after the date the proposal was received.
- Prohibits an RGE from approving a qualifying project before September 1, 2015.
- Provides that this provision expires September 1, 2015, and, if S.B. 894, 83rd Legislature,
Regular Session, 2013, or similar legislation relating to real property within the Capitol Complex is enacted and becomes law, this section has no effect.

Provides that PAC meetings are subject to the state's open meeting laws.

Requires TFC using the qualifying project fees, to provide, on a cost recovery basis, professional services of its architectural, engineering, and real estate staff and the expertise of financial, technical, and other necessary advisors and consultants, as necessary, to support PAC in its review and evaluation of proposals; and to assign staff and contracted advisors and consultants necessary to perform such duties.

Requires PAC in a public hearing by majority vote of the members present to approve or disapprove each detailed proposal submitted to PAC.

Prohibits an RGE from negotiating for a detailed proposal that has been disapproved by PAC.

Provides that the duty of the GLO asset management division to review and verify real property records and to make recommendations does not apply to real property included in the Capitol Complex.

Transfers to TFC, not later than January 1, 2014, from the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf all powers, duties, functions, programs, and activities relating to the maintenance of each school's physical facilities.

Requires TRC and Texas School for the Blind and Visually Impaired and the Texas School for the Deaf to enter into a memorandum of understanding establishing a plan for the identification and transfer of certain records, personnel, property, and unspent appropriations that are directly related to the maintenance of each school's physical facilities.

Requires TFC,
- not later than January 1, 2014, to:
  - develop the qualifying project review guidelines as added by this Act;
  - develop the qualifying project proposal fee schedule as added by this Act; and
  - adopt the comprehensive planning and development process as added by this Act;
- not later than July 1, 2014, prepare the CCIDMP as added by this Act; and
- not later than April 1, 2016, prepare CCMP as added by this Act.

Requires PAC, not later than December 1, 2016, to submit to the lieutenant governor, the speaker of the house of representatives, and the appropriate legislative standing committees recommendations on proposed amendments to Chapters 2267 and 2268, Government Code.

Sunset Commission Review of Criminal Justice Entities—S.B. 213  
by Senators Whitmire and Nichols—House Sponsor: Representative Price

The Board of Pardons and Paroles (BPP) and the Texas Department of Criminal Justice (TDCJ) are subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. The Windham School District is subject to a limited purpose review by the Sunset Advisory Commission as
part of the review of TDCJ for the 83rd Legislature. BPP is not subject to abolishment, but is subject to Sunset review at the same time as TDCJ. The Correctional Managed Health Care Committee (CMHCC) is subject to Sunset review at the same time as TDCJ.

The Sunset Advisory Commission found that Texas has a clear and ongoing need for these entities, but that changes are needed to improve the coordination and integration of their programs, and to better measure and manage program performance to help achieve more successful outcomes, such as reducing recidivism and incarceration costs. This bill:

Requires each facility under the oversight of the correctional institutions division to establish a case management committee (committee) to assess each inmate in the facility and ensure the inmate is receiving appropriate services or participating in appropriate programs.

Requires the committee to review each individualized treatment plan for an inmate in the facility and discuss with the inmate a possible treatment plan, including participation in any program or service that may be available through TDCJ, the Windham School District, or any volunteer organization and to meet with each inmate in the facility at the time of the inmate's placement in the facility and at any time in which the committee seeks to reclassify the inmate based on the inmate's refusal to participate in a program or service recommended by the committee.

Requires a committee to include the members of the unit classification committee and authorizes the committee to include an employee whose primary duty involves providing rehabilitation and reintegration programs or services; an employee whose primary duty involves providing medical care or mental health care treatment to inmates; or a representative of a faith-based or volunteer organization.

Requires TDCJ to develop and adopt a comprehensive plan to reduce recidivism and ensure the successful reentry and reintegration of offenders into the community following an offender's release or discharge from a correctional facility.

Requires that the adopted reentry and reintegration plan incorporate the use of the risk and needs assessment instrument; provide for programs that address the assessed needs of offenders; provide for a comprehensive network of transition programs to address the needs of offenders released or discharged from a correctional facility; identify and define the transition services that are to be provided by TDCJ and which offenders are eligible for those services; coordinate the provisions of reentry and reintegration services provided to offenders through state-funded and volunteer programs across divisions of TDCJ; provide for collecting and maintaining data regarding the number of offenders who received and did not receive reentry and reintegration services; provide for evaluating the effectiveness of the reentry and reintegration services; identify providers of existing local programs and transitional services with whom TDCJ may contract; and provide for the sharing of information between local coordinators, persons with whom TDCJ contract, and other providers of services.

Requires TDCJ, in consultation with BPP and the Windham School District, to establish the role of each entity in providing reentry and reintegrative services.

Requires that the reentry and reintegration plan include BPP and the Windham School District; the reentry and reintegrative responsibilities and goals of each entity, including the duties of each entity to administer the risk and needs assessment instrument; the strategies for achieving the goals identified by each entity;
and specific timelines for each entity to implement the components of the reentry and reintegration plan for which the entity is responsible.

Requires TDCJ to provide a copy of the initial reentry and reintegration plan and each evaluation and revision of the plan to the Texas Board of Criminal Justice (TBCJ), the Windham School District, and BPP.

Requires TDCJ, not later than September 1 of each even-numbered year, to deliver a report of the results of evaluations conducted to the lieutenant governor, the speaker of the house of representatives, and each standing committee of the senate and house of representatives having primary jurisdiction over the TDCJ.

Requires TDCJ to adopt a standardized instrument to assess, based on criminogenic factors, the risks and needs of each offender within the adult criminal justice system.

Requires TDCJ to make the risk and needs assessment instrument available for use by each community supervision and corrections department (CSCD) established under Chapter 76 (Community Supervision and Corrections Department), Government Code.

Requires TDCJ and the Windham School District to jointly determine the duties of each entity with respect to implementing the risk and needs assessment instrument in order to efficiently use existing assessment processes.

Requires TDCJ to specify a timeline for the testing, adoption, and implementation of the risk and needs assessment instrument and to provide for the use of the instrument to be fully implemented not later than January 1, 2015.

Requires TDCJ to establish a reentry task force and to coordinate the work of the task force with the Office of Court Administration.

Requires the TDCJ executive director (executive director) to ensure that the task force includes representatives of the Texas Juvenile Justice Department; the Texas Workforce Commission (TWC); the Department of Public Safety of the State of Texas (DPS); the Texas Correctional Office on Offenders with Medical or Mental Impairments; the Health and Human Services Commission; the Texas Judicial Council; BPP; the Windham School District; the Texas Commission on Jail Standards; the Department of State Health Services; the Texas Court of Criminal Appeals; the County Judges and Commissioners Association of Texas; the Sheriff's Association of Texas; the Texas District and County Attorneys Association; and the Texas Conference of Urban Counties.

Requires the executive director to appoint a representative from each of the following entities to serve on the reentry task force: a CSCD; an organization that advocates on behalf of offenders; a local reentry planning entity; and a statewide organization that advocates for or provides reentry or reintegration services to offenders.

Requires the executive director to ensure that the membership of the reentry task force reflects the geographic diversity of this state and includes members of both rural and urban communities.

Authorizes the executive director to appoint additional members as the executive director determines necessary.
Requires the reentry task force, in performing its duties, to identify specific goals, specify deliverables of the task force, and the intended audience or recipients of the deliverables; specify the responsibilities of each entity represented on the task force regarding the goals of the task force; and specify a timeline for achieving the task force's goals and producing deliverables.

Defines "committee" as the Correctional Managed Health Care Committee; "contracting entity" as an entity that contracts with TDCJ to provide health care services; and "medical school" as the medical school at The University of Texas Health Science Center (UTHSC) at Houston, the medical school at UTHSC at Dallas, the medical school at UTHSC at San Antonio, UTHSC at Galveston, the Texas Tech University Health Sciences Center, the Baylor College of Medicine, the college of osteopathic medicine at the University of North Texas Health Science Center at Fort Worth, or the Texas A&M University System Health Science Center.

Provides that the committee consists of nine, rather than five, voting members and one nonvoting member, including two members who are physicians and two members who are licensed mental health professionals.

Requires the committee to provide expertise to TDCJ and authorizes the committee to appoint subcommittees to assist TDCJ in developing policies and procedures for implementation of the managed health care plan.

Establishes the powers and duties of TDCJ and its authority to contract with entities regarding a managed health care provider network.

Requires TDCJ, not later than the 30th day after the end of each fiscal quarter, to submit to the Legislative Budget Board (LBB) and the governor a report that contains, for the preceding quarter, the actual and projected expenditures for the correctional health care system; health care utilization and acuity data; other health care information; and the amount of cost savings realized as a result of contracting for health care services with a provider other than the Texas Tech University Health Science Center and The University of Texas Medical Branch.

Requires that a contract entered into by TDCJ for provision of health care services require the contracting entity to provide TDCJ with necessary documentation.

Authorizes the committee to serve as a dispute resolution forum in the event of a disagreement relating to inmate health care providers or contracting entities.

Requires the committee to advise TDCJ and TBCJ as necessary, including providing medical expertise and assisting TDCJ and TBCJ in identifying system needs and resolving contract disputes.

Requires the parole panel granting or denying the release of an inmate on parole, or denying the release of an inmate on mandatory supervision, to produce a written statement, in clear and understandable language, that explains the decision and the reasons for the decision; provide a copy of the statement to the inmate; and place a copy of the statement in the inmate's file.
Authorizes the parole panel, in a written statement, to withhold information that is confidential and not subject to public disclosure or the parole panel considers to possibly jeopardize the health or safety of any individual.

Requires BPP to establish and maintain a range of recommended parole approval rates for each category or score within the guidelines.

Requires BPP to meet annually to review and discuss the parole guidelines and range of recommended parole approval rates.

Requires BPP to prioritize the use of outside experts, technical assistance, and training in taking any action.

Requires BPP to consider how the parole guidelines and range of recommended parole approval rates serve the needs of parole decision-making and the extent to which the parole guidelines and range of recommended parole approval rates reflect parole panel decisions.

Authorizes BPP to modify the range of recommended parole approval rates under the guidelines, if parole approval rates differ significantly from the range of recommended parole approval rates.

Requires TDCJ to establish for the inmate an individual treatment plan and to submit the plan to BPP at the time of BPP's consideration of the inmate's case for release.

Requires TDCJ to include in the inmate's individual treatment plan a record of the inmate's institutional progress that includes the inmate's participation in any program, including an intensive volunteer program; the results of any assessment of the inmates, including any assessment made using the risk and needs assessment instrument and any vocational, educational, or substance abuse assessment; the date on which the inmate must participate in any subsequent assessment; and all of the treatment and programming needs of the inmate, prioritized based on the inmate's assessed needs.

Requires TDCJ, at least once in every 12-month period, to review each inmate's individual treatment plan to assess the inmate's institutional progress and revise or update the plan as necessary.

Requires the inmate, before the inmate is approved for release on parole, to agree to participate in the programs and activities described by the individual treatment plan.

Allows any hearing required to be conducted by a parole panel to be conducted by a designated agent of BPP and authorizes the agent to make recommendations to a parole panel that has responsibility for making a final decision.

Requires the community justice assistance division (CJAD) to require each CSCD to use the risk and needs assessment instrument adopted by TDCJ to assess each defendant at the time of the defendant's initial placement on community supervision and at other times as required by the comprehensive reentry and reintegration plan.

Defines "grant program" as a grant program administered by the CJAD through which the CJAD awards grants to CSCDs through an application process.
Requires CJAD to establish goals for each grant program; establish grant application, review, award, and evaluation processes; establish the process by which and grounds on which an applicant may appeal a decision of the division regarding a grant application; establish and maintain a system to routinely monitor grant performance; establish and make available to the public all criteria used in evaluating applications and all factors used to measure grant program performance; publish on the CJAD Internet website for each grant awarded the amount awarded, the method used in scoring the grant applications and results of scoring, and additional information describing the methods used to make the funding determination; and require each CSCD to submit program-specific outcome data for the division's use in making grant awards and funding decisions.

Requires CJAD to review the funding formulas and study the feasibility of adopting performance-based funding formulas, including whether the formulas should take into consideration an offender's risk level or other appropriate factors, and make recommendations for modifying the current funding formula.

Requires CJAD, in conducting the study and making recommendations, to seek input from CSCDs, the judicial advisory council, and other relevant interest groups and, in consultation with LBB, determine the impact of any recommendations on the allocation of the CJAD's funds as projected by LBB.

Requires CJAD to include in the reports the findings of the study; any recommendations regarding modifying the funding formulas; and the projected impact of the recommendation on the allocations of the division's funds.

Provides that a judgment or written declaration of the court signed by the trial judge and entered of record showing the conviction or acquittal of a defendant should reflect whether a victim impact statement was returned to the attorney representing the state.

Requires the court, prior to the imposition of a sentence by the court in a criminal case, to inquire as to whether a victim impact statement has been returned to the attorney representing the state and, if the victim impact statement has been returned to the attorney representing the state, to consider the information provided in the statement.

Requires the victim services division of TDCJ, in consultation with BPP, law enforcement agencies, prosecutors' offices, and other participants in the criminal justice system, to develop recommendations to ensure that completed victim impact statements are submitted to TDCJ.

Requires the attorney representing the state, on inquiry by the court, to make available a copy of a victim impact statement for consideration by the court sentencing the defendant.

Requires that the Windham School District be reviewed by the Sunset Advisory Commission during the period in which TDCJ is reviewed.

Requires the Windham School District, to evaluate the effectiveness of its programs, to compile and analyze information for each of its programs, including performance-based information and data related to academic, vocational training, and life skills programs.
Requires that the information compiled and analyzed by the Windham School District include, for each person who participates in district programs, among other information, an evaluation of institutional disciplinary violations; subsequent arrests; subsequent convictions or confinements; the cost of confinement; educational achievement; and high school equivalency examination passage.

Requires the Windham School District to use the information compiled and analyzed to biennially evaluate whether its programs meet the goals under Section 19.003 (Goals of the District), Education Code, and make changes to the programs as necessary.

Authorizes the Windham School District to enter into a memorandum of understanding with TDCJ, DPS, and TWC to obtain and share data necessary to evaluate district programs.

**Continuation and Functions of the State Employee Charitable Campaign—S.B. 217**  
by Senators Patrick and Nichols—House Sponsor: Representative Anchia

The State Employee Charitable Campaign (SECC) is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the Legislature. As a result of its review of SECC, the Sunset Advisory Commission recommended continuation of SECC and some statutory modifications. This bill: Redefines "local campaign area" and requires an authorization to direct the comptroller of public accounts of the State of Texas (comptroller) to distribute the deducted funds to a participating federation or fund or a local charitable organization selected by the state policy committee as prescribed by rule.

Requires the state campaign manager, any local employee committee or local campaign manager appointed by the state policy committee, each charitable organization, each state employee, and each state agency to inform state employees that deductions for participation in SECC are voluntary.

Reduces the number of SECC policy members from 13 to nine. Requires the governor, with the advice and consent of the senate, to appoint two members who are state employees at the time of their appointment and one member who is a retired state employee receiving retirement system benefits. Requires the lieutenant governor and the comptroller to appoint three members each. Requires that an appointment to the committee be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee. Requires the state policy committee to elect a chair biennially from its own membership.

Requires the governor, lieutenant governor, and comptroller to attempt to appoint members to the state policy committee from institutions of higher education and a range of small, medium, and large state agencies. Establishes the requirements, membership, and responsibilities of the state policy committee. Requires the comptroller to provide administrative support to the state policy committee, including assistance in developing and overseeing contracts and developing the budget of the state employee. Provides for grounds for removal from the state policy committee. Establishes a training program for state policy committee members.

Provides for the requirements and responsibilities of the state campaign manager. Provides for the requirements, responsibilities, and term limits of the state employee charitable campaign advisory committee.
Requires the state policy committee to develop guidelines for evaluation of applications and establishes rules for the implementation of these guidelines.

Requires a charitable organization that seeks to participate in SECC only in a local campaign area to apply to the state policy committee during the annual eligibility determination period specified by the state policy committee. Establishes the process for review of the applications to participate in a local campaign area. Provides for the appeal process for a decision of the state policy committee regarding the eligibility of an organization to participate in a local campaign area.

Authorizes the state policy manager to authorize a local campaign manager to charge a reasonable and necessary fee in an amount authorized by the state policy committee in the same manner provided for the state campaign manager. Establishes the limits and requirements of the fees.

Establishes that the state campaign manager and local campaign manager be audited at the request of the state policy committee. Provides for the penalties and requirements if the audit reveals certain negligence or misconduct.

Requires the attorney general to represent the state policy committee and any local employee committee appointed by the state policy committee in all legal matters.


Repeals Sections 659.143 (Local State Employee Charitable Campaign Committee), Government Code; 659.144 (Local Campaign Manager), Government Code; and 18.01 (relating to a federation or organization that has participated in the state employee charitable campaign not being barred from participation in the program), Chapter 3 (H.B. 7), Acts of the 78th Legislature, 3rd Called Session, 2003.

Establishes certain term limits and requirements of members of the SECC policy committee.

Continues SECC until September 1, 2017, unless extended by the Sunset Advisory Commission.

**Abolishing the Office of the Fire Fighters’ Pension Commissioner—S.B. 220**
by Senators Birdwell and Nichols—House Sponsor: Representative Anchia

Created in 1937, the Office of Fire Fighters’ Pension Commissioner (FFPC) monitors and assists 122 individual local pension plans organized under the Texas Local Fire Fighters’ Retirement Act (TLFFRA), and administers a separate statewide system for more than 200 volunteer departments, known as the Texas Emergency Services Retirement System (TESRS). A separate governor-appointed board of trustees sets policy for the system and manages the fund’s assets. FFPC is subject to Chapter 325, of the Government Code, known as the Texas Sunset Act, and will be abolished September 1, 2013, unless continued by the legislature. The Sunset Advisory Commission has recommended abolishing FFPC, setting up TESRS as a separate entity with a board that has the authority to appoint an executive director, and making other statutory modifications. This bill:
Defines "executive director."

Replaces statutory references to the FFPC commissioner with "executive director."

Amends statutes regarding the right of a person aggrieved by a decision of a local board relating to benefits to appeal the decision to the TESRS state board of trustees (state board), rather than the commissioner.

Provides that a final decision of the state board is subject to judicial review under the standard of substantial evidence.

Provides that venue of the appeal is in a district court in Travis County.

Provides that at least five, rather than six, state board trustees must be active members of TESRS and that one trustee may be a retiree of the pension system.

Makes the state board subject to the Texas Sunset Act provides that the state board is not abolished under the Texas Sunset Act; and requires the state board to be reviewed every 12 years.

Prohibits a person from being trustee or an employee employed in a certain capacity of TESRS if the person is an officer, employee, or paid consultant of a Texas trade association in the field of emergency services, including firefighting, or public retirement systems; or the person's spouse is an officer, manager, or paid consultant of such a trade association. Defines "Texas trade association."

Prohibits a person from serving as a trustee or acting as the general counsel to the state board or TESRS if the person is required to register as a lobbyist because of the person's activities for compensation on behalf of a business or an association related to the operation of the state board. Sets forth required training for members of the state board. Provides that state board members are entitled to reimbursement for travel expenses incurred in attending the training program.

Requires the state board to adopt a written policy to guide staff in managing and administering contracts entered into by or on behalf of TESRS. Sets forth the required content of this written policy.

Requires the state board, by a majority vote of all members, to appoint a person other than a board member to serve at the board's will as the executive director. Sets forth qualifications for the executive director. Transfers certain rights and duties of the commissioner to the executive director.

Provides that the state board, rather than the commissioner, is responsible for recovering any fraudulently acquired benefits.

Requires the state board to electronically submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, the Legislative Budget Board, and the State Pension Review Board (PRB) if:
there is a significant change to the actuarial valuation of TESRS' assets or liabilities;
there is any change to the contributions made to or benefits paid; or
an actuarial valuation must be corrected or repeated.

Sets forth the required content of the report.

Requires the state board to determine the meaning of "significant change."

Authorizes the state board report to be combined with any other report required by law.

Sets forth what the statutorily-required actuarial valuation of the Texas emergency services retirement fund (fund) must include.

Requires the state board, at least once every five years and with the assistance of the actuary, to audit the actuarial valuation and conduct an actuarial experience study.

Provides that the actuarial valuation and experience study are not required to be conducted concurrently.

Requires TESRS to maintain a system to promptly and efficiently act on complaints filed with TESRS.

Sets forth the required information the system must maintain.

Requires TESRS to make information available describing such complaint investigation and resolution procedures; and periodically notify the complaint parties of the status of the complaint until final disposition.

Requires PRB to provide technical assistance, training, and information to members of the boards of trustees established under Texas Local Fire Fighters Retirement Act (Act). Sets forth the requirements for such training. Requires PRB, to the extent resources are available, to designate one person to specialize in providing such technical assistance, training, and information.

Provides that a person aggrieved by a decision of a board of trustees relating to eligibility for or amount of benefits payable by a retirement system under the Act may appeal the decision to the State Office of Administrative Hearings (SOAH), rather than the commissioner.

Requires PRB, after receiving a notice of appeal, to refer the matter to SOAH.

Provides that the sole function of PRB with respect to an appeal is to refer the appeal to SOAH.

Strikes a requirement under the Act that a board of trustees submit certain information to the commissioner; and references to the commissioner under the Act.

Requires the state board, not later than September 1, 2013, to appoint an executive director.

Abolishes the office of commissioner effective September 1, 2013. Transfers certain powers, duties, obligations, and rights of action of the commissioner to the executive director of the state board. Transfers certain property and equipment used by commissioner to the executive director. Provides that certain rules
adopted by or on behalf of the commissioner either remain in effect until amended or repealed by the state board or expire effective September 1, 2013. Provides for the transfer of certain appropriations made to the commissioner.

Provides for the transfer of certain administrative hearings to SOAH. Authorizes the attorney general to continue any pending proceeding involving the commissioner.

Requires the governor, if certain transfers are not completed by September 1, 2013, to appoint a person to complete the transfers.

Texas Military—S.B. 1536
by Senators Van de Putte and Campbell—House Sponsor: Representative Menéndez

Chapter 431 (State Militia), Government Code, includes outdated and duplicative statutory language relating to the Texas military. This bill:

Creates Chapter 437 (Texas Military) in the Government Code.

Consolidates current duplicative definitions and transfers much of Chapter 431, Government Code, into the new Chapter 437 and modernizes the statutory language.


Establishes that the governor is the commander-in-chief of the Texas military forces, except any portion of those forces in the service of the United States.

Provides that if the governor is unable to perform the duties of commander-in-chief, the adjutant general shall command the Texas military forces, unless the state constitution or other state law requires the lieutenant governor or the president of the senate to perform the duties of governor.

Requires the governor, with the advice and consent of the senate, to appoint an adjutant general to a two-year term expiring February 1 of each even-numbered year.

Requires the governor, on recommendation of the adjutant general, to appoint a deputy adjutant general for army, a deputy adjutant general for air, and the commander of the Texas State Guard.

Requires the governor to appoint, commission, and assign the Texas State Guard general officers who must be qualified under United States law and regulations.

Establishes eligibility requirements for appointment as a general officer.

Authorizes the governor to delegate certain powers of the commander-in-chief to the adjutant general.
Requires the governor to make and publish regulations, according to existing federal and state law, to govern the Texas military forces.

Authorizes the governor to reorganize and provide regulations relating to the organization of any portion of the Texas National Guard, Texas State Guard, emergency militia, or other military force organized under state law.

Authorizes the governor to obtain from the United States government the arms, equipment, munitions, or other military supplies to which the state is entitled for use by the Texas military forces and designate locations for storage of all military property owned by or under the control of the state.

Authorizes the governor to delegate certain powers of the commander-in-chief to the adjutant general.

Authorizes the governor to activate all or part of the Texas military forces to state active duty or for state training and other duty.

Authorizes the governor to delegate certain powers of the commander-in-chief to the adjutant general.

Provides that a service member called to state active duty or to state training and other duty has the rights, privileges, duties, functions, and authorities conferred or imposed by state law.

Requires the governor to appoint and commission officers of the Texas National Guard.

Requires the adjutant general to appoint and commission officers, other than a general officer, in the Texas State Guard.

Establishes that federal law prescribes the terms and the qualifications and the requirements for enlistment and appointment in the Texas National Guard.

Allows the governor and legislature to prescribe additional terms, qualifications, and requirements that do not conflict with federal law.

Authorizes the governor, if after consulting with the adjutant general, the governor determines that the state is eligible for federal matching funds for projects at military facilities in this state, to direct that money appropriated for another purpose be used to obtain the federal matching funds if the appropriation authorizes the money to be used for that purpose.

Establishes that the Texas Military Department (TMD) is subject to review by the Sunset Advisory Commission.

Establishes the jurisdiction, division of responsibilities, general powers, and qualifications of the adjutant general.

Establishes the rank, duties, and responsibilities of deputy adjutants general and general officers of the Army National Guard and the Air National Guard.
Authorizes the adjutant general to appoint full-time employees of TMD, traditional national guard members, state guard volunteers, or federal employees.

Prohibits a person from being appointed adjutant general, deputy adjutant general, a general officer, judge advocate general, or executive director if the person is required to register as a lobbyist because of the person's activities for compensation on behalf of a profession related to the operation of TMD.

Establishes other prohibitions for appointment due to conflict of interest provisions.

Establishes grounds for removal of the adjutant general.

Establishes provisions for and responsibilities of the TMD executive director, TMD personnel, and Texas State Guard personnel.

Requires the TMD executive director to develop a career ladder program and a system of TMD employee performance evaluations.

Establishes TMD's authority to make differential payments to an employee.

Requires TMD to preserve all historically significant military records or property in the Texas Military Forces Museum.

Requires TMD to annually submit to the governor and the legislature a complete and detailed written report accounting for all funds received and disbursed by TMD during the preceding fiscal year.

Requires TMD to develop and implement a policy requiring the executive director and TMD's employees to research and propose appropriate technological solutions to improve TMD's ability to perform its functions.

Exempts TMD from the provisions of Chapter 2054, Government Code, relating to the oversight of information resources and information resource manager provisions to the extent the National Guard Bureau and the United States Department of Defense provide information technology and communications support to TMD.

Authorizes TMD to establish and contract for the operation of not more than three military-type post exchanges similar to those operated by the armed forces of the United States on any real property under the management and control of TMD.

Allows TMD to accept funds, property, or services donated by any public or private entity.

Authorizes TMD to solicit and accept gifts, grants, or donations from any private or public entity to support the Texas military forces or the Texas Military Forces Museum and to spend the proceeds consistent with donor limitations and for the use of the Texas military forces, the museum, or TMD.

Authorizes TMD to accept a donation or transfer of funds from the federal government directly or through another agency of from an agency or political subdivision of the state.
Requires TMD to prepare information of public interest describing the functions of TMD and the procedures by which complaints are filed with and resolved by TMD.

Requires the adjutant general to adopt policies to establish methods for notifying the public and members of the Texas National Guard of TMD's contact information for the purpose of directing complaints to TMD. Requires TMD to maintain a file on each written complaint filed with TMD.

Requires TMD to provide to the person filing the complaint and to each person who is the subject of the complaint a copy of TMD policies and procedures relating to complaint investigation and resolution unless the notice would jeopardize an undercover investigation.

Requires TMD to develop and implement a policy to encourage the use of appropriate alternative dispute resolution procedures to assist in the resolution of internal and external disputes within TMD's jurisdiction.

Authorizes TMD to purchase from money appropriated to TMD and keep ready for use, store, or issue a necessary amount of ordnance, subsistence, medical, signal, engineering, and other supplies.

Authorizes TMD to dispose of or exchange supplies owned by the state that are unfit for further use as TMD determines is in the best interest of Texas military forces.

Requires TMD to provide each state military unit with the arms, equipment, instruction and record books, and other supplies necessary for performance of the duties required of the unit.

Requires TMD to comply with federal and state laws related to program accessibility.

Entitles TMD, for each student enrolled in the Texas ChalleNGe Academy (TCA), to allotments from the Foundation School Program as if the academy were a school district without a tier one local share.

Requires TMD to contract with an appropriate school district for the provision of educational services for students enrolled in TCA.

Authorizes TMD to use appropriated money to purchase food and beverages for charged military housing and training functions required of the Texas military forces.

Requires TMD to maintain and operate charged military housing in accordance with policies and regulations adopted by the adjutant general and published on the TMD Internet website.

Establishes that the real property advisory council (council) be composed of two deputy adjutants general; the TMD executive director; and five public members.

Requires the council to meet at least two times each fiscal year to advise TMD on matters relating to real property management, including the facility master plan, long-range construction plans, requests for bonding authority, and other relevant issues.

Requires the council to develop and implement policies that provide the public with a reasonable opportunity to at least annually appear before the council and speak on any issue related to the construction, repair, and maintenance of Texas military forces armories, facilities, and improvements.
Authorizes TMD to borrow money in the amount and under circumstances allowed by the Texas Constitution and to request the Texas Public Finance Authority to issue and sell fully negotiable bonds to acquire, construct, remodel, repair, or equip one or more facilities.

Requires TMD, if TMD receives notice from the General Land Office, to produce a report evaluating the military use of any real property under the management and control of TMD.

Authorizes TMD to acquire real property by gift, lease, or purchase for any purpose TMD considers necessary for the use of the Texas military forces.

Establishes that property held by TMD and rents, issues, and profits from the property are exempt from taxation by the state, a municipality, a county or other political subdivision, or a taxing district of this state.

Requires the adjutant general to issue each military unit a certificate stating that the unit has been duly organized according to the laws and regulations of the Texas military forces and is entitled to the rights, powers, privileges, amenities, and immunities conferred by law and military regulation.

Establishes regulations and guidelines for leave of absence for public officers and employees.

Establishes, for purposes of dual office holding, that a position in or membership in the Texas military forces is not considered to be a civil office of emolument.

Prohibits an employer from terminating the employment of an employee who is a member of the state military forces of this state or any other state because the employee is ordered to authorized training or duty by a proper authority.

Establishes provisions for oaths and commissions in the Texas military forces.

Establishes that a military unit in the Texas military forces is, from the time of its creation, a body politic and corporate with powers and privileges provided by that status.

Prohibits a body of persons other than regularly organized Texas military forces, the armed forces of the United States, or the active militia of another state from associating as a military company or organization or parade in public with firearms in a municipality of the state.

Prohibits a military force from another state, territory, or district, except a forces that is on federal orders and acting as a part of the United States armed forces, from entering this state without the permission of the governor.

Provides that a person commits a Class B misdemeanor offense if the person physically and intentionally hinders, delays, or obstructs or intentionally attempts to hinder, delay, or obstruct a portion of the Texas military forces on active duty in performance of a military duty.

Authorizes the state to make suitable provisions for the pay, transportation, subsistence, and housing of service members on state active duty or state training and other duty as necessary to accomplish the mission.
Requires the adjutant general and the Employees Retirement System of Texas to coordinate and consult to implement the benefits program and to adopt a memorandum of understanding.

Establishes a list of persons that may request a military funeral and honor service from the Texas military forces.

Requires TMD, on the request of a qualified person, to provide a grave marker for a decedent who served in the Texas military forces.

Requires the Texas military forces to develop a program to provide referrals to service members for reintegration services.

Exempts a member of the National Guard on federal active duty, or a member of the armed forces of the United States on active duty, who is preparing to be deployed from paying certain state and local government fees.

Exempts an officer or enlisted service member in the Texas military forces who complies with the service member’s military duties from payment of a road or street tax.

Establishes guidelines and requirements of the adjutant general regarding eligibility for supplemental pay.

Provides that a service member of the Texas military forces ordered into service by proper authority is not personally liable for any act performed or for any contract or other obligation undertaken in an official capacity in good faith and without intent to defraud in connection with the administration, management, or conduct of TMD in business, programs, or other related affairs.

Prohibits a member of the Texas military forces from being arrested, except for treason, felony, or breach of the peace, while the person is going to or coming from a place that the person was required to be for military duty.

Requires a unit, force, division, or command of the Texas military forces that is engaged in regular training on a day on which an election for state or federal office is held to provide time off or arrange duty hours to permit all personnel to vote in the election.

Allows a service member to be discharged from the Texas military forces according to regulations adopted by the adjutant general or by federal law or regulations.

Establishes the eligibility requirements for a service member to receive assistance for tuition and mandatory fees at an institution of higher education.

Entitles a member of the Texas military forces who is on state active duty, on state training or other duty, or traveling to or from the member's duty location and who is killed or injured while engaged in authorized duty, training, or travel to receive compensation and protections.

Establishes the provisions for the issuance and use of uniform and other military property.
Prohibits the Texas National Guard from exceeding one-half of one percent of the population of the state except in case of war, insurrection, or invasion, the prevention of invasion, the suppression of riot, or the aiding of civil authorities to execute state law.

Allow funds, other than property, or services to be donated to a unit of the Texas National Guard by a public or private entity.

Establishes that when the National Guard Counterdrug Program (program) assists a federal law enforcement agency, the program is considered to be a law enforcement agency of the state.

Establishes provisions for emergency leave for a state employee called to state active duty as a member of the Texas military forces.

Establishes the responsibilities of the commander of the Texas State Guard.

Provides that the Texas State Guard is composed of units the governor or adjutant general considers advisable.

Establishes eligibility requirements for a person to serve in the Texas State Guard.

Establishes that the governor has full control and authority over the Texas State Guard.

Establishes provisions for emergency leave for a state employee called to state active duty as a member of the Texas State Guard.

Prohibits the Texas State Guard from being required to serve outside the state unless the governor, on request of the governor of another state, orders the Texas State Guard to assist a military or civil authority of that state in defending that state.

Authorizes the Texas State Guard to continue in fresh pursuit in another state of an insurrectionist, a saboteur, an enemy, or enemy person or forces and military forces.

Authorizes the military of another state to continue fresh pursuit in this state in the same manner.

Establishes that a person is not exempted by enlistment or commission in the Texas State Guard from military service under federal law.

Requires the commander of the Texas State Guard to maintain and preserve the individual and unit records of the Texas State Guard and the Texas State Guard Honorary Reserve.

Authorizes the governor to request for use the Texas State Guard arms and equipment that the United State government possesses and can spare.

Authorizes the governor or adjutant general to transfer certain individuals to the Texas State Guard Honorary Reserve and to advance the service member one grade or rank at the time of the transfer.
Establishes a special revolving fund to be known as the Texas State Guard uniform and insignia fund to be used only to purchase uniforms and insignia for the Texas State Guard.

Authorizes the legislature by concurrent resolution to direct the governor to award the Texas Legislative Medal of Honor, during a regular session, to only one service member for service in the state or federal military forces during the period beginning after 1835 but before 1956 and only one service member for service in the state or federal military forces after 1955.

Deletes outdated references in Section 431 (State Militia), Government Code, to certain medals and awards.

Requires that a recommendation for award of the Texas Legislative Medal of Honor or the Lone Star Medal of Valor be forwarded through military channels to the adjutant general.

Requires the adjutant general, if the adjutant general determines that a case meets certain criteria for award of the Lone Star Medal of Valor, to by endorsement recommend to the governor the awarding of the medal.

Authorizes the governor or adjutant general to adopt policies and regulations relating to awarding:

- the Texas Purple Heart Medal;
- the Texas Superior Service Medal;
- the Lone Star Distinguished Service Medal;
- the Texas Outstanding Service Medal;
- the Texas Humanitarian Service Medal;
- the Texas Homeland Defense Service Medal;
- the Federal Service Medal;
- the Texas Combat Service Ribbon;
- the Texas Faithful Service Medal;
- the Texas Medal of Merit;
- the Texas State Guard Service Medal;
- the Texas Desert Shield/Desert Storm Campaign Medal;
- the Texas Iraqi Campaign Medal; and
- the Texas Afghanistan Campaign Medal.

Authorizes TMD to purchase or replace medals, awards, decorations, and ribbons for the recipient, the decedent's family, and nonprofit and governmental entities honoring the recipient or decedent.

Transfers numerous sections from Section 431 to Section 437 of the Government Code and makes conforming changes to include TMD in statute.

Adds TMD to and updates committee and agency names in the list of entities to the entities included in the Homeland Security Council.

Establishes that information in or derived from a workers' compensation claim file regarding an employee and information in or derived from a risk management review related to facility security or continuity of operations of the Texas military forces is confidential.
Exemption From the Sales and Use Tax for Certain Coins and Precious Metals—H.B. 78
by Representative Simpson et al.—Senate Sponsor: Senator Eltife et al.

Currently, there is a sales tax exemption for precious metal and/or rare coins and bullion purchases for any transaction totaling $1,000 or more. This tax break is out of the reach of many Texans who can only purchase precious metals in more modest increments. This bill:

Exempts the sale of gold, silver, or numismatic coins or of platinum, gold, or silver bullion from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code.

Tax Exemption For Residence Donated to a Disabled Veteran by a Charitable Organization—H.B. 97
by Representative Perry et al.—Senate Sponsor: Senators Van de Putte and Hinojosa

Recently, homes have been donated by charitable organizations to returning soldiers who have sustained injuries while serving our country. On occasion, these donations have unintentionally resulted in the foreclosure of donated homes because the veterans are unable to pay property taxes on the homes. This bill:

Entitles a disabled veteran who has a disability rating of less than 100 percent to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization at no cost to the disabled veteran.

Entitles the surviving spouse of a disabled veteran who qualified for an exemption of a percentage of the appraised value of the disabled veteran's residence homestead when the disabled veteran died to an exemption from taxation of the same percentage of the appraised value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried since the death of the disabled veteran and the property was the residence homestead of the surviving spouse when the disabled veteran died and remains the residence homestead of the surviving spouse.

Entitles a surviving spouse, if the surviving spouse who qualifies for an exemption subsequently qualifies a different property as the surviving spouse's residence homestead, to an exemption from taxation of the subsequently qualified residence homestead in an amount equal to the dollar amount of the exemption from taxation of the former residence homestead in the last year in which the surviving spouse received an exemption for that residence homestead if the surviving spouse has not remarried since the death of the disabled veteran. Provides that certain exemptions, once allowed, need not be claimed in subsequent years and apply to the property until it changes ownership or the person's qualification for the exemption changes. Requires a person who qualifies for certain exemptions to apply for the exemption no later than the first anniversary of the date the person qualified for the exemption.

Requires the assessor for each taxing unit to recalculate the amount of the tax due on the property and correct the tax roll if an individual qualifies for an exemption under Section 11.132 (Donated Residence Homestead of Partially Disabled Veteran), Tax Code, with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property. Requires the assessor to mail a corrected tax bill to the individual in whose name the property is listed on the tax roll or to the individual's authorized agent if the tax bill has been mailed and the
tax on the property has not been paid. Requires the tax collector for the taxing unit to refund to the individual who paid the tax the amount by which the payment exceeded the tax due if the tax on the property has been paid.

Provides that the bill is effective January 1, 2014, contingent upon approval by the voters of the constitutional amendment relating to providing for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.

Requiring Certain Ad Valorem Tax-Related Notices to be Delivered by Certified Mail—H.B. 242

by Representative Otto—Senate Sponsor: Senator Hegar

Current law requires certain property tax notices to be sent to property owners by certified mail to ensure that the owners timely receive information relevant to protests before the appraisal review board and related remedies. This bill adds certain property tax notices to those that must be delivered by certified mail. This bill:

Requires that a notice required by Section 11.45(d) (relating to requiring the chief appraiser to deliver a written notice of a modification or denial of an exemption to the applicant), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.44(d) (relating to requiring the chief appraiser to deliver a written notice of the denial of an application to the claimant), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.46(c) (relating to determining, if land that has been designated for agricultural use is sold or diverted, the total amount of additional taxes due), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.54(e) (relating to providing that, if a person fails to file a valid application on time, the land is ineligible for appraisal for that year), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.541(c) (relating to requiring the chief appraiser to make an entry of the appraisal records indicating the person’s liability for the penalty and to deliver written notice of the imposition of the penalty to the person), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.55(e) (relating to requiring a chief appraiser to deliver a notice of a determination to the owner of the land as soon as possible and to include in the notice an explanation of the owner’s right to protest), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.57(d) (relating to requiring the chief appraiser, if the chief appraiser denies an application, to deliver a written notice of the denial to the applicant), Tax Code, be sent by certified mail.
Requires that a notice required by Section 23.76(e) (relating to requiring a chief appraiser to deliver a notice of a determination to the owner of the land as soon as possible and to include in the notice an explanation of the owner's right to protest), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.79(d) (relating to requiring the chief appraiser to deliver a written notice of the denial of an application), Tax Code, be sent by certified mail.

Requires that a notice required by Section 23.85(d) (relating to requiring the chief appraiser to deliver a written notice of the denial of an application to the claimant), Tax Code, be sent by certified mail.

**Tax Exemption For Certain Property Used to Provide Housing For the Homeless—H.B. 294**

*by Representative Eddie Rodriguez—Senate Sponsor: Senators Watson and Zaffirini*

Many communities across Texas have struggled with addressing chronic homelessness. In 2009, the Texas Legislature amended Section 11.18(d) (relating to requiring charitable organizations to be organized exclusively to perform certain purposes and to engage in certain charitable functions), Tax Code, to exempt from ad valorem taxation charitable organizations that provide services to the chronically homeless in a public-private partnership with a municipality. The legislation was bracketed in application to the City of Austin only. When enacted in 2009, a qualifying organization was working in partnership with the City of Austin to develop a project on city-owned property. Unfortunately, the ability to utilize the city-owned property for the project dissolved for unrelated reasons. A revised project is now proposed on property owned by a qualifying organization located in Travis County in the extraterritorial jurisdiction of the City of Austin. Therefore, the existing Tax Code exemption, applicable to the previous project, needs to be amended to apply to the revised project. This bill:

Provides that the exemption authorized by Section 11.18(d)(23) (relating to entitling an organization that qualifies as a charitable organization to an exemption from taxation of providing housing and related services to individuals who are unaccompanied and homeless and have a disabling condition and have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years) applies only to property that is owned by a charitable organization that has been in existence for at least 12 years; is used to provide housing and related services to individuals described by that subsection; and is located on or consists of a single campus in a municipality with a population of more than 750,000 and less than 850,000 or within the extraterritorial jurisdiction of such a municipality.

**Ad Valorem Taxation of a Dealer's Motor Vehicle Inventory—H.B. 315**

*by Representative Otto—Senate Sponsor: Senator Estes*

A primary feature of the current administration of the vehicle inventory tax is that large volume motor vehicle dealers with few locations are allowed to pay their property taxes monthly, as they sell their vehicles, instead of once per year. However, some retailers primarily sell tangible personal property and few vehicles. Interested parties assert that such retailers are saddled with the administrative burden of filing reports each month, often with a payment as small as $5 accompanying each monthly remittance, and that this also imposes a burden on the local jurisdictions that must process these numerous reports. This bill:
Redefines "dealer" to mean a person who holds a dealer's general distinguishing number issued by the Texas Department of Motor Vehicles under the authority of Chapter 503 (Dealer's and Manufacturer's Vehicle License Plates), Transportation Code, or who is legally recognized as a motor vehicle dealer pursuant to the law of another state and who complies with the terms of Section 152.063(f) (relating to requiring a seller, for a sale or resale, to keep at the seller's principal office for a least four years from the date of the sale, the purchaser's written statement of resale on a form prescribed by the comptroller of public accounts of the State of Texas (comptroller)).

Provides that the term does not include a dealer who does not sell motor vehicles described by Section 152.001(3)(A) (defining "motor vehicle"), Tax Code; meets the requirement that the total annual sales from the dealer's motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent sales, for the 12-month period corresponding to the preceding tax year are 25 percent or less of the dealer's total revenue from all sources during that period; meets the requirement that the dealer did not sell a motor vehicle to a person other than another dealer during the 12-month period corresponding to the preceding tax year and the dealer estimates that the dealer's total annual sales from the dealer's motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent sales, for the 12-month period corresponding to the current tax year will be 25 percent or less of the dealer's total revenue from all sources during that period; filed with the chief appraiser and the collector, not later than August 31 of the preceding tax year, a declaration on a form prescribed by the comptroller stating that the dealer elected not to be treated as a dealer under this section in the current tax year; or renders the dealer's motor vehicle inventory in the current tax year by filing a rendition with the chief appraiser in the manner provided by Chapter 22 (Renditions and Other Reports), Tax Code.

Property Owner Appeal of Certain Appraisal Review Board Determinations Pilot Program—H.B. 316
by Representatives Otto and Guillen—Senate Sponsor: Senator Williams

The legislature recently established a temporary pilot program in Bexar, Cameron, El Paso, Harris, Tarrant, and Travis Counties to allow property owners to protest an appraisal review board determination concerning property valued at $1 million or more to the State Office of Administrative Hearings (SOAH). The program was subsequently expanded to additional counties. Interested parties note that the SOAH process has served as an alternative to appealing to a district court, which can often be a costly and time-consuming process. This bill:

Authorizes a property owner, as an alternative to filing an appeal under Section 42.01 (Right of Appeal by Property Owner), Tax Code, to appeal to SOAH an appraisal review board order determining a protest concerning the appraised or market value of property brought under Section 41.41(a)(1) (relating to entitling a property owner to protest before the appraisal review board the determination of the appraised value of the owner's property, or in the case of certain lands, determination of its appraised or market value) or (2) (relating to entitling a property owner to protest before the appraisal review board unequal appraisal of the owner's property), Tax Code, if the appraised or market value, as applicable, of the property that was the subject of the protest, as determined by the board order, is more than $1 million. Requires SOAH to hear appeals filed only in Amarillo, Austin, Beaumont, Corpus Christi, El Paso, Fort Worth, Houston, Lubbock, Lufkin, McAllen, Midland, San Antonio, Tyler, and Wichita Falls.

Requires an appraisal review board that delivers notice of issuance of an order described by Section 2003.901 (Pilot Program), Government Code, pertaining to property described by Section 2003.904.
(Applicability to Real and Personal Property), Government Code, and a copy of the order to a property owner as required by Section 41.47 (Determination of Protest), Tax Code, to include with the notice and copy a notice of the property owner’s rights under this subchapter, and a copy of the notice of appeal prescribed by Section 2003.907 (Contents of Notice of Appeal), Government Code.

Requires an administrative law judge, if all or part of the property that is the subject of the appeal is located in a municipality listed in Section 2003.902 (Counties Included), Government Code, to set the hearing in that municipality. Requires the administrative law judge, if no part of the property that is the subject of the appeal is located in a municipality listed in Section 2003.902, Government Code, to set the hearing in the listed municipality that is nearest to the subject property. Requires that the hearing be held in a building or facility that is owned or partly or entirely leased by SOAH, except that if SOAH does not own or lease a building or facility in the municipality in which the hearing is required to be held, the hearing is authorized to be held in any publicly or privately owned building or facility in that municipality, preferably a building or facility in which SOAH regularly conducts business. Prohibits the hearing from being held in a building or facility that is owned, leased, or under the control of an appraisal district.

**Eligibility to Serve on the Appraisal Review Board of an Appraisal District—H.B. 326**

*by Representative Dutton—Senate Sponsor: Senator Huffman*

Under current law, an individual is ineligible to serve on the appraisal review board of an appraisal district established for a county having a population of 100,000 or more if the person is a former member of the district’s board of directors, a former officer of the district, a former employee of the district, or has served for all or part of three previous terms as a board member. This bill expands the eligibility by allowing a person who has served for all or part of three previous terms as a board member to sit out a term and then become eligible to reapply. This bill:

Removes the restriction of a person serving on the appraisal review board of an appraisal district established for a county having a population of more than 100,000 if the person has served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

Prohibits a person from serving on the appraisal review board of an appraisal district established for a county having a population of more than 100,000 if the person is a former member of the board of directors, a former officer of the district, or a former employee of the appraisal district.

Prohibits a person who has served for all or part of three consecutive terms as a board member on an appraisal review board from serving on the appraisal review board during a term that begins on the next January 1 following the third of those consecutive terms.

Removes the population bracketing regarding the ineligibility of a person to serve on the appraisal review board during a term that begins on the next January 1 following the third of those consecutive terms if the individual has served all or part of three consecutive terms as a board member.

Repeals Section 6.412(f) (defining "auxiliary board member" to include an appraisal review board auxiliary member), Tax Code.
Computation of Franchise Tax and Certain Exemptions and Credits—H.B. 500
by Representative Hilderbran et al.—Senate Sponsor: Senator Hegar et al.

Numerous issues have been identified that need to be addressed to simplify and improve the administration of the franchise tax. It has been noted that certain issues need to be addressed to enhance compliance with and the fairness of the state's franchise tax system. This bill:

Authorizes temporary permissive alternate tax rates for calendar years 2014 and 2015 for certain taxable entities subject to the tax imposed under Chapter 171 (Franchise Tax), Tax Code. Provides that beginning in 2010, on January 1 of each even-numbered year, the amounts prescribed by Sections 171.002(d)(2) (relating to providing that a taxable entity is not required to pay any tax and is not considered to owe any tax for a period if the amount of the taxable entity's total revenue from its entire business is less than or equal to $1 million or the amount determined under Sections 171.006 (Adjustment of Eligibility for No Tax Due, Discounts, and Compensation Deduction), Tax Code, per 12-month period on which margin is based) and 171.1013(c) (relating to prohibiting a taxable entity, notwithstanding the actual amount of wages and cash compensation paid by a taxable entity to its officers, directors, owners, partners, and employees, from including more than $300,000, or the amount determined under Section 171.006, per 12-month period on which margin is based, for any person in the amount of wages and cash compensation it determines), Tax Code, are increased or decreased by an amount equal to the amount prescribed by those sections on December 31 of the preceding year multiplied by the percentage increase or decrease during the preceding state fiscal biennium in the consumer price index and rounded to the nearest $10,000.

Provides that except as provided by Section 171.052(c) (relating to providing that an entity is subject to the franchise tax for a tax year in any portion of which the entity is in violation of an order issued by the Texas Department of Insurance that is final after appeal or that is no longer subject to appeal), Tax Code, an insurance organization, title insurance company, or title insurance agent authorized to engage in insurance business in this state that is required to pay an annual tax measured by its gross premium receipts is exempted from the franchise tax. Provides that a nonadmitted insurance organization that is subject to an occupation tax or any other tax that is imposed for the privilege of doing business in another state or a foreign jurisdiction, including a tax on gross premium receipts, is exempted from the franchise tax. Provides that a political subdivision corporation formed under Section 304.001 (Aggregation by Political Subdivisions), Local Government Code, is exempted from the franchise tax. Sets forth the method of computation for the taxable margin of a taxable entity subject to taxes imposed under Chapter 171, Tax Code. Authorizes a staff leasing services company, notwithstanding Section 171.101(a)(1)(B)(ii)(a) (relating to the computation of the taxable margin of a taxable entity subject to taxes imposed under Chapter 171, Tax Code), Tax Code, to subtract only the greater of $1 million as provided by Section 171.101(a)(1)(B)(i) (relating to the computation of the taxable margin of a taxable entity subject to taxes imposed under Chapter 171, Tax Code), Tax Code, or compensation as determined under Section 171.1013 (Determination of Compensation), Tax Code.

Requires taxable entities primarily engaged in certain businesses to exclude from total revenue, to the extent included under Section 171.1011(c)(1)(A) (relating to the computation of the total revenue of a taxable entity), Section 171.1011(c)(2)(A) (relating to the computation of the total revenue of a taxable entity), or Section 171.1011(c)(3) (relating to the computation of the total revenue of a taxable entity), Tax Code, certain reimbursements, costs, and payments.
Authorizes a pipeline entity providing services for others related to the product that the pipeline does not own, notwithstanding Section 171.1012(e)(3) (relating to providing that the cost of goods sold does not include certain costs in relation to the taxable entity’s goods, such as distribution costs, including outbound transportation costs) or Section 171.1012(i) (relating to authorizing a taxable entity to make a subtraction in relation to the cost of goods sold only if that entity owns the goods), Tax Code, to subtract as a cost of goods sold its depreciation, operations, and maintenance costs allowed by Section 171.1012 (Determination of Cost of Goods Sold), Tax Code, related to the services provided. Provides that the authorization for a pipeline entity to subtract as a cost of goods sold its depreciation, operations, and maintenance costs applies only to certain pipeline entities.

Requires that the cost of goods sold for a taxable entity include costs related to the acquisition, production, exhibition, or use of a film or motion picture, including expenses for the right to use the film or motion picture if a taxable entity that is a movie theater elects to subtract cost of goods sold.

Requires a combined group, for purposes of Section 171.101 (Determination of Taxable Margin), Tax Code, to make an election to subtract either cost of goods sold or compensation that applies to all of its members, or $1 million. Prohibits the taxable margin of the combined group, regardless of the election, from exceeding the amount provided by Section 171.101(a)(1)(A) (relating to computing the taxable margin of a taxable entity subject to taxes imposed under Chapter 171, Tax Code), Tax Code, for the combined group as provided by Section 171.101(a)(1)(A), Tax Code. Prohibits a taxable entity that provides retail or wholesale electric utilities, notwithstanding any other provision of Section 171.1014 (Combined Reporting; Affiliated Group Engaged in Unitary Business), Tax Code, from being included as a member of a combined group that includes one or more taxable entities that do not provide retail or wholesale electric utilities if that combined group meets certain conditions.

Authorizes a taxable entity to deduct from its apportioned margin relocation costs incurred in relocating the taxable entity’s main office or other principal place of business to this state from another state if the taxable entity meets certain criteria. Requires a taxable entity to take the deduction authorized on the report based on the taxable entity’s initial period described by Section 171.151(1) (relating to requiring that the franchise tax be paid for an initial period beginning on the taxable entity’s beginning date and ending on the day before the first anniversary of the beginning date), Tax Code. Requires a taxable entity that takes the authorized deduction, on the request of the comptroller of public accounts of the State of Texas (comptroller), to file with the comptroller proof of the deducted relocation costs.

Establishes a tax credit for certified rehabilitation of certified historic structures. Sets forth eligibility, qualification, and certification criteria for a tax credit for certified rehabilitation of certified historic structures. Prohibits the total amount of the credit with respect to the rehabilitation of a single certified historic structure that is authorized to be claimed from exceeding 25 percent of the total eligible costs and expenses incurred in the certified rehabilitation of the certified historic structure. Prohibits the total credit claimed for a report, including the amount of any carryforward under Section 171.906 (Carryforward), Tax Code, from exceeding the amount of franchise tax due for the report after any other applicable tax credits. Authorizes the entity to carry the unused credit forward for not more than five consecutive reports if an entity is eligible for a credit that exceeds the limitation. Authorizes an entity that incurs eligible costs and expenses to sell or assign all or part of the credit that may be claimed for those costs and expenses to one or more entities, and authorizes any entity to which all or part of the credit is sold or assigned to sell or assign all or part of the credit to another entity. Provides that there is no limit on the total number of transactions for the sale or assignment of all or part of the total credit authorized; however, collectively all transfers are subject to the
maximum total limits provided by Section 171.905 (Amount of Credit; Limitations), Tax Code. Sets forth certain criteria governing the sale or assignment of a credit. Requires the Texas Historical Commission (THC) and the comptroller to adopt rules necessary to implement Subchapter S (Tax Credit for Certified Rehabilitation of Certified Historic Structures), Chapter 171, Tax Code.

Repeals certain sections of Chapter 171, Tax Code. Repeals Section 1(c) (relating to providing that this section expires December 31, 2011, if Section 1 takes effect), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.01, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011.

Repeals Section 2 (relating to providing that a taxable entity is not required to pay any tax and is not considered to owe any tax for a period under certain conditions and providing that this section takes effect January 1, 2012), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.02, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Section 171.002(d), Tax Code.

Repeals Section 3 (relating to entitling a taxable entity to a discount of the tax imposed under this chapter that the taxable entity is required to pay after determining its taxable margin under Section 171.101, applying the appropriate rate of the tax under Section 171.002(a) or (b), and subtracting any other allowable credits; providing that Section 3 takes effect January 1, 2012; and providing that Section 3 applies only to a report originally due on or after the effective date of this section), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.03, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Section 171.0021(a), Tax Code.

Exempting Land Owned by Schools From the Agricultural Change of Use Penalty—H.B. 561

by Representative Workman et al.—Senate Sponsor: Senator Seliger

Under the Tax Code, land that is appraised for agricultural use is exempt from property taxation. If a landowner changes the use of land from agricultural to another use, the landowner must pay the property taxes that would have been due on the land for each of the five years preceding the year in which the change in use occurs, plus seven percent interest. This change of use penalty applies even if the new use of the land is also exempt from property taxation under the Tax Code. Current law grants exemptions from this penalty for churches, religious organizations, and charitable organizations, all of which are exempt from property taxation. This bill:

Provides that the sanctions provided by Section 23.55(a) (relating to requiring the imposition of a certain additional tax should the use of land change), Tax Code, do not apply to land owned by an organization that qualifies as a school under Section 11.21(d) (relating to providing the qualifications for a school for a tax exemption), Tax Code, if the organization converts the land to a use for which the land is eligible for an exemption under Section 11.21 (Schools), Tax Code, within five years.
Revision of Statutes Governing Appraisal Review Boards—H.B. 585
by Representative Villarreal et al.—Senate Sponsor: Senator Eltife

Appraisal review boards (ARBs) are independent groups of citizens appointed to resolve disputes between taxpayers and the appraisal district. While many ARBs and appraisal districts work hard to be responsive to concerns, taxpayers do complain of a perceived bias and lack of responsiveness on the part of ARBs and appraisal districts. Improving the accountability of ARBs, while ensuring that the procedural requirements relating to protests and appeals are more efficient, effective, and responsive, could be beneficial. This bill:

Requires the Texas Commission of Licensing and Regulation (TCLR), as part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, by rule to require the registrant to complete at least one-half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b) (relating to requiring that a training program for newly appointed chief appraisers provide certain information), Occupations Code; and at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure. Establishes certain requirements for ARB members.

Requires the comptroller of public accounts of the State of Texas (comptroller) to prepare model hearing procedures for ARBs. Requires that the model hearing procedures address certain issues. Authorizes the comptroller to categorize appraisal districts based on the size of the district, the number of protests filed in the district, or similar characteristics, and develop different model hearing procedures for different categories of districts. Requires an ARB to follow the model hearing procedures prepared by the comptroller when establishing its procedures for hearings as required by Section 41.66(a) (relating to requiring the ARB to establish by rule the procedures for certain hearings it conducts, entitling a property owner to a copy of the hearing procedures and requiring the copy of the hearing procedures be delivered to the property owner by a certain time, providing the property owner with an opportunity to make or not make a request for a copy of the hearing procedures, and requiring that the ARB post a copy of the hearing procedures in a prominent location in the room in which the hearing is held), Tax Code. Requires the comptroller to prescribe the contents of a survey form for the purpose of providing the public a reasonable opportunity to offer comments and suggestions concerning the ARB established for an appraisal district. Establishes certain requirements for the content of the survey form.

Establishes the eligibility requirements for a chief appraiser. Requires the comptroller to appoint a person eligible to be a chief appraiser under Section 6.05(c) (relating to providing the eligibility requirements for a chief appraiser), Tax Code, or a person who has previously been appointed or served as a chief appraiser to perform the duties of chief appraiser for an appraisal district whose chief appraiser is ineligible to serve. Provides that a chief appraiser appointed under this section serves until the earlier of the first anniversary of the date the comptroller appoints the chief appraiser; or the date the board of directors of the appraisal district appoints a chief appraiser under Section 6.05(c) or contracts with an appraisal district or a taxing unit to perform the duties of the appraisal office for the district under Section 6.05(b) (relating to authorizing the board of directors of an appraisal district to contract with an appraisal office in another district or with a taxing unit in the district to perform the duties of the appraisal office for the district), Tax Code. Requires the comptroller to determine the compensation of a chief appraiser appointed. Requires an appraisal district that does not appoint a chief appraiser or contract with an appraisal district or a taxing unit to perform the duties of the appraisal office by the first anniversary of the date the comptroller appoints a chief appraiser to
contract with an appraisal district or a taxing unit to perform the duties of the appraisal office or with a qualified public or private entity to perform the duties of the chief appraiser, subject to the approval of the comptroller.

Requires the board of directors for an appraisal district created for a county with a population of more than 120,000 to appoint a taxpayer liaison officer (officer) who is required to serve at the pleasure of the board. Requires that information concerning the process for submitting comments and suggestions to the comptroller concerning an ARB be provided at each protest hearing. Requires the officer to report to the board at each meeting on the status of all comments and suggestions filed with the officer and all complaints filed with the board under Section 6.04(g) (relating to providing the authority of the board when a written complaint is filed), Tax Code. Provides that the chief appraiser or any other person who performs appraisal or legal services for the appraisal district for compensation is not eligible to be the officer. Provides that the officer for an appraisal district described by Section 6.41(d-1) (relating to a county with a population of 120,000 or more), Tax Code, is responsible for providing clerical assistance to the local administrative district judge in the selection of ARB members. Requires the officer to deliver to the local administrative district judge any applications to serve on the board that are submitted to the officer and to perform other duties as requested by the local administrative district judge. Prohibits the officer from influencing the process for selecting ARB members.

Authorizes a member of the ARB to be removed from the board by a majority vote of the appraisal district board of directors, or by the local administrative district judge or the judge's designee, as applicable, who appointed the member. Establishes the grounds for removal of an ARB member. Provides that, in a county with a population of more than 120,000, a chief appraiser or another employee or agent of the appraisal district, a member of the ARB for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge regarding the appointment of ARB members. Provides that a chief appraiser or another employee or agent of an appraisal district commits an offense if the person communicates with a member of the ARB for the appraisal district, a member of the board of directors of the appraisal district, or, if the appraisal district is an appraisal district described by Section 6.41(d-1) (relating to the board of directors for an appraisal district created for a county with a population of more than 120,000), Tax Code, the local administrative district judge regarding a ranking, scoring, or reporting of the percentage by which the ARB or a panel of the ARB reduces the appraised value of property. Provides that the offense created is a Class A misdemeanor.

Establishes certain requirements for a person claiming an allocation authorized by Section 21.03 (Interstate Allocation), 21.031 (Allocation of Taxable Value of Vessels and Other Watercraft Used Outside This State), 21.05 (Commercial Aircraft), or 21.055 (Business Aircraft), Tax Code. Establishes certain requirements regarding the allocation application. Provides that the filing of a rendition under Chapter 22 (Renditions and Other Reports), Tax Code, is not a condition of qualification for an allocation.

Authorizes the governing body of a taxing unit that is located partly or entirely inside an area declared to be a disaster area by the governor to authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. Requires the governing body to provide for prorating the taxes on the property for the year in which the disaster occurred if property damaged in a disaster is reappraised. Defines "disaster recovery program" for the purposes of Section 23.23 (Limitation on Appraised Value of Residence Homestead), Tax Code. Provides that, notwithstanding Section 23.23(f)(2) (relating to providing the circumstances under which an improvement to property constitutes a new improvement), Tax Code,
and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure described is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred, or the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

Entitles a taxing unit, in addition to other costs authorized by law, to recover certain costs and expenses in a suit to collect a delinquent tax. Provides that the burden of establishing the value of the property for the purposes of a protest of determination of value or inequality of appraisal falls on the appraisal district under certain circumstances. Sets forth certain requirements for a protest of determination of value or inequality of appraisal. Provides that a property owner does not waive the right to appear in person at the protest hearing by submitting an affidavit to the ARB. Requires the property owner, for purposes of scheduling the hearing, to state in the affidavit certain information. Requires that protests, if an ARB sits in panels to conduct protest hearings, be randomly assigned to panels, except that the board is authorized to consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. Prohibits a protest, if the protest is scheduled to be heard by a particular panel, from being reassigned to another panel without the consent of the property owner or designated agent. Establishes operational requirements of and eligibility criteria for panels.

Authorizes certain actions regarding a petition for review with the district court filed by an owner or lessee of property. Provides that the court has jurisdiction over an appeal under Chapter 42 (Judicial Review), Tax Code, brought on behalf of a property owner or lessee and the owner or lessee is considered to have exhausted the owner's or lessee's administrative remedies regardless of whether the petition correctly identifies the plaintiff as the owner or lessee of the property or correctly describes the property so long as the property was the subject of an ARB order, the petition was filed within the period required, and the petition provides sufficient information to identify the property that is the subject of the petition. Requires that determining whether the plaintiff is the proper party to bring the petition or whether the property needs to be further identified or described be addressed by means of a special exception and correction of the petition by amendment and is prohibited from being the subject of a plea to the jurisdiction or a claim that the plaintiff has failed to exhaust the plaintiff's administrative remedies. Requires the court on motion to enter a docket control order to provide proper deadlines in response to the addition of the plaintiff if the petition is amended to add a plaintiff. Provides that evidence, argument, or other testimony offered at an ARB hearing by a property owner or agent is not admissible in an appeal except under certain circumstances. Authorizes a property owner who prevails in an appeal to the court under Section 42.25 (Remedy for Excessive Appraisal) or 42.26 (Remedy for Unequal Appraisal), in an appeal to the court of a determination of an ARB on a motion filed under Section 25.25 (Correction of Appraisal Roll), or in an appeal to the court of a determination of an ARB of a protest of the denial in whole or in part of an exemption under Section 11.17 (Cemeteries), 11.22 (Disabled Veterans), 11.23 (Miscellaneous Exemptions), 11.231 (Nonprofit Community Business Organization Providing Economic Development Services to Local Community), or 11.24 (Historic Sites) to be awarded reasonable attorney's fees. Prohibits the amount of the award from exceeding the greater of $15,000 or 20 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal.

Repeals Section 41A.031 ( Expedited Arbitration), Tax Code.
Tax Exemption For Food Products Sold by School Booster Clubs and Organizations—H.B. 697
by Representative Springer et al.—Senate Sponsor: Senator Duncan

Currently, certain food products sold by booster clubs and other similar school support organizations do not receive the same sales tax exemptions as food products sold by a parent-teacher association. There is concern that recent efforts by the comptroller of public accounts of the State of Texas to start collecting the sales taxes on the sale of such non-exempt food products means that school booster clubs that give 100 percent of their proceeds to benefit a school or school organization will be forced to charge taxes during concession stand sales. This bill:

Provides that food products, meals, soft drinks, and candy for human consumption are exempted from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, if certain conditions are met, including if the food products, meals, soft drinks, and candy are served by a public or private school, school district, student organization, booster club or other school support organization, or parent-teacher association under an agreement with the proper school authorities in an elementary or secondary school during the regular school day or by a parent-teacher association during a fund-raising sale the proceeds of which do not benefit an individual, or sold during an event sponsored or sanctioned by an elementary or secondary school or school district at a concession stand operated by a booster club or other school support organization formed to support the school or school district, but only if the proceeds from the sales benefit the school or school district.

Ad Valorem Tax Overpayments and Refunds—H.B. 709
by Representative Isaac—Senate Sponsor: Senator Deuell

Under current law, when an individual makes an overpayment on his or her property taxes, the taxing unit may apply the amount of the overpayment to the property taxes on another property where that owner is delinquent. Interested parties note, however, that the taxing unit may not apply the overpayment to a delinquency on the same property. Additionally, the parties note that the surviving spouse of a disabled veteran is able to make property tax payments in installments, while the disabled veteran may not. This bill:

Authorizes a taxing unit that determines a taxpayer is delinquent in ad valorem tax payments on property other than the property for which liability for a refund arises or for a tax year other than the tax year for which liability for a refund arises to apply the amount of an overpayment to the payment of the delinquent taxes if the taxpayer was the sole owner of the property for which the refund is sought on January 1 of the tax year in which the taxes that were overpaid were assessed, and on which the taxes are delinquent on January 1 of the tax year for which the delinquent taxes were assessed. Provides that the authorization applies only to an individual who is qualified for an exemption under Section 11.13(c) (relating to entitling an adult who is disabled or is 65 or older to an exemption from taxation by a school district of a certain amount) or 11.22 (Disabled Veterans), Tax Code.

Authorizes a taxing unit that determines a taxpayer is delinquent in ad valorem tax payments on property other than the property for which liability for a refund arises or for a tax year other than the tax year for which liability for a refund arises to apply the amount of an overpayment or erroneous payment to the payment of the delinquent taxes if the taxpayer was the sole owner of the property for which the refund is sought on January 1 of the tax year for which the taxes that were overpaid or erroneously paid were
assessed, and on which the taxes are delinquent on January 1 of the year for which the delinquent taxes were assessed.

**Tax Exemptions and Credits Related to Research and Development Activities—H.B. 800**

*by Representative Murphy et al.—Senate Sponsor: Senators Deuell and Campbell*

According to interested parties, research and development activity creates high-paying jobs that provide substantial benefit to the Texas economy, new technologies and applications that generate economic efficiency and growth, and partnerships with institutions of higher education that expand opportunities for innovation and learning. These interested parties contend, however, that research and development in Texas has lagged behind other states in recent years to the point that Texas’ share of the national expenditures for research and development is smaller than the state's share of the overall national economy, which these parties correlate to the removal of a tax credit for research and development. The parties cite a recent study that estimates that the lack of a research and development tax credit in Texas has cost the state more than $3 billion annually and more than 20,000 jobs. This bill:

Provides that the sale, storage, or use of depreciable tangible personal property directly used in qualified research is exempted from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, if the property is sold, leased, or rented to, or stored or used by, a person who is engaged in qualified research, and will not, as a taxable entity as defined by Section 171.0002 (Definition of Taxable Entity), Tax Code, or as a member of a combined group that is a taxable entity, claim a credit under Subchapter M (Tax Credit for Certain Research and Development Activities), Chapter 171 (Franchise Tax), on a franchise tax report for the period during which the sale, storage, or use occurs. Requires the comptroller of public accounts of the State of Texas (comptroller) before the beginning of each regular session of the legislature, to submit to the legislature and the governor an estimate of the total number of persons who received exemptions and an estimate of the total amount of those exemptions; and an evaluation of the effect of the exemption, in combination with the credit authorized by Subchapter M, Chapter 171, that is conducted by an independent researcher at a center for research authorized by Section 1.005 (Education Research Centers; Sharing Student Information), Education Code, on the amount of qualified research performed in this state, employment in research and development in this state, economic activity in this state, and state tax revenues.

Sets forth the eligibility requirements for a taxable entity to be eligible for a franchise tax credit for certain research and development activities and the amount of each credit. Authorizes the comptroller to adopt rules for determining which research expenses are qualified research expenses to prevent disparities in those determinations that may result from the taxable entity using different accounting methods for the period on which the report is based, as compared to any preceding tax periods used in determining the average amount of qualified research expenses.

Provides that, if a taxable entity acquires a controlling interest in another taxable entity or in a separate unit of another taxable entity during a tax period with respect to which the acquiring taxable entity claims a credit, the amount of the acquiring taxable entity's qualified research expenses equals the sum of the amount of qualified research expenses incurred by the acquiring taxable entity during the period on which the report is based and the amount of qualified research expenses incurred by the acquired taxable entity or unit during the portion of the period on which the report is based that precedes the date of the acquisition.
Prohibits a taxable entity or an acquiring taxable entity from including certain amounts on a report. Provides that the burden of establishing entitlement to and the value of the credit is on the taxable entity. Prohibits the total credit claimed for a report, including the amount of any carryforward credit under Section 171.659 (Carryforward), Tax Code, from exceeding 50 percent of the amount of franchise tax due for the report before any other applicable tax credits. Authorizes a taxable entity, if the taxable entity is eligible for a credit that exceeds the limitation under Section 171.658 (Limitations), Tax Code, to carry the unused credit forward for not more than 20 consecutive reports. Requires a taxable entity to apply for a credit under Subchapter M, Chapter 171, Tax Code, on or with the tax report for the period for which the credit is claimed.

Requires the comptroller to adopt rules and forms necessary to implement Subchapter M, Chapter 171, Tax Code. Requires the comptroller, before the beginning of each regular session of the legislature, to submit to the legislature and the governor estimates of the total number of taxable entities that applied credits against the franchise tax imposed, the total amount of those credits, and the total amount of unused credits carried forward. Requires the comptroller, notwithstanding any other law, for each fiscal year, to deposit to the credit of the property tax relief fund an amount of revenue received from the tax imposed under Chapter 171, Tax Code, sufficient to offset any decrease in deposits to that fund that results from the implementation of Subchapter M, Chapter 171, Tax Code. Provides that Subchapter M, Chapter 171, Tax Code, expires December 31, 2026.

**Redefining Certain Terms Relating to Dealer's Heavy Equipment Inventory Taxation—H.B. 826**

*by Representative Harless—Senate Sponsor: Senator Eltife*

The 82nd Legislature, Regular Session, enacted H.B. 2476 that related to how a heavy equipment dealer's inventory was appraised for property tax purposes. That legislation imposed a single appraisal standard and created consistent valuations of a dealer's inventory. It also inadvertently included entities that were not intended to be included under the new structure. These entities include leasing companies and banks that act as financial institutions rather than actual heavy equipment dealers. These entities do not maintain locations open to the public nor do they maintain an inventory that is available for sale, lease, or rent. This bill:

Provides that the term "dealer" does not include a bank, savings bank, savings and loan association, credit union, or other finance company. Provides that, for purposes of taxation of a person's inventory of heavy equipment in a tax year, the term does not include a person who renders the person's inventory of heavy equipment for taxation in that tax year by filing a rendition statement or property report in accordance with Chapter 22 (Renditions and Other Reports), Tax Code. Redefines "dealer's heavy equipment inventory" to mean all items of heavy equipment that a dealer holds for sale, lease, or rent in this state during a 12-month period.

Provides that the only purposes of this Act are to exclude certain financial institutions and other finance companies, as well as persons who render their inventory of heavy equipment for taxation in accordance with Chapter 22, Tax Code, from being required to comply with the requirements of Sections 23.1241 (Dealer's Heavy Equipment Inventory; Value), 23.1242 (Prepayment of Taxes by Heavy Equipment Dealers), and 23.1243 (Refund of Prepayment of Taxes on Fleet Transaction), Tax Code, as amended or added by Chapter 322 (H.B. 2476), Acts of the 82nd Legislature, Regular Session, 2011, and to limit the definition of a dealer's heavy equipment inventory for purposes of those sections of the Tax Code to items...
of heavy equipment held for sale, lease, or rent in this state. Provides that it is not the intent of the legislature to affect any litigation pending on the effective date of this Act or filed on or after the effective date of this Act that arises out of the changes in law made by Chapter 322 (H.B. 2476), Acts of the 82nd Legislature, Regular Session, 2011.

**Tax Refund Relating to Television, Internet, or Telecommunications Services—H.B. 1133**

*by Representative Otto et al.—Senate Sponsor: Senator Estes*

For more than 30 years, Texas has exempted property used in the manufacturing process from the sales and use tax, with success. Texas continues to be a national leader in manufacturing output and jobs. It has been proposed that a sales and use tax refund for property used in connection with cable television service, Internet access service, or telecommunications services, would spur new economic activity, create new jobs, improve broadband services, and restore Texas’ competitive advantages over other states when it comes to investment in such services. This bill:

Entitles a provider to a refund of the tax imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, on the sale, lease, or rental or storage, use, or other consumption of tangible personal property if the property is sold, leased, or rented to or stored, used, or consumed by a provider or a subsidiary of a provider and the property is directly used or consumed by the provider or subsidiary in or during the distribution of cable television service, the provision of Internet access service, or the transmission, conveyance, routing, or reception of telecommunications services.

Provides that property directly used or consumed in or during the provision, creation, or production of a data processing service or information service is not eligible for a refund under Section 151.3186 (Property Used in Cable Television, Internet Access, or Telecommunications Services), Tax Code.

Provides that the amount of the refund to which a provider or subsidiary is entitled for a calendar year is equal to the amount of the tax paid by the provider or subsidiary during the calendar year on property eligible for a refund, if the total amount of tax paid by all providers and subsidiaries that are eligible for a refund is not more than $50 million for the calendar year, or a pro rata share of $50 million, if the total amount of tax paid by all providers and subsidiaries that are eligible for a refund is more than $50 million for the calendar year. Provides that the refund provided does not apply to the taxes imposed under Subtitle C (Local Sales and Use Taxes), Title 3 (Local Taxation), Tax Code.

**Temporary Sales and Use Tax Exemption Relating to Data Centers—H.B. 1223**

*by Representative Hilderbran et al.—Senate Sponsor: Senators Hegar and Uresti*

Many states currently provide significant economic incentives to attract large data center projects. It is reported that these capital-intensive projects represent a growing market segment in the technology industry and generate economic activity in the cities and states where they are located. Interested parties assert that Texas is losing the opportunity to attract these major data center projects, including many prominent and highly desired technology leaders and corporations, due to the absence of state sales tax incentives. Incentives offered by the most competitive states are meaningful to the data center owners, but the states also benefit directly in a multitude of ways, including job creation and an increase in local property tax revenue. Texas is well positioned to attract data centers because of its strong infrastructure,
major population centers, educated workforce, and favorable construction costs and permitting process. This bill:

Provides that, except as otherwise provided, tangible personal property that is necessary and essential to the operation of a qualified data center is exempted from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, if the tangible personal property is purchased for installation at, incorporation into, or use in a qualifying data center by a qualifying owner, qualifying operator, or qualifying occupant, and the tangible personal property meets certain criteria. Provides that the exemption does not apply to certain tangible personal property.

Authorizes a data center to be certified by the comptroller of public accounts of the State of Texas (comptroller) as a qualifying data center if, on or after September 1, 2013, certain qualifications are met. Requires a data center that is eligible for an exemption to be certified by the comptroller as a qualified data center to apply to the comptroller for certification as a qualifying data center and for issuance of a registration number or numbers by the comptroller. Requires that the application include certain information. Provides that the exemption provided begins on the date the data center is certified by the comptroller as a qualifying data center and expires on the 10th anniversary of that date, if the qualifying occupant, qualifying owner, or qualifying operator independently or jointly makes a capital investment of at least $200 million but less than $250 million, or on the 15th anniversary of that date, if the qualifying occupant, qualifying owner, or qualifying operator independently or jointly makes a capital investment of $250 million or more.

Establishes certain requirements regarding the issuance and revocation of registration numbers issued by the comptroller to claim an exemption for tangible personal property that is necessary and essential to the operation of a qualified data center. Requires the comptroller to adopt rules consistent with and necessary to implement this section, including rules relating to a qualifying data center, qualifying owner, qualifying operator, and qualifying occupant; issuance and revocation of a required registration number; and reporting and other procedures necessary to ensure that a qualifying data center, qualifying owner, qualifying operator, and qualifying occupant comply with Section 151.359 (Property Used in Certain Data Centers; Temporary Exemption), Tax Code, and remain entitled to the exemption authorized by that section. Provides that the exemption does not apply to the taxes imposed under Chapter 321 (Municipal Sales and Use Tax Act), 322 (Sales and Use Taxes for Special Purpose Taxing Authorities), or 323 (County Sales and Use Tax Act), Tax Code. Provides that a data center is not eligible to receive an exemption if the data center is subject to an agreement limiting the appraised value of the data center's property under Subchapter B (Limitation on Appraised Value of Certain Property Used to Create Jobs) or C (Limitation on Appraised Value of Property in Certain Rural School Districts), Chapter 313 (Texas Economic Development Act), Tax Code.

Exempts gas and electricity, subject to Sections 151.359 and 151.1551 (Registration Number Required for Timber and Certain Agricultural Items), Tax Code, from the taxes imposed by Chapter 151, Tax Code, when sold for use directly by a data center that is certified by the comptroller as a qualifying data center under Section 151.359 in the processing, storage, and distribution of data; a direct or indirect use, consumption, or loss of electricity by an electric utility engaged in the purchase of electricity for resale; or use in timber operations, including pumping for irrigation of timberland. Exempts the sale, production, distribution, lease, or rental of, and the use, storage, or other consumption in this state of, gas and electricity sold for the uses listed above from the taxes imposed by a municipality under Chapter 321 except as provided by Sections 151.359 and 321.105 (Residential Use of Gas and Electricity).
Provides that an entity that has been issued a registration number under Section 151.359 is not eligible to receive a limitation on appraised value under Chapter 313 (Texas Economic Development Act), Tax Code.

**Application Contents For a Residence Homestead Ad Valorem Taxation Exemption—H.B. 1287**

*by Representative Hilderbran—Senate Sponsor: Senator Estes*

Recently enacted legislation addressed what information should be provided by a homeowner who is applying to the chief appraiser for a property tax exemption for a residence homestead. However, recent developments illustrate the need to make adjustments to current requirements. Proof-of-residence requirements involving a Texas driver's license and vehicle registration reflecting the address of the property for which the exemption application is made are problematic for a wide range of Texans because they make a person ineligible for the exemption if the person moves to an address different from the address originally used when registering the vehicle. This bill:

Requires that an application for a residence homestead exemption prescribed by the comptroller of public accounts of the State of Texas (comptroller) and authorized by Section 11.13 (Residence Homestead), Tax Code, in addition to the items required by Section 11.43(f) (relating to requiring the comptroller to prescribe the contents of the application form for exemptions), Tax Code, include certain information, including a copy of the applicant's driver's license or state-issued personal identification certificate unless the applicant is a resident of a facility that provides services related to health, infirmity, or aging, or is certified for participation in the address confidentiality program administered by the attorney general under Subchapter C (Address Confidentiality Program for Victims of Family Violence, Sexual Assault, or Stalking), Chapter 56 (Rights of Crime Victims), Code of Criminal Procedure.

Prohibits a chief appraiser from allowing an applicant an exemption provided by Section 11.13 if the applicant is required to provide a copy of the applicant's driver's license or state-issued personal identification certificate unless the address listed on the driver's license or state-issued personal identification certificate provided by the applicant corresponds to the address of the property for which the exemption is claimed.

Authorizes a chief appraiser to waive the requirement that the address of the property for which the exemption is claimed correspond to the address listed on the driver's license or state-issued personal identification certificate provided by the applicant if the applicant is an active duty member of the armed services of the United States or the spouse of an active duty member and the applicant includes with the application a copy of the applicant's or spouse's military identification card and a copy of a utility bill for the property subject to the claimed exemption in the applicant's or spouse's name; or holds a driver's license issued under Section 521.121(c) (relating to requiring the Department of Public Safety of the State of Texas to establish a procedure for a federal judge, a state judge, or the spouse of a federal or state judge to omit the license holder's residence address and to include, in lieu of that address, the street address of the courthouse in which the license holder or license holder's spouse serves as a federal or state judge on the license holder's license) or 521.1211 (Driver's License for Peace Officer), Transportation Code, and includes with the application a copy of the application for that license provided to the Texas Department of Transportation.
Taxation of Certain Property Temporarily Located Inside a Base Development Authority—H.B. 1348
by Representatives Menéndez and Anderson—Senate Sponsor: Senator Uresti

Concern has arisen that current law does not adequately address the taxable status of manufactured aircraft brought into Texas for final fittings, customization, or preparation for delivery. Clarification regarding the taxable status of such aircraft and certain related tangible personal property located inside a defense base development authority has been requested. This bill:

Defines "commercial aircraft" for the purposes of Section 379B.011 (Tax Exemptions), Local Government Code.

Provides that a commercial aircraft to be used as an instrumentality of commerce that is under construction inside a defense base development authority (authority) is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 (Real and Tangible Personal Property) and 21.02 (Tangible Personal Property Generally), Tax Code.

Provides that tangible personal property located inside the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, Tax Code, if the owner demonstrates to the chief appraiser for the appraisal district in which the authority is located that the owner intends to incorporate the property into or attach the property to a commercial aircraft.

Adjustment of Rates For Sales and Use Taxes Imposed by Municipalities—H.B. 1511 [VETOED]
by Representative Larson—Senate Sponsor: Senator Eltife

Current law sets the maximum rate at which all combined local sales and use taxes may be imposed at two percent. In addition, the law limits the rates at which municipalities in Texas may impose sales and use taxes for, among other purposes, street maintenance, venue projects, property tax relief, economic development, and crime control and prevention. For example, a city may only impose a sales and use tax dedicated for street maintenance at one-fourth or one-eighth of one percent. Other dedicated purposes are allowed to be imposed at one-eighth, one-fourth, three-eighths, or one-half of one percent. This bill:

Provides that the tax imposed by Subchapter D (Sales and Use Tax), Chapter 334 (Sports and Community Venues), Local Government Code, is in addition to a tax imposed under other law, including Chapters 321 (Municipal Sales and Use Tax Act) and 323 (County Sales and Use Tax Act), Tax Code, and is included in computing a combined sales and use tax rate for purposes of the limitation on the maximum combined sales and use tax rate of political subdivisions. Requires that the rate of a tax adopted by a county under Subchapter D, Chapter 334, Local Government Code, be one-eighth, one-fourth, three-eighths, or one-half of one percent. Authorizes the rate of the tax adopted by a municipality to be any rate that is an increment of one-eighth of one percent, that the municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 321.101(f) (relating to prohibiting a municipality from adopting or increasing a sales and use tax or an additional sales and use tax under certain conditions), Tax Code.

Authorizes a municipality that has adopted a sales and use tax under Subchapter D, Chapter 334, Tax Code, at any rate, and a county that has adopted a sales and use tax under Subchapter D, Chapter 334,
Tax Code, at a rate of less than one-half of one percent, to by ordinance or order increase the rate of the tax if the increase is approved by a majority of the registered voters of that municipality or county voting at an election called and held for that purpose. Authorizes the county tax to be increased in one or more increments of one-eighth of one percent to a maximum of one-half of one percent. Authorizes the municipal tax to be increased in one or more increments of one-eighth of one percent to any rate that the municipality determines is appropriate and would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 321.101(f), Tax Code. Sets forth the required language of the ballot for an election to increase the tax.

Authorizes the proposed rate for the district sales and use tax imposed under Subchapter B (Imposition of Sales and Use Taxes by Municipalities), Chapter 321, Tax Code, to be any rate that is an increment of one-eighth of one percent, that the municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 321.101(f), Tax Code. Authorizes the proposed rate for the district sales and use tax under Subchapter B (Imposition of Sales and Use Taxes by Counties), Chapter 323, Tax Code, to be a certain amount of one percent. Authorizes the rate of the tax imposed under Section 504.252(a) (relating to providing the proposed rate for the district sales and use tax imposed under Subchapter B (Imposition of Sales and Use Taxes by Municipalities), Chapter 321, Tax Code), Local Government Code, to be any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 504.254(a) (relating to prohibiting an authorizing municipality from adopting a rate that, when added to the rates of all other sales and use taxes imposed by the authorizing municipality and other political subdivisions of this state having territory in the authorizing municipality, would result in a combined rate exceeding two percent), rather than requiring that the rate of the tax imposed under Section 504.252(a), Local Government Code, be equal to one-eighth, one-fourth, three-eighths, or one-half of one percent.

Establishes authorized tax rate adjustments under certain sections of the Local Government Code and the Tax Code. Sets forth the required language of the ballot for an election to adopt, impose, reduce, increase, or abolish certain adjusted tax rates.

Provides that in a municipality that has adopted the tax authorized by Section 321.101(a) (relating to the adoption or repeal of an increased or decreased tax rate under Chapter 321, Tax Code), Tax Code, there is a imposed tax on the receipts from the sale at retail of taxable items within the municipality at any rate that is an increment of one-eighth of one percent, that the municipality determines is appropriate, that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 321.101(f) (relating to prohibiting a municipality from adopting or increasing a sales and use tax or an additional sales and use tax), Tax Code, and that is approved by the voters. Provides that the tax is imposed at the same rate on the receipts from the sale at retail within the municipality of gas and electricity for residential use.

Require the governing body of the municipality, within 10 days after an election in which the voters approve of the adoption, change in rate, or abolition of a tax authorized by this Chapter 321, Tax Code, by resolution or ordinance entered in its minutes of proceedings, to declare the results of the election.

Establishes expiration dates for certain tax rate adjustments.
Property tax lenders provide loans to property owners who are delinquent in their tax payments. Property tax lenders charge fees for the loans and have higher interest rates than traditional lenders. Property tax lenders also have the priority right of foreclosure on properties they provide loans for. This bill:

Makes Section 31.031 (Installment Payments of Certain Homestead Taxes), Tax Code, applicable to an individual who is qualified for an exemption under Section 11.22 (Disabled Veterans), Tax Code.

Authorizes an individual to whom this section applies to pay a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments. Requires that the second installment be paid before April 1, the third installment before June 1, and the fourth installment before August 1. Eliminates the previous plan allowing for three equal installments.

Authorizes an individual to whom this section applies, notwithstanding the aforementioned deadline for payment of the first installment, to pay the taxes in four equal installments if the first installment is paid and the required notice is provided before March 1.

Establishes that if an individual fails to make a payment, including the first payment, before the applicable date required, the unpaid amount is delinquent and incurs a penalty of six percent and interest.

Authorizes the collector for a taxing unit to enter into an agreement with a person delinquent in the payment of the tax for payment of the tax, penalties, and interest in installments. Requires the collector for a taxing unit to, on request by a person delinquent in the payment of the tax on a residence homestead, enter into an agreement with the person for payment of the tax, penalties, and interest in installments if the person has not entered into an installment agreement with the collector for the taxing unit under this section in the preceding 24 months. Expands the requirements of this installment agreement to also provide for payments to be made in equal monthly installments and extend for a period of at least 12 months.

Establishes that a penalty does not accrue on the unpaid balance during the period of the agreement if the property that is the subject of the agreement is a residence homestead. Establishes that if the property owner fails to make a payment as required by the agreement, a penalty accrues on the unpaid balance as if the owner had not entered into the agreement.

Requires that a notice of delinquency contain a certain statement in a certain form.

Requires the collector for a taxing unit to deliver a notice of delinquency to a person who is in breach of an installment agreement under Section 33.02 (Installment Payment of Delinquent Taxes), Tax Code, and to any other owner of an interest in the property subject to the agreement whose name appears on the delinquent tax roll before the collector is authorized to seize and sell the property or file a suit to collect a delinquent tax subject to the agreement.

Provides that, notwithstanding any agreement to the contrary, a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor's residence for the delinquent payment of ad valorem taxes.
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valorem taxes if the debtor gave notice to the mortgage servicer of the intent to enter into an installment agreement with the taxing unit under Section 33.02 (Installment Payment of Delinquent Taxes), Tax Code, for the payment of the taxes at least 10 days before the date the debtor entered into the agreement, and the property is protected from seizure and sale and a suit may not be filed to collect a delinquent tax on the property as provided by Section 33.02(d) (relating to prohibiting property from being seized and sold and from a suit being filed to collect a delinquent tax subject to an installment agreement unless the property owner fails to make a payment as required by the agreement, fails to pay other property taxes collected by the unit when due as required by the collector, or breaches any other condition of the agreement), Tax Code.

**Audits Conducted With Local Hotel Occupancy Tax Revenue—H.B. 1662**

*by Representative Price—Senate Sponsor: Senator Seliger*

Current law restricts the use of the revenue generated from the municipal hotel occupancy tax that does not include the audit of a hotel to verify accurate and complete tax returns. This bill:

Authorizes a municipality that has a population of at least 190,000, no part of which is located in a county with a population of at least 150,000, to use revenue from the municipal hotel occupancy tax to conduct an audit of a person in the municipality required to collect the hotel occupancy tax, provided that the municipality use the revenue to audit not more than one-third of the total number of those persons in any fiscal year.

**Tax Exemptions Relating to an Offshore Spill Response Containment System—H.B. 1712**

*by Representatives Lozano and Villalba—Senate Sponsor: Senator Zaffirini*

After the Deepwater Horizon/Macondo oil spill and the subsequent moratorium on drilling in the Gulf of Mexico, 10 oil companies joined together to form Marine Well Containment Company (MWCC). MWCC organized to acquire and provide rapid containment response expertise, training, and capabilities including subsea equipment such as risers, dispersant and hydraulic manifolds, and a capping stack in the event of a blowout or other loss of well control resulting in an underwater oil spill in the Gulf of Mexico. While current law authorizes property tax exemptions for pollution control equipment, the statute may not cover equipment held for a future event and by an entity that provides multiple member companies access to the equipment to meet federal pollution control rules. This bill:

Entitles a person to an exemption from taxation of the personal property the person owns or leases that is used, constructed, acquired, stored, or installed solely as part of an offshore spill response containment system, or that is used solely for the development, improvement, storage, deployment, repair, maintenance, or testing of such a system, if the system is being stored while not in use in a county bordering on the Gulf of Mexico or on a bay or other body of water immediately adjacent to the Gulf of Mexico. Provides that property not used for any other purpose is considered to be property used wholly as an integral part of mobile or marine drilling equipment designed for offshore drilling of oil or gas wells. Provides that the exemption from taxation does not apply to personal property used, wholly or partly, for the exploration for or production of oil, gas, sulfur, or other minerals, including the equipment, piping, casing, and other components of an oil or gas well. Provides that the offshore capture of fugitive oil, gas, sulfur, or other minerals that is entirely incidental to the property's temporary use as an offshore spill response
containment system, is not considered to be production of those substances. Provides that the exemption from taxation does not apply to personal property that was used, constructed, acquired, stored, or installed in this state on or before January 1, 2013.

Requires the person owning or leasing the property, to qualify for an exemption, to be an entity formed primarily for the purpose of designing, developing, modifying, enhancing, assembling, operating, deploying, and maintaining an offshore spill response containment system. Prohibits a person from qualifying for the exemption by providing services to or for an offshore spill response containment system that the person does not own or lease.

Provides that Section 11.271 (Offshore Drilling Equipment Not in Use), Tax Code, is included in the list of exemptions that, once allowed, need not be claimed in subsequent years, and that except as otherwise provided by Section 11.271(e) (relating to prohibiting a person from receiving certain exemptions if the person fails to timely file a completed application form for the exemption), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes.

Amends Subchapter H (Exemptions), Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, by adding Section 151.356 (Offshore Spill Response Containment Property), to define "offshore spill response containment property;" to exempt the sale, lease, rental, storage, use, or other consumption by an entity described by Section 11.271(f) (relating to qualifying for an exemption from taxation of the personal property the person owns or leases that is used, constructed, acquired, stored, or installed solely as part of an offshore spill response containment system) of offshore spill response containment property used solely for the purposes described by Section 11.271(c) (relating to entitling a person to an exemption from taxation of the personal property the person owns or leases that is used, constructed, acquired, stored, or installed solely as part of an offshore spill response containment system) and Section 151.356, Tax Code, from the taxes imposed by Chapter 151, Tax Code; and to exempt a service performed exclusively on offshore spill response containment property from the taxes imposed by Chapter 151, Tax Code.

Provides that Section 151.356, Tax Code, does not apply to an item used, wholly or partly, for the exploration for or production of oil, gas, sulfur, or other minerals, including the equipment, piping, casing, and other components of an oil or gas well. Provides that the offshore capture of fugitive oil, gas, sulfur, or other minerals that is entirely incidental to the item's temporary use as an offshore spill response containment system is not considered to be production of those substances.

Statute of Limitations on Hotel Occupancy Taxes and Use of Interest Revenue—H.B. 1724
by Representative Bohac—Senate Sponsor: Senator Seliger

Current law provides that there is a four-year statute of limitations on the state's authority to assess state taxes and to bring suit to collect delinquent state taxes, including state hotel occupancy taxes. However, state law does not impose any limitation period on municipal or county hotel occupancy taxes. This bill:

Provides that, in addition to the amount of any tax owed under Chapter 351, Tax Code, the person who is required to collect the tax imposed by this chapter is liable to the municipality for the interest under Section 351.0042, Tax Code.
Requires a municipality to bring suit under Section 351.004 (Tax Collection), Tax Code, not later than the fourth anniversary of the date the tax becomes due, except if, with the intent to evade the tax, the person files a false or fraudulent report with the municipality or the person has not filed a report for the tax with the municipality.

Provides that a person who fails to pay a tax due under Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, is liable to the municipality for interest on the unpaid amount at the greater of the rate provided by Section 111.060(b) (relating to providing that the rate of interest to be charged to the taxpayer is the prime rate plus one percent, on the first day of each calendar year that is not a Saturday, Sunday, or legal holiday), Tax Code, or the rate imposed by the municipality on January 1, 2013.

Requires a county to bring suit under Section 352.004, Tax Code, not later than the fourth anniversary of the date the tax becomes due, with the exception that a county is authorized to bring suit under Section 352.004, Tax Code, at any time if, with intent to evade the tax, the person files a false or fraudulent report with the county or the person has not filed a report for the tax with the county.

Provides that the change in law made by this Act does not affect tax liability accruing before September 1, 2013. Provides that that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

Ad Valorem Taxation of Pollution Control Property—H.B. 1897
by Representative Eiland—Senate Sponsor: Senator Carona

Approximately 20 years ago, voters approved an amendment to the Texas Constitution that allowed the legislature to grant a property tax exemption for pollution control property, which is real or personal property used or installed wholly or partly to meet or exceed environmental regulations for addressing air, water, or land pollution.

By law, the applicant must obtain a determination of qualified pollution control property by the Texas Commission on Environmental Quality (TCEQ) and file an exemption application with the chief appraiser of the applicant's local appraisal district. Because of the complexity of the facilities, devices, and methods involved, TCEQ typically works directly with the applicant to ensure the pollution control calculation is correct. This process can potentially take years as a result of objections and requests for more data. The lengthy determination process has raised concerns that a positive TCEQ determination on a long-pending application could result in a property owner demanding a significant refund from the local taxing entity. This bill:

Requires the executive director of TCEQ to issue a determination letter to a person seeking the pollution property control exemption, and requires TCEQ to take final action on the initial appeal if an appeal is made, not later than the first anniversary of the date the executive director declares the application to be administratively complete.

Entitles a person to an exemption from taxation of the real and personal property the person owns that is located on or in close proximity to a landfill and is used to collect gas generated by the landfill; compress and transport the gas; process the gas so that it may be delivered into a natural gas pipeline; or used as a
transportation fuel in methane-powered on-road or off-road vehicles or equipment and deliver the gas into a natural gas pipeline or to a methane fueling station.

Provides that this entitlement expires on December 31, 2015.

Provides that a property owner is not entitled to a refund resulting from the final determination of an appeal of the denial of an exemption, wholly or partly, unless the property owner is entitled to the refund or has entered into a written agreement with the chief appraiser that authorizes the refund as part of an agreement related to the taxation of the property pending a final determination by TCEQ.

Requires the chief appraiser, not later than the 10th day after the date a property owner and the chief appraiser enter into a written agreement, to provide to each taxing unit that taxes the property a copy of the agreement.

Provides that the agreement is void if a taxing unit that taxes the property objects in writing to the agreement on or before the 60th day after the date the taxing unit receives a copy of the agreement.

Provides that the legislature finds that current unique market forces are a deterrent to landfill methane capture, and limited exemption will prevent the loss of facilities that help the state in reducing pollution.

Provides that the legislature further finds that this exemption is not an expression of legislative opinion regarding current rules adopted by TCEQ relating to the qualification of property for an exemption from taxation.

**Hotel Occupancy Tax Limitations—H.B. 1908**

*by Representatives Eiland and Hilderbran—Senate Sponsor: Senator Hancock*

Texas hotel occupancy tax rates are among the highest in the country. Combined state, county, and municipal taxes generally result in cumulative rates of between 13 and 15 percent, but higher cumulative taxes are reported in some of the state’s larger cities. Furthermore, current law permits the imposition of an additional local hotel occupancy tax to fund certain venue projects, upon approval of a ballot proposition. This bill:

Redefines venue to mean a certain facility, including a convention center, convention center facility as defined by Section 351.001(2) (defining “convention center facilities" or “convention center complex") or 352.001(2) (defining “convention center facilities" or “convention center complex“), Tax Code, or related improvement such as a civic center hotel, theater, opera house, music hall, rehearsal hall, park, zoological park, museum, aquarium, or plaza located in the vicinity of a convention center or facility owned by a municipality or a county.

Requires that the ballot include certain required language if the proposition is authorizing the imposition of a hotel occupancy tax under Subchapter H (Hotel Occupancy Taxes), Local Government Code.

Requires that the ballot proposition at the election held to adopt the tax specify the maximum rate of the tax to be adopted, and the maximum combined hotel occupancy tax rate that would be imposed from all
sources at any location in the municipality or county, as applicable, if the rate proposed in the ballot proposition is adopted.

Authorizes the hotel occupancy tax, authorized in Subchapter H, Local Government Code, to be imposed by a municipality or county at any rate not to exceed two percent of the price paid for a hotel room, except as provided by certain exceptions.

Authorizes a county with a population of more than two million that is adjacent to a county with a population of more than one million to impose the tax authorized by Subchapter H, Local Government Code, at any rate not to exceed three percent of the price paid for a room in a hotel, except the combined hotel occupancy tax rate imposed from all sources at any location in the municipality or county, as applicable, may not exceed 17 percent of the price paid for a room in a hotel, excluding certain assessments and fees collected by the hotel, to impose the tax authorized by this subchapter at any rate not to exceed three percent of the price paid for a room in a hotel.

Requires that the ballot for an election to increase the rate of the tax be printed to permit voting for or against the proposition or if the proposition is authorizing the imposition of a hotel occupancy tax, include certain required language.

### Waiver of Penalties and Interest on Certain Delinquent Ad Valorem Taxes—H.B. 1913

*by Representatives Bohac and Zedler—Senate Sponsor: Senator Williams*

Current law requires the governing body of a taxing unit to waive penalties and authorizes the governing body to provide for the waiver of interest on a delinquent tax if an act or omission of an officer, employee, or agent of the taxing unit or the appraisal district in which the taxing unit participates caused or resulted in the taxpayer's failure to pay the tax before delinquency and if the tax is paid within a specified period. At times, a taxing unit or appraisal district fails to give notice to a current owner or lender of subsequent assessment, which creates a delinquency to the property owner. In addition, when the property owner is not the original taxpayer, the property owner rarely receives notice within the specified period to seek a waiver of penalties and interest and that a new owner often may not receive any notice at all. This bill:

Requires that a request for a waiver of penalties and interest under Section 33.011 (a)(1) (relating to requiring the governing body of a taxing unit to waive penalties and authorizing the governing body of the taxing unit to provide for the waiver of interest on a delinquent tax) or (3) (relating to authorizing the governing body of the taxing unit to waive penalties and provide for the waiver of interest on a delinquent tax if the taxpayer submits evidence showing certain taxpayer payment information), Section 33.011(b) (relating to requiring the governing body of the taxing unit, if a tax bill is returned undelivered to the taxing unit by the United States Postal Service, to waive penalties and interest), Section 33.011(h) (relating to requiring the governing body of the taxing unit to waive penalties and interest on a delinquent tax if certain criteria are met), or Section 33.011(j) (relating to an act or omission of the postal service or a private carrier resulting in the taxpayer's payment being postmarked after the delinquency date), Tax Code, be made before the 181st day after the delinquency date. Requires that a request for a waiver of penalties and interest under Section 33.011(j) (relating to authorizing the governing body of the taxing unit to waive penalties and interest on a delinquent tax if the date is on which the property owner acquired the property under certain circumstances), Tax Code, be made before the 181st day after...
the date the property owner making the request receives notice of the delinquent tax that satisfies certain requirements.

Authorizes the governing body of the taxing unit to waive penalties and interest on a delinquent tax that relates to a date preceding the date on which the property owner acquired the property if the property owner or another person liable for the tax pays the tax not later than the 181st day after the date the property owner receives notice of the delinquent tax that satisfies certain requirements; and the delinquency is the result of taxes imposed on omitted property entered in the appraisal records as provided by Section 25.21 (Omitted Property), Tax Code; erroneously exempted property or appraised value added to the appraisal roll as provided by Section 11.43(i) (relating to requiring the chief appraiser, if the chief appraiser discovers that a certain exemption has been erroneously allowed in any one of the five preceding years, to add the value that was erroneously exempted for each year to the appraisal roll), Tax Code; or property added to the appraisal roll under a different account number or parcel when the property was owned by a prior owner.

Authorizes the governing body of the taxing unit to waive penalties and interest on a delinquent tax if the taxpayer submits evidence sufficient to show that the taxpayer delivered payment for the tax before the delinquency date to the United States Postal Service for delivery by mail, but an act or omission of the postal service resulted in the taxpayer's payment being postmarked after the delinquency date, or a private delivery service for delivery, but an act or omission of the private carrier resulted in the taxpayer's payment being received by the taxing unit after the delinquency date.

Requires at least once each year the collector for a taxing unit to deliver a notice of delinquency to each person whose name appears on the current delinquent tax roll. Requires that the first page of a notice of delinquency, if the delinquency is the result of taxes imposed on property described by Section 33.011(i), include certain information. Sets forth the language for the notice.

Motor Fuel Tax on Compressed Natural Gas and Liquefied Natural Gas—H.B. 2148
by Representative Hilderbran—Senate Sponsor: Senator Williams

Natural gas has been used as an alternative to gasoline and diesel in Texas vehicles for many years but has accounted for only a small fraction of the total transportation fuel market. State taxes on natural gas used in the state's cars, trucks, and buses have been administered under a system that is separate from the system for administering state taxes on other types of motor fuels. Interested parties contend that with the emergence of new production technologies, natural gas is plentiful and much less expensive by some measures than conventional petroleum-based fuels and, as a result, the use of natural gas in transportation, particularly as a substitute for diesel in heavy-duty vehicles, has expanded significantly. It is believed that these recent developments demonstrate the need to adjust tax collection methods for natural gas used in motor vehicles to provide a more equitable and fair way to calculate the rate of taxation and to encourage the use of natural gas as a transportation fuel. This bill:

Provides that the legislature finds that this Act does not impose a new tax; compressed natural gas and liquefied natural gas are currently taxed and this Act leaves the tax rate effectively unchanged; this Act provides a new collection mechanism for an existing tax; and this Act provides a more efficient method of tax administration for taxpayers and for this state.
Imposes a tax on the sale of compressed natural gas or liquefied natural gas that is delivered into the fuel supply tank of a motor vehicle in connection with a sale of the compressed natural gas or liquefied natural gas. Provides that the dealer is liable for the tax imposed. Requires the dealer to add the amount of the tax to the selling price so that the tax is paid by the purchaser. Provides that when the amount of the tax is added it becomes a part of the sales price; it is a debt of the purchaser to the dealer; and if unpaid, it is recoverable at law in the same manner as the original sales price. Requires the dealer to provide to the purchaser an invoice or receipt that states the rate and amount of tax added to the selling price or indicates that no tax was added to the selling price. Imposes a tax on the delivery of compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle by a fleet user or other dealer not in connection with a sale of the compressed natural gas or liquefied natural gas. Provides that the fleet user or other dealer is liable for the tax imposed. Provides that the rate of the tax under Sections 162.351 (Tax Imposed; Sale of Fuel Delivered Into Fuel Supply Tank of Motor Vehicle) and 162.352 (Tax Imposed; Delivery of Fuel Into Fuel Supply Tank of Motor Vehicle Not In Connection With Sale), Tax Code, is 15 cents for each gasoline gallon equivalent or fractional part of compressed natural gas or liquefied natural gas, or diesel gallon equivalent or fractional part of compressed natural gas or liquefied natural gas. Requires that the tax be imposed on an amount of compressed natural gas or liquefied natural gas equal to certain other motor fuels measurements.

Imposes a backup tax at the rate prescribed by Section 162.353 (Tax Rate; Unit of Measurement), Tax Code, on certain individuals. Provides that the tax imposed does not apply to compressed natural gas or liquefied natural gas delivered into the fuel supply tank of motor vehicles operated by certain entities and individuals.

Prohibits a person from selling compressed natural gas or liquefied natural gas that is delivered into the fuel supply tank of a motor vehicle and on which tax is imposed under Section 162.351, Tax Code, unless the person holds a compressed natural gas and liquefied natural gas dealer's license issued by the comptroller of public accounts of the State of Texas (comptroller). Requires the comptroller to cancel a license if the license holder has not reported a delivery of compressed natural gas or liquefied natural gas during the previous nine months. Sets forth licensing application procedures and requirements for the issuance and display of a license.

Establishes certain requirements regarding bonds and other security for taxes determined necessary by the comptroller.

Requires a licensed dealer or licensed interstate trucker, on or before the 25th day of the month following the end of each calendar quarter, to file a report and remit the amount of tax due. Requires a licensed dealer who has not made taxable deliveries during the reporting period to file with the comptroller a report that includes those facts or that information. Requires a dealer or licensed interstate trucker to keep a record containing certain information.

Provides that a person who receives or collects tax holds the amount received or collected in trust for the benefit of this state and has a fiduciary duty to remit to the comptroller the amount of tax received or collected. Sets forth the duties and responsibilities of persons holding tax payments. Authorizes a license holder to take a credit on a return for the period in which the purchase occurred, and authorizes a person who does not hold a license to file a refund claim with the comptroller if the license holder or person paid tax on compressed natural gas or liquefied natural gas and the license holder or person meets certain criteria. Authorizes a licensed dealer to take a credit on a return filed if the dealer paid the taxes imposed
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on compressed natural gas or liquefied natural gas sold on account; the dealer determines that the account is uncollectible and worthless; and the account is written off as a bad debt on the dealer's accounting books. Sets forth certain requirements regarding a licensed dealer taking a credit on a return and valid refund claims.

Entitles a metropolitan rapid transit authority operating under Chapter 451 (Metropolitan Rapid Transit Authorities), Transportation Code, that is a party to a contract governed by Section 34.008 (Contract With Transit Authority, Commercial Transportation Company, or Juvenile Board), Education Code, except as otherwise provided, to a refund of taxes paid for compressed natural gas or liquefied natural gas delivered into the fuel supply tank of a motor vehicle used to provide services under the contract and authorizes the transit authority to file a refund claim with the comptroller for the amount of those taxes. Sets forth the refund requirements for metropolitan rapid transit authorities.

Requires the comptroller, after making deductions for refund purposes and for the administration and enforcement of Chapter 162 (Motor Fuels Tax), Tax Code, on or before the fifth workday after the end of each month, to allocate one-fourth of the remainder of the taxes collected under Subchapter D-1 (Compressed Natural Gas and Liquefied Natural Gas Tax), Chapter 162, Tax Code, to the credit of the available school fund and three-fourths of the remainder of the taxes collected to the credit of the state highway fund.

Provides that a person forfeits to the state a civil penalty of not less than $25 and not more than $200 if the person delivers compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle and the person does not hold a valid compressed natural gas and liquefied natural gas dealer's license; or makes a tax-free delivery of compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle, unless the delivery is exempt from tax under Section 162.356 (Exemptions), Tax Code.

Advanced Clean Energy Project Definitions and Franchise Tax Credits—H.B. 2446
by Representative Crownover et al.—Senate Sponsor: Senator Estes

Currently, a franchise tax credit for clean energy and advanced clean energy projects that use certain types of fuels is in place in statute. This bill:

Redesignates and transfers Subchapter H (Franchise Tax Credit For Clean Energy Project), Chapter 490 (Funding For Emerging Technology), Government Code, as Subchapter L (Tax Credit for Clean Energy Project), Chapter 171 (Franchise Tax), Tax Code.

Requires the comptroller of public accounts of the State of Texas (comptroller) to adopt rules for issuing to an entity implementing a clean energy project in the state a credit against the tax imposed under Chapter 171, Tax Code.

Prohibits the total credit that a taxable entity may claim for a report, including the amount of any carryforward credit, from exceeding the amount of franchise tax due by the taxable entity for the report after any applicable tax credits. Requires a taxable entity, if a taxable entity is eligible to claim a credit that exceeds the limitation, to carry the unused credit forward for not more than 20 consecutive reports. Provides that a carryforward is considered the remaining portion of the credit that the taxable entity does not claim in the current year because of the limitation.
Deletes existing text providing that the amount of the franchise tax credit for each report year is calculated by determining the amount of franchise tax that is due based on the taxable margin generated by a clean energy project from the generation and sale of power and the sale of any products that are produced by the electric generation facility. Deletes existing text prohibiting the amount of the franchise tax credit claimed for a report year from exceeding the amount of franchise tax attributable to the clean energy project for that report year.

Authorizes the entity designated in the certificate of compliance for a clean energy project to assign the credit to one or more taxable entities. Authorizes a taxable entity to which the credit is assigned to claim the credit against the tax imposed subject to the conditions and limitations of Subchapter L.

Prohibits the comptroller from issuing a credit, rather than a franchise tax credit, before the later of September 1, 2018, rather than September 1, 2013, or the expiration of an agreement under Chapter 313 (Texas Economic Development Act), Tax Code. Deletes existing text providing that the subsection expires September 2, 2013.

Redefines an advanced energy project to mean a project for which an application for a permit or for an authorization to use a standard permit is received by the Texas Commission on Environmental Quality on or after January 1, 2008, and before January 1, 2020, and that meets certain standards, including:
- involves the use of certain fuels, including natural gas;
- with regard to the portion of the emissions stream from the facility associated with the project is capable of achieving:
  - on an annual basis, a sulfur dioxide emission rate that meets best available control technology requirements as determined by TCEQ if the project is designed for the use of one or more combustion turbines that burn natural gas;
  - on an annual basis, a mercury emission rate that complies with applicable federal requirements if the project is designed for the use of one or more combustion turbines that burn natural gas; and
  - an annual average emission rate for nitrogen oxides of two parts per million by volume if the project is designed for the use of one or more combustion turbines that burn natural gas.

Redefines a clean energy project to mean a project to construct facilities fueled by certain items, including natural gas.

Prohibits an entity from submitting an application for a certification that a project operated by the entity meets the requirements for a clean energy project before September 1, 2018.

Prohibits more than one of the clean energy projects from being a natural gas project.

 Requires TCEQ to adopt rules as necessary to implement the change in law made by this Act to Section 382.003 (Definitions), Health and Safety Code.

Authorizes the Railroad Commission of Texas to adopt rules as necessary to implement the change in law made by this Act to Section 120.001 (Definitions), Natural Resources Code.
Computation of the Franchise Tax Obligation For Agricultural Aircraft Operations—H.B. 2451
by Representative Tracy O. King—Senate Sponsor: Senator Hegar

The agricultural aircraft operation industry is treated as a service industry under the franchise tax, rather than one producing goods, and therefore is not allowed to deduct the cost of labor, equipment, fuel, and other materials. These operations have little in common with most service industries. They are much more like manufacturing or other goods-producing industries in that they pay high costs for their planes, fuel, and pilots instead of simply having to buy computers and desks like many companies in the services sector. This bill:

Requires a taxable entity primarily engaged in the business of providing services as an agricultural aircraft operation, as defined by 14 C.F.R. Section 137.3, to exclude from its total revenue the cost of labor, equipment, fuel, and materials used in providing those services.

Utilization of Sales and Use Tax Revenue to Fund Housing Facilities at Certain Colleges—H.B. 2473
by Representative Deshotel—Senate Sponsor: Senator Williams

Certain public state colleges have developed beyond commuter schools and as a result, there is a growing need for those schools to provide housing for their students, faculty, and staff. Housing facilities for housing or boarding student, faculty, or staff members of a public state college are not currently authorized projects under the Development Corporation Act. This bill:

Defines "housing facility" and "public state college" in Section 501.163 (Use of Tax Revenue for Housing Facilities for Public State Colleges), Local Government Code.

Authorizes certain economic development corporations to spend tax revenue received under the Development Corporation Act for expenditures that are for the development or construction of housing facilities on or adjacent to the campus of a public state college.

Appraisal For Ad Valorem Tax Purposes of Solar Energy Property—H.B. 2500
by Representative Bohac et al.—Senate Sponsor: Senator Watson et al.

Ambiguity in the assessment of ad valorem tax evaluation in Texas has presented an obstacle to the development of industrial scale solar power projects, and places Texas at a competitive disadvantage compared to neighboring states. There is a perceived need to provide more certainty and consistency for the property valuation and appraisal methodology for an industrial solar project in order to ensure that Texas remains competitive in this emerging and valuable industry. This bill:

Defines "solar energy property" to mean a "solar energy device." Requires the chief appraiser to use the cost method of appraisal to determine the market value of solar energy property. Requires the chief appraiser, to determine the market value of solar energy property using the cost method of appraisal, to use cost data obtained from generally accepted sources; make any appropriate adjustment for physical, functional, or economic obsolescence and any other justifiable factor; and calculate the depreciated value of the property by using a useful life that does not exceed 10 years.
Prohibits the chief appraiser from in any tax year determining the depreciated value calculated by using a useful life that does not exceed 10 years to be less than 20 percent of the value computed after making appropriate adjustments for physical, functional, or economic obsolescence and any other justifiable factor to the value determined by using cost data obtained from generally accepted sources.

Ad Valorem Tax Exemption For Energy Storage Systems Used For Certain Purposes—H.B. 2712
by Representative Perez et al.—Senate Sponsor: Senator Taylor

Energy storage is an emerging technology which can be utilized in non-attainment areas as a means of reducing the emissions from large utility-scale generators. Storage technologies include batteries, flywheels, and compressed air energy systems. Energy storage mitigates emissions and helps control pollution in a number of ways. Energy storage provides frequency regulation to the grid, which prevents or minimizes the impact of frequency fluctuations. In the event of a blackout, energy storage can provide the extra time needed for industrial facilities to avoid any upsets. Because energy storage is emission free where it discharges, the storage facility can provide energy, while avoiding pollution issues generally associated with generation facilities. Energy storage is a relatively new technology, and is not included in Section 11.31 (Pollution Control Property), Tax Code, relating to the pollution control property tax exemption. By allowing storage facilities that locate within a federally designated non-attainment area to qualify for the pollution control property tax exemption, large scale generators and industrial facilities would have similar incentives to install this technology to the benefit of Texas. This bill:

Defines “energy storage system.”

Entitles a person to an exemption from taxation by a taxing unit of an energy storage system owned by the person if the exemption is adopted by the governing body of the taxing unit in the manner provided by law for official action by the governing body; and the energy storage system is used, constructed, acquired, or installed wholly or partly to meet or exceed 40 C.F.R. Section 50.11 or any other rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air pollution, is located in an area designated as a nonattainment area within the meaning of Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407) and a municipality with a population of at least 100,000 adjacent to a municipality with a population of more than two million; has a capacity of at least 10 megawatts; and is installed on or after January 1, 2014.

Authorizes an adopted exemption, once authorized, to be repealed by the governing body of a taxing unit in the manner provided by law for official action by the governing body.

Closing Certain Appraisal Review Board Hearings to the Public—H.B. 2792
by Representative Elkins—Senate Sponsor: Senator Hegar

Under current law, particularly in protest hearings for properties owned by a business or industrial taxpayer, the taxpayer or taxpayer’s representative frequently needs to present evidence related to the value of the property which, should it fall into a competitor’s hands, would place the business or industrial taxpayer at a competitive disadvantage. This impels many protesters to present no evidence at the tax appraisal review board hearing to support their contention that the property is appraised for more than its market value. In
these instances, the appraisal review board typically upholds the appraisal district value and the case progresses to litigation, which is expensive both for the appraisal district and the property owner. Once in litigation, the property owner gives the appraisal district the relevant proprietary or confidential information in the pre-trial discovery process and the case is often settled without the confidential material ever being made public. This bill:

Requires the appraisal review board, notwithstanding Chapter 551 (Open Meetings), Government Code, to conduct a hearing that is closed to the public if the property owner or the chief appraiser intends to disclose proprietary or confidential information at the hearing that will assist the review board in determining the protest. Authorizes the review board to hold a closed hearing only on a joint motion by the property owner and the chief appraiser. Provides that the proprietary or confidential information is considered information obtained under Section 22.27 (Confidential Information), Tax Code.

**Tax Exemptions Relating to Insurance on Certain Baled Cotton—H.B. 2972**

*by Representative Ken King—Senate Sponsor: Senator Patrick*

When cotton is exported, it must be insured to guarantee that a purchaser will be made whole if the received cotton is damaged. The insurance is attached to the bale and is transferred as the bale is sold, and the coverage is continuous from the date it is written until the cotton is delivered to the purchaser. It is believed that certain taxes should therefore not apply to premiums for policies covering certain stored or in-transit baled cotton. This bill:

Exempts premiums on risks or exposures under ocean marine insurance coverage of stored or in-transit baled cotton for export from the tax imposed by this Chapter 225 (Surplus Lines insurance Premium Tax), Insurance Code.

**Allocation of State Hotel Occupancy Tax to Certain Municipalities For Public Beaches—H.B. 3042**

*by Representatives Oliveira and Lucio III—Senate Sponsor: Senator Lucio*

Texas is home to many barrier islands, including South Padre Island, that attract many tourists. Millions of dollars are spent every year maintaining and nourishing the beaches that suffer from erosion for the benefit of the state. Current law requires the state to issue to an eligible barrier island coastal municipality a portion of state hotel occupancy tax revenue collected from hotels located within the municipality. The City of South Padre Island is growing and annexing territory that includes new beaches, but the city is unable to raise sufficient funds to maintain and nourish additional beaches. This bill:

Requires the comptroller of public accounts of the State of Texas (comptroller), not later than the last day of the month following a calendar quarter and subject to Section 156.2512(d), Tax Code, to compute the amount of revenue derived from the collection of taxes imposed under Chapter 156 (Hotel Occupancy Tax), Tax Code, at a rate of one percent and received from hotels located on barrier islands in an eligible barrier island coastal municipality and issue to the municipality a warrant drawn on the general revenue fund for that amount; and to compute the amount of revenue derived from the collection of taxes imposed under this chapter at a rate of two percent and received from hotels located on barrier islands in an eligible barrier island coastal municipality and issue to the municipality a warrant drawn on the general revenue fund for that amount.
Deletes existing text requiring the comptroller, not later than the last day of the month following a calendar quarter, to issue to the eligible barrier island coastal municipality a warrant drawn on the general revenue fund in the amount computed under Section 156.2512(a)(1).

Redefines "eligible barrier island coastal municipality" to include a municipality the boundaries of which include a portion of national seashore, include a natural estuarine research reserve, or is within 30 miles of the United Mexican States.

Prohibits the comptroller from issuing a warrant to any municipality under Section 156.2512, Tax Code, for an amount that exceeds the amount of revenue derived from the collection of taxes imposed under Chapter 156, Tax Code, at a rate of two percent and received from hotels located within the municipality.

**Optional Exemption From Diesel Fuel Tax For Certain Materials—H.B. 3086**

*by Representative Darby—Senate Sponsor: Senator Huffman*

The diesel fuel tax is imposed at the terminal rack. Current law provides multiple exemptions from this tax, including the portion or volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof blended with taxable diesel that meets certain labeling and other requirements. According to some fuel retailers, the taxation labeling and reporting requirements needed to maintain this exemption are burdensome and create additional costs. This bill:

Authorizes a person to whom Section 162.201 (Point of Imposition of Diesel Fuel Tax), Tax Code, applies to elect to collect and remit the tax otherwise imposed on the materials described by Section162.204(a)(9) (relating to providing that a tax imposed by Subchapter C (Diesel Fuel Tax), Chapter 162 (Motor Fuel Taxes), Tax Code, does not apply to the volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof that are blended together with taxable diesel fuel when the finished product sold or used is clearly identified on the retail pump, storage tank, and sales invoice as a combination of diesel fuel and water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof) as if the materials were taxable diesel fuel in lieu of claiming the exemption and complying with the labeling requirements provided by Section162.204(a)(9). Provides that the labeling requirements provided by Section162.204(a)(9) do not apply to a dealer who sells taxable diesel fuel blended with materials described by Section162.204(a)(9) on which tax has been paid as provided by this subsection. Provides that materials described by Section162.204(a)(9) on which tax has been paid are not exempt from tax under Section162.204(a)(9) on a subsequent sale, and a license holder or other purchaser is not entitled to a refund or credit under Section162.204(a)(9) for a purchase of taxable diesel fuel blended with those materials.

**Qualifications For the Exemption From Ad Valorem Taxation For Certain Aircraft Parts—H.B. 3121**

*by Representative Harper-Brown et al.—Senate Sponsor: Senators Deuell and Hancock*

According to a recent report, Texas is one of the most important locations for the global aerospace and aviation industry. However, it has been asserted that the state's property tax structure, and specifically the freeport goods exemption, does not recognize the importance of this industry to the state. To qualify for the exemption, goods may be in the state for a maximum of 175 days, and the parties contend that this limited window has unintentionally put key parts of the Texas aerospace sector at a competitive disadvantage. Because of the complexity of today's high-tech manufacturing processes and the fact that aerospace
suppliers require inventory to be onsite for much longer periods of time, companies must sometimes consider using out-of-state options for the storage of inventory, outsourcing some parts of their manufacturing processes, or relocating their entire operation to another state, which may result in the inefficiency of moving inventory and maintaining multiple locations or the loss of jobs to other states. This bill:

Entitles a person to an exemption from taxation by a taxing unit of the appraised value of that portion of the person’s inventory or property consisting of freeport goods as determined under Section 11.251 (Tangible Personal Property Exempt), Tax Code, for the taxing unit. Provides that the exemption provided is subtracted from the market value of the inventory or property determined under Section 23.12 (Inventory), Tax Code, to determine the taxable value of the inventory or property for the taxing unit.

Requires the chief appraiser, in determining the market value of freeport goods that in the preceding year were assembled, manufactured, repaired, maintained, processed, or fabricated in this state or used by the person who acquired or imported the property in the repair or maintenance of aircraft operated by a certificated air carrier, to exclude the cost of equipment, machinery, or materials that entered into and became component parts of the freeport goods but were not themselves freeport goods or that were not transported outside the state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Section 11.251(l) (relating to authorizing the governing body of a taxing unit to extend the date by which freeport goods that are aircraft parts are required to be transported outside the state), after they were brought into this state by the property owner or acquired by the property owner in this state. Authorizes the chief appraiser, for component parts held in bulk, to use the average length of time a component part was held in this state by the property owner during the preceding year in determining whether the component parts were transported out of this state before the expiration of 175 days or, if applicable, the greater number of days adopted by the taxing unit as authorized by Section 11.251(l).

Authorizes the governing body of a taxing unit, in the manner provided by law for official action, to extend the date by which freeport goods that are aircraft parts are required to be transported outside the state to a date not later than the 730th day after the date the person acquired or imported the property in this state. Provides that an extension adopted by official action applies only to the exemption from ad valorem taxation by the taxing unit adopting the extension and applies to the tax year in which the extension is adopted if officially adopted before June 1 of a tax year, or immediately following the tax year in which the extension is adopted if officially adopted on or after June 1 of a tax year, and each tax year following the year of adoption of the extension.

Allocation of Sales and Use Tax Between Municipality and Emergency Services District—H.B. 3159
by Representative Isaac—Senate Sponsor: Senator Zaffirini

Current law does not allow a municipality and an emergency services district to enter into an agreement regarding the allocation of revenue from the sales and use taxes of an annexed area that still lies within the district. This bill:

Provides that this bill applies when a municipality annexes for full purposes part of a district that imposes a sales and use tax, and the annexed area is not removed from the district.
Authorizes the municipality and the district to, before or after the annexation, agree on an allocation between the municipality and the district of revenue from the sales and use taxes imposed in the annexed area.

Requires the comptroller of public accounts of the State of Texas (comptroller) to pay the amounts agreed to between the municipality and the district under policies and procedures that the comptroller considers reasonable.

Establishes that a municipality that enters into this type of an agreement is not required to provide emergency services in that annexed territory. Provides that, to the extent of a conflict between this law and another law, this law controls.

Provides that Section 321.102(f) (relating to requiring the comptroller to withhold from a municipality's monthly sales and use taxes allocation an amount equal to the amount that would have been collected by the entity had the municipality not imposed or increased its sales and use taxes or annexed the area in the entity less amounts that the entity collects following the municipality's levy of or increase in its sales and use taxes or annexation of the area in the entity under certain circumstances), Tax Code, does not apply if the municipality and the district enter into this type of an agreement.

### Imposition of the Sales and Use Tax on Certain Taxable Items—H.B. 3169

by Representative Bohac—Senate Sponsor: Senator Lucio

Destination management companies (DMCs) are experts in marketing the State of Texas as a destination to third party clients and are instrumental to the meetings and conventions industry in Texas. These companies possess extensive knowledge in the design and implementation of events, activities, tours, transportation, and program logistics. Additionally, they spend one to three percent of their gross revenue actively marketing our state. In 2009, the legislature amended the Tax Code to address issues relating to their sales and margins tax collections. Specifically, enacted legislation allowed DMCs to exclude payments made to vendors from their taxable income and clarified that DMCs are the consumers of taxable items and do not collect and remit sales tax. However, there has been some confusion regarding the application of the legislation.

Additionally, a change in the administration of the sales tax exemption on intravenous (IV) systems and supplies by the comptroller of public accounts of the State of Texas (comptroller) has created confusion among auditors. The change limited the exemption to IV systems and supplies used in veins only. IV systems and supplies that perform the same function but are inserted into body cavities or arteries have been declared taxable. This has created ambiguity regarding whether certain IV systems are included in the exemption. This bill:

Redefines “destination management services” and “qualified destination management company.”

Exempts certain items from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, including intravenous systems, supplies, and replacement parts designed or intended to be used in the diagnosis or treatment of humans. Provides that a product is an intravenous system for purposes of Section 151.313 (Health Care Supplies), Tax Code, if, regardless of whether the product is designed or intended to be inserted subcutaneously into any part of the body, the product is designed or intended to be
used to administer fluids, electrolytes, blood and blood products, or drugs to patients or to withdraw blood or fluids from patients. Provides that the term includes access ports, adapters, bags and bottles, cannulae, cassettes, catheters, clamps, connectors, drip chambers, extension sets, filters, in-line ports, luer locks, needles, poles, pumps and batteries, spikes, tubing, valves, volumetric chambers, and items designed or intended to connect qualifying products to one another or secure qualifying products to a patient. Provides that the term does not include a wound drain.

Provides that a product is a hospital bed for purposes of Section 151.313 (Health Care Supplies), Tax Code, if it is a bed purchased, sold, leased, or rented, regardless of the terms of the contract, that is specially designed for the comfort and well-being of patients and the convenience of health care workers, with certain special features. Provides that the term does not include certain items. Provides that the term includes a mattress for the bed, any devices built into the bed or designed for use with the bed, infant warmers, incubators, other beds for neonatal and pediatric patients, and beds specifically designed and marketed for use in the rest, recuperation, and treatment of obese patients, obstetric patients, and burn patients.

**Allocation of Municipal and County Hotel Occupancy Tax For Stadium Renovations—H.B. 3296**

*by Representative Raney—Senate Sponsor: Senator Schwertner*

The Texas A&M University football stadium is in need of renovation and certain entities do not have the necessary flexibility to provide sufficient support. This bill:

Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(g) (relating to authorizing the commissioners court of a county that has a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers to impose a tax), Tax Code, notwithstanding Subsection (i) (relating to prohibiting the tax rate in a county authorized to impose the tax from exceeding two percent of the price paid for a room in a hotel), Tax Code, from exceeding 2.75 percent of the price paid for a room in a hotel if:

- the convention and visitors bureau within the county executes a preferred access facilities contract with a major state university based in the county for the purpose of promoting tourism in the county;
- the county allocates, for payments to the university under the contract to be used for the renovation of a stadium located in the county and owned by the university, the portion of the revenue received by the county that is derived from the application of the tax at a rate of more than two percent of the price paid for a room in a hotel; and
- not more than 30 years have passed from the date bonds were originally issued by the university to finance a stadium renovation project for the stadium.

Provides that Section 352.003 (i-1) (relating to prohibiting a county authorized to impose a hotel occupancy tax from charging an occupancy tax in excess of 2.75 percent of the price paid for a room in a hotel, under certain circumstances) and (i-2) (relating to prohibiting a county authorized to impose a hotel occupancy tax from charging an occupancy tax in excess of 2.75 percent of the price paid for a room in a hotel, under certain circumstances), Tax Code, expire on the date the county commissioners court certifies that all debt issued or incurred by the university to finance or refinance the stadium renovation project, including interest and any costs relating to the debt, has been paid in full.
Reduces the amount a county spends of revenue from the tax on marketing projects that directly promote tourism, hotel, and convention activity to at least 20 percent.

Repeals Section 351.0035 (Tax Rate and Use in Certain Municipalities), Tax Code.

**Authority of Frio County to Impose a County Hotel Occupancy Tax—H.B. 3337**  
*by Representative Tracy O. King—Senate Sponsor: Senator Uresti*

Revenue generated from a county hotel occupancy tax would enable Frio County to expand its economic system for improvement of current infrastructure and historical sites as well as the development of future projects. This bill:

Authorizes the commissioners court of a county through which the Frio River flows, that has a population of 17,000 or more, that does not share a border with a county that borders the United Mexican States, and the county seat of which holds an annual potato fest to impose a tax as provided by Section 352.002(a) (relating to authorizing the commissioners court of a county to impose a hotel occupancy under certain circumstances), Tax Code.

Provides that the tax imposed under this subsection does not apply to a hotel located in a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes) applicable to the hotel.

**Eligibility of a Person to Serve on the Appraisal Review Board of an Appraisal District—H.B. 3438**  
*by Representatives Otto and Button—Senate Sponsor: Senator Lucio*

Currently, in counties with a population of greater than 100,000, a person who has appeared before an appraisal review board (ARB) for compensation may never serve on the ARB. However, people who have been members of an appraisal district or taxing units are only barred from serving on an ARB until the fourth anniversary of the date when the member stops serving in that capacity. This bill:

Provides that a person is ineligible to serve on an ARB of an appraisal district established for a county having a population of more than 100,000 if the person appeared before the ARB for compensation during the two-year period preceding the date the person is appointed.

**Representation of a Property Owner by an Agent in a Property Tax Matter—H.B. 3439**  
*by Representatives Otto and Button—Senate Sponsor: Senator Lucio*

Under current law, only a property owner can revoke the appointment of a designated agent to act on the owner's behalf in connection with property tax-related matters. It has been noted that sometimes a property owner can be non-responsive to a designated agent and not provide the information needed to adequately represent the owner's interests. It has been asserted that, in such situations, the agent should be allowed to revoke the designation. This bill:
Requires that a request made under Section 1.11 (Communications to Fiduciary), Tax Code, be filed with the appraisal district to be effective. Provides that a request remains in effect until revoked by a written revocation filed with the appraisal district by the owner or the owner's designated agent.

Provides that the designation of an agent under Section 1.111 (Representation of Property Owner), Tax Code, remains in effect until revoked in a written revocation filed with the appraisal district by the property owner or designated agent. Requires the designated agent revoking the designation to send notice of the revocation by certified mail to the property owner at the owner's last known address. Provides that a designation may be made to expire according to its own terms but is still subject to prior revocation by the property owner or designated agent.

Imposing a Fee on Sales of Certain Tobacco Products—H.B. 3536
by Representative Otto et al.—Senate Sponsor: Senator Hinojosa

In the early 1990s, Texas and several other states were involved in lawsuits against the tobacco industry to recover money spent to treat tobacco-related illnesses. This resulted in a settlement agreement involving most of the states and separate settlement agreements for certain states, including Texas. This settlement structure resulted in several classes of manufacturers, depending on whether a manufacturer joined one of the settlement agreements. There is a perceived need to ensure evenhanded treatment of the different groups of tobacco companies, to prevent certain manufacturers from undermining the state's policy of preventing underage smoking by offering tobacco products at substantially lower prices than other manufacturers, and to protect the programs funded by the tobacco settlement agreement. This bill:

Creates Subchapter V (Fee on Cigarettes and Cigarette Tobacco Products Manufactured by Certain Companies), Chapter 161 (Public Health Provisions), Health and Safety Code, and provides the purposes of the subchapter.

Imposes a fee on the sale, use, consumption, or distribution in this state of non-settling manufacturer cigarettes if a stamp is required to be affixed to a package of those cigarettes under Section 154.041 (Stamp Required), Tax Code; non-settling manufacturer cigarettes that are sold, purchased, or distributed in this state but that are not required to have a stamp affixed to a package of those cigarettes under Chapter 154 (Cigarette Tax), Tax Code; non-settling manufacturer cigarette tobacco products that are subject to the tax imposed by Section 155.0211 (Tax Imposed on Tobacco Products Other Than Cigars), Tax Code; and non-settling manufacturer cigarette tobacco products that are sold, purchased, or distributed in this state but that are not subject to the tax imposed by Section 155.0211, Tax Code. Provides that the fee imposed does not apply to certain cigarettes or cigarette tobacco products. Provides that the fee imposed is in addition to any other privilege, license, fee, or tax required or imposed by state law. Provides that the fee imposed is imposed, collected, paid, administered, and enforced in the same manner as the taxes imposed by Chapter 154 or 155 (Cigars and Tobacco Products Tax), Tax Code, as appropriate. Requires that the fee imposed be collected only once on each cigarette or cigarette tobacco product on which it is due.

Imposes the fee, for cigarettes or cigarette tobacco products sold, used, consumed, or distributed in this state, as provided by Section 161.603 (Fee Imposed), during the 2013 calendar year, at the rate of 2.75 cents for each non-settling manufacturer cigarette, and each 0.09 ounces of non-settling manufacturer cigarette tobacco product described by Section 161.602(3) (relating to defining "cigarette tobacco product"
to mean roll-your-own tobacco or tobacco that, because of the tobacco's appearance, type, packaging, or labeling, is suitable for use in making cigarettes and is likely to be offered to or purchased by a consumer for that purpose). Requires the comptroller of public accounts of the State of Texas (comptroller), beginning in January 2014, and in January of each subsequent year, to compute the rate of the fee applicable during that calendar year by increasing the rate for the preceding calendar year by the greater of three percent; or the actual total percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), as published by the Bureau of Labor Statistics of the United States Department of Labor, during the preceding calendar year, calculated by comparing the CPI-U for December of the preceding calendar year with the CPI-U for December a year earlier.

Sets forth reporting requirements for a distributor required to file a report under Section 154.210 (Distributor's Report) or 155.111 (Distributor's Report), Tax Code, in addition to the information required by those sections. Authorizes information obtained from a report provided regarding cigarettes or cigarette tobacco products sold, purchased, or otherwise distributed by a non-settling manufacturer to be disclosed by the comptroller to the manufacturer or to the authorized representative of the manufacturer. Requires the comptroller to, for the purpose of assisting distributors in calculating the monthly fee, publish and maintain on the comptroller's Internet website certain information.

Requires the non-settling manufacturer, if cigarettes or cigarette tobacco products of a non-settling manufacturer were not offered for sale or distribution in this state on September 1, 2013, to, before the date the cigarettes or cigarette tobacco products are offered for sale or distribution in this state, provide to the attorney general on a form prescribed by the attorney general certain information. Requires the attorney general to make the information provided available to the comptroller.

Sets forth the penalties for noncompliance with Subchapter V, Chapter 161, Tax Code. Requires a non-settling manufacturer to appoint and engage a resident agent for service of process. Entitles the comptroller or attorney general to conduct reasonable periodic audits or inspections of the financial records of a non-settling manufacturer and its distributors to ensure compliance with Subchapter V, Chapter 161, Tax Code. Requires the comptroller, on request, to report annually to the independent auditor or other entities responsible for making calculations or other determinations under a tobacco settlement agreement or the master settlement agreement, as the master settlement agreement may be amended or supplemented by some or all of the parties thereto, the volume of cigarettes on which the fee required under Section 161.603 is paid, itemized by cigarette manufacturer and brand family.

Requires that the revenue from the fees imposed by Subchapter V, Chapter 161, Tax Code, be deposited in the state treasury to the credit of the general revenue fund. Provides that Subchapter V, Chapter 161, Tax Code, applies without regard to Section 154.022 (Tax Imposed on First Sale of Cigarettes), Tax Code, or any other law that might be read to create an exemption for interstate sales. Provides that this subchapter does not apply to a tobacco product described by Section 155.001(15)(C) (relating to defining "tobacco product" to include chewing tobacco), Tax Code.

Authorizes the comptroller to issue rules and regulations as necessary to carry out or enforce Subchapter V, Chapter 161, Tax Code.

Requires a non-settling manufacturer, not later than September 30, 2013, as that term is defined by Section 161.602, Health and Safety Code, as added by this Act, that is offering cigarettes or cigarette tobacco products for sale or distribution in this state on September 1, 2013, to provide to the attorney general on a
form prescribed by the attorney general, certain information. Requires the attorney general to make the
information provided available to the comptroller.

**Administration, Collection, and Enforcement of Taxes on Mixed Beverages—H.B. 3572**
by Representative Hilderbran et al.—Senate Sponsor: Senator Williams

Under current Texas law, mixed alcoholic beverages and nonalcoholic beverages mixed with those
beverages are subject to taxes at a rate of 14 percent of the gross receipts of certain alcoholic beverage
permit holders. It has been asserted that there should be better transparency for consumers in the taxing of
these beverages, similar to the collection of sales taxes by wine and beer permit holders. The current
method of taxation also has many disadvantages for the mixed beverage permit holders, requiring payment
from both an operational and an administrative perspective. This bill:

Exempts certain substances from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax),
Tax Code.

Imposes a tax at the rate of 6.7 percent on the gross receipts of a permittee received from the sale,
preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic
beverages that are sold, prepared, or served for the purpose of being mixed with an alcoholic beverage and
consumed on the premises of the permittee. Requires a permittee who fails to file a report as required by
Subchapter B (Mixed Beverage Tax), Chapter 183 (Mixed Beverage Tax), Tax Code, or who fails to pay a
tax imposed by Subchapter B, Chapter 183, Tax Code, when due to pay five percent of the amount due as a
penalty, and if the permittee fails to file the report or pay the tax within 30 days after the day the tax or
report is due, the permittee is required to pay an additional five percent of the amount due as an additional
penalty. Requires a permittee who fails to file a report as required by Subchapter B, Chapter 183, Tax
Code, in addition to any other penalty authorized by Section 183.024 (Failure to Pay Tax or File Report),
Tax Code, to pay a penalty of $50.

Requires that a permittee subject to the tax imposed by Subchapter B, Chapter 183, Tax Code, comply with
the security requirements imposed by Chapter 151, Tax Code, except that a permittee is not required to
comply with Section 151.253(b) (relating to requiring the comptroller of public accounts of the State of
Texas (comptroller) to fix the amount of security required in each case, taking into consideration certain
factors), Tax Code. Requires that the total of bonds, certificates of deposit, letters of credit, or other security
determined to be sufficient by the comptroller of a permittee subject to the tax imposed by Subchapter B,
Chapter 183, Tax Code, be in an amount that the comptroller determines to be sufficient to protect the
fiscal interests of the state. Require the comptroller to have the discretion to determine the frequency of
mixed beverage tax audits under Subchapter C (Mixed Beverage Tax Clearance), Chapter 183, Tax Code.

Authorizes a permittee to withhold the payment of the tax under Subchapter C, Chapter 183, Tax Code, on
a portion of the gross receipts that remains unpaid by a purchaser under certain circumstances.

Imposes a tax on each mixed beverage sold, prepared, or served by a permittee in this state and on ice
and each nonalcoholic beverage sold, prepared, or served by a permittee in this state for the purpose of
being mixed with an alcoholic beverage and consumed on the premises of the permittee. Provides that the
rate of the tax is 8.25 percent of the sales price of the item sold, prepared, or served. Authorizes a
permittee to provide that a sales invoice, billing, service check, ticket, or other receipt to a customer for the
purchase of an item subject to taxation include certain information.
Creates Subchapter B-1 (Mixed Beverage Sales Tax), Chapter 183, Tax Code.

Provides that the tax imposed by Subchapter B-1, Chapter 183, Tax Code, is administered, collected, and enforced in the same manner as the tax under Chapter 151, tax Code, is administered, collected, and enforced; and Chapter 151 applies to the tax imposed by Subchapter B-1, Chapter 183, Tax Code, in the same manner as Chapter 151 applies to the tax imposed under Section 151.051 (Sales Tax Imposed), Tax Code. Provides that Sections 151.423 (Reimbursement to Taxpayer for Tax Collections) and 151.424 (Discount for Prepayments), Tax Code, do not apply to the tax imposed by Subchapter B-1, Chapter 183, Tax Code. Exempts an item subject to tax under Subchapter B-1, Chapter 183, Tax Code, from the taxes imposed under Subtitle C (Local Sales and Use Tax), Title 3 (Local Taxation).

Requires the comptroller, not later than the last day of the month following a calendar quarter, to calculate the total amount of taxes received under Subchapters B and B-1, Chapter 183, Tax Code, during the quarter from permittees outside an incorporated municipality within each county and the total amount received from permittees within each incorporated municipality in each county. Requires the comptroller to issue to certain counties a warrant drawn on the general revenue fund in an amount appropriated by the legislature that is prohibited from being less than 10.7143 percent of the taxes received from permittees within the county during the quarter. Requires the comptroller to issue to certain incorporated municipalities a warrant drawn on that fund in an amount appropriated by the legislature that is prohibited from being less than 10.7143 percent of the taxes received from permittees within the incorporated municipality during the quarter.

**Release of Delinquent Tax Liens on Manufactured Homes—H.B. 3613**

*by Representative Elkins—Senate Sponsor: Senator Lucio*

Currently, the manufactured housing division of the Texas Department of Housing and Community Affairs (TDHCA) does not have the statutory authority to remove from the centralized system delinquent liens older than four years on which no collection suit has been filed. This bill:

Provides that, when the tax certificate issued by the collector for the taxing unit showing no taxes due or tax paid receipt is filed with TDHCA or when no suit to collect a personal property tax lien has been filed and the lien has been delinquent for more than four years, the tax lien is extinguished and canceled and is required to be removed from the title records of the manufactured home.

Authorizes a tax lien perfected with TDHCA to be released only by certain actions, including a tax collector filing a tax lien release with TDHCA as provided by in regulation.

Requires a tax collector, on request by any person, to file a tax lien release with TDHCA if the four-year statute of limitations to file a suit for collection of personal property taxes in Section 33.05(a)(1) (relating to prohibiting personal property from being seized and a suit from being filed to collect a tax on personal property that has been delinquent more than four years), Tax Code, has expired.

Authorizes TDHCA to request a tax collector to confirm that no tax suit has been timely filed on any manufactured home tax lien more than four years in delinquency. Authorizes TDHCA to make a request
under this subsection electronically, and authorizes a taxing authority to provide notice of the existence or absence of a timely filed tax suit electronically.

Requires TDHCA to remove from a manufactured home's statement of ownership and location a reference to any tax lien delinquent more than four years for which no suit has been timely filed if a tax collector confirms no suit has been filed or TDHCA has submitted to a tax collector two requests sent not fewer than 15 days apart and has not received any response from the tax collector before the 60th day after the tax collector's receipt of the second request.

**Allocation of Revenue From the Municipal Hotel Occupancy Tax—H.B. 3643**

*by Representative Harper-Brown—Senate Sponsor: Senator Carona*

The Tax Code currently permits a municipality to spend municipal hotel occupancy tax revenue collected for the encouragement, promotion, improvement, application, and exhibition of the arts to support the greater goal of promoting municipal tourism and the convention and hotel industry. S.B. 462, 80th Legislature, Regular Session, 2007, allowed the city of Irving to spend up to an additional $1.6 million beyond the 15 percent cap on the hotel occupancy tax revenues for arts funding. The provisions of this bill are set to expire on September 1, 2022. This bill:

Prohibits a municipality that spends more than 15 percent of the hotel occupancy tax revenue collected by the municipality in a fiscal year for the encouragement, promotion, improvement, and application of the arts, from reducing the percentage of hotel occupancy tax revenue in that fiscal year that the municipality spends for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity to a percentage that is less than the percentage of hotel occupancy tax revenue spent by the municipality for that purpose during the municipality's 2011-2012 fiscal year.

Provides that Section 351.1077 (Allocation of Revenue for the Arts for Certain Municipalities), Tax Code, expires September 1, 2026, rather than September 1, 2022.

**Partial Homestead Exemption For Residence Donated to a Disabled Veteran—H.J.R. 24**

*by Representative Perry et al.—Senate Sponsor: Senator Van de Putte et al.*

Recently, homes have been donated by charitable organizations to returning soldiers who have sustained injuries serving our country. On occasion, these donations have unintentionally resulted in the foreclosure of donated homes because the veterans are unable to pay property taxes on the homes. This resolution proposes a constitutional amendment to:

Authorize the legislature by general law to provide that the surviving spouse of a disabled veteran who qualified for an exemption in accordance with Section 1-b(i) (relating to authorizing the legislature to exempt from ad valorem taxation all or part of the market value of the residence homestead of certain disabled veterans), or Section 1-b(l) (relating to authorizing the legislature to provide a partial exemption of a disabled veteran's residence homestead that is equal to the percentage of disability of the disabled veteran), Article VIII (Taxation and Revenue), Texas Constitution, from ad valorem taxation of all or part of the market value of the disabled veteran's residence homestead when the disabled veteran died is entitled
to an exemption from ad valorem taxation of the same portion of the market value of the same property to
which the disabled veteran's exemption applied if the surviving spouse has not remarried since the death of
the disabled veteran, and the property was the residence homestead of the surviving spouse when the
disabled veteran died, and remains the residence homestead of the surviving spouse.

Authorizes the legislature by general law to provide that a partially disabled veteran is entitled to an
exemption from ad valorem taxation of a percentage of the market value of the disabled veteran's
residence homestead that is equal to the percentage of disability of the disabled veteran if the residence
homestead was donated to the disabled veteran by a charitable organization at no cost to the disabled
veteran. Authorizes the legislature by general law to provide additional eligibility requirements for the
exemption. Provides that a limitation or restriction on a disabled veteran's entitlement to an exemption
under Section 2(b) (relating to authorizing the legislature to exempt property owned by certain disabled
veterans or by the surviving spouse and surviving minor children of a certain disabled veterans) Article VIII,
Texas Constitution, or on the amount of an exemption under Section 2(b), does not apply to an exemption
under Section 1-b(f), Article VIII, Texas Constitution.

Require that the proposed constitutional amendment be submitted to the voters at an election to be held
November 5, 2013. Sets forth the required language of the ballot.

**Exemption From Ad Valorem Taxation of Residence Homestead of a Surviving Spouse—H.J.R. 62**

*by Representative Chris Turner et al.—Senate Sponsor: Senators Van de Putte and Hinojosa*

During the 81st Legislature, 100 percent property tax exemptions were approved for 100 percent disabled
veterans and the 82nd Legislature extended that exemption to the surviving spouses of those veterans.
The Texas Legislature has shown a bipartisan commitment to providing property tax relief to veterans who
have paid a great price in the service of the United States. This resolution proposes a constitutional
amendment to:

Authorize the legislature by general law to provide that the surviving spouse of a member of the armed
services of the United States who is killed in action is entitled to an exemption from ad valorem taxation of
all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has
not remarried since the death of the member of the armed services. Provides that a temporary provision is
added to the Texas Constitution. Requires that the proposed constitutional amendment be submitted to the
voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.

**Relating to an Exemption From Ad Valorem Taxation For Certain Aircraft Parts—H.J.R. 133**

*by Representatives Harper-Brown and Hilderbran—Senate Sponsor: Senators Deuell and Campbell*

Current law exempts from property taxation freeport goods that are present in the state for only a limited
period. It has been asserted that this limited window has unintentionally put key sectors of the Texas
aerospace industry, which contributes billions to the Texas economy and provides thousands of jobs, at a
competitive disadvantage. It has been asserted that, because of the complexity of today's high-tech
manufacturing processes and the fact that aerospace suppliers require inventory to be onsite for much
longer periods than the law allows for a freeport exemption, companies must sometimes consider out-of-
state options for storage of inventory, outsourcing some parts of their manufacturing processes, or relocating their entire operation to another state. This resolution proposes a constitutional amendment to:

Provide that, to promote economic development, goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products, are exempt from ad valorem taxation by a political subdivision if the property is transported outside of this state not later than 175 days after the date the person acquired or imported the property into this state, or, if applicable, a later date established by the governing body of the political subdivision under Section 1-j(d) (relating to authorizing the governing body of a political subdivision to extend the date by which aircraft parts exempted from ad valorem taxation are required to be transported outside the state), Article VIII (Taxation and Revenue), Texas Constitution.

Authorize the governing body of a political subdivision, in the manner provided by law for official action, to extend the date by which aircraft parts exempted from ad valorem taxation are required to be transported outside the state to a date not later than the 730th day after the date the person acquired or imported the aircraft parts. Provides that an extension adopted by official action applies only to the exemption from ad valorem taxation by the political subdivision adopting the extension. Authorizes the legislature by general law to provide the manner by which the governing body may extend the period of time as authorized by Section 1-j(d), Article VIII, Texas Constitution.

Provide that this temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, to authorize a political subdivision to extend the number of days that aircraft parts that are exempt from ad valorem taxation due to their location in this state for a temporary period may be located in this state for purposes of qualifying for the tax exemption. Provides that this temporary provision expires January 1, 2015.

Require that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.

**Homestead Exemption For Spouse of Service Member Killed in Action—S.B. 163**

*by Senator Van de Putte—House Sponsor: Representative Chris Turner et al.*

The 81st Legislature approved property tax exemptions for the residence homestead of a 100 percent disabled veteran and the 82nd Legislature extended the exemption to the surviving spouses of such veterans. The Texas Legislature has shown a bipartisan commitment to providing property tax relief to veterans who have paid a great price in the service of the United States. It has been suggested that a property tax exemption for the residence homestead of the spouse of an active duty service member who is killed in combat (i.e., a Gold Star Spouse) will show the state’s commitment to families when a service member pays the ultimate price of service. This bill:

Entitles the surviving spouse of a member of the armed services of the United States who is killed in action to an exemption from taxation of the total appraised value of the surviving spouse’s residence homestead if the surviving spouse has not remarried since the death of the member of the armed services. Entitles a surviving spouse who receives an exemption for a residence homestead to receive an exemption from taxation of a property that the surviving spouse subsequently qualifies as the surviving spouse’s residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for
which the surviving spouse received an exemption in the last year in which the surviving spouse received an exemption if the surviving spouse has not remarried since the death of the member of the armed services. Entitles the surviving spouse to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

Provides that an exemption authorized by Section 11.13(c) (relating to entitling an adult who is disabled or is 65 or older to an exemption from taxation by a school district of $10,000 of the appraised value of his residence homestead); (d) (relating to entitling an adult who is disabled or is 65 or older to an exemption from taxation by a taxing unit of a certain portion of the appraised value of his residence homestead under certain circumstances); or 11.132 (Residence Homestead of Surviving Spouse of Member of Armed Services Killed in Action), Tax Code, is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year. Provides that an exemption provided by certain sections, including Section 11.132, Tax Code, once allowed, need not be claimed in subsequent years and the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes.

Sets forth the calculation method for taxes on the residence homestead of certain persons under certain circumstances.

Exemption From Ad Valorem Taxation of Certain Property—S.B. 193
by Senator West—House Sponsor: Representative Otto

A Texas Supreme Court decision attempting to resolve the question of whether community housing development organizations are eligible to receive a property tax exemption for property used to provide affordable housing recognized a particular statutory requirement relating to this exemption that also needs clarification. This bill:

Requires a community housing development organization to deliver a copy of the audit necessary for the organization to claim an exemption from taxation of certain real property owned by the organization and used to provide low-income and moderate-income housing to the Texas Department of Housing and Community Affairs and the chief appraiser of the appraisal district in which the property is located in order for the organization to receive the exemption.

Authorizes the chief appraiser to extend the deadline by which the organization must deliver a copy of the audit for good cause shown.

Transfer of Ad Valorem Tax Lien—S.B. 247
by Senator Carona et al.—House Sponsor: Representatives Doug Miller and Oliveira

Under current law property owners may obtain a property tax loan whereby a lender pays the property owner's tax bill in exchange for the tax lien that the taxing authority placed on the property at the beginning of the year. This lien remains a priority lien after the taxing entity transfers it to the property tax lender.
Current law also provides that property tax lenders must obtain a license from the Office of Consumer Credit Commissioner (CCC) in order to operate in the state. In addition, the interest that a property tax lender may charge is capped at 18 percent. Other restrictions on the industry include limitations on who can obtain a property tax loan, a prescribed disclosure statement that must be provided to property owners, and limits on the type and amount of post-closing fees that property tax lenders can assess against property owners.

Despite these regulations, there is a growing sense of concern that some in the industry are taking advantage of property owners through the non-judicial foreclosure process and fraudulent advertisements, among other mechanisms. In addition, some fear that property tax lenders are threatening market stability by using property tax liens as a bundled investment mechanism. This bill:

Prohibits a property tax lender or any successor in interest from charging any fee, other than interest, after closing in connection with the transfer of a tax lien unless the fee is expressly authorized under this section, or any interest that is not expressly authorized under Section 32.06 (Transfer of Tax Lien), Tax Code.

Prohibits a property owner from waiving or limiting a requirement imposed on a property tax lender by this chapter except as specifically permitted by this Act or Chapter 32 (Tax Liens and Personal Liability), Tax Code.

Sets forth the language and font size of a notice that a property tax lender who solicits property tax loans by mail, email, or other print or electronic media is required to include on the first page of all solicitation materials.

Sets forth the language of a notice that a property tax lender who solicits property tax loans by broadcast media, including a television or radio broadcast, is required to state in a broadcast.

Prohibits a property tax lender from, in any manner, advertising or causing to be advertised a false, misleading, or deceptive statement or representation relating to a rate, term, or condition of a property tax loan.

Requires a property tax lender who refers to a rate or charge in an advertisement to state the rate or charge fully and clearly.

Requires that the advertisement include the annual percentage rate and specifically refer to the rate as an "annual percentage rate," if the rate or charge is a rate of finance charge.

Requires that the advertisement state that the annual percentage rate may be increased after the contract is executed, if applicable.

Prohibits the advertisement from referring to any other rate, except that a simple annual rate that is applied to the unpaid balance of a property tax loan is authorized to be stated in conjunction with, but not more conspicuously than, the annual percentage rate.

Requires that the advertisement, if an advertisement for a property tax loan includes the number of payments, period of repayment, amount of any payment, or amount of any finance charges, in addition to any applicable requirements, include the terms of repayment, including the repayment obligations over the
full term of the loan and any balloon payment, the annual percentage rate, and must refer to that rate as the
annual percentage rate, and a statement that the lender may increase the annual percentage rate after the
contract is executed, if applicable.

Authorizes the Texas Finance Commission (finance commission) to adopt rules to implement and enforce
this section.

Authorizes the consumer credit commissioner (commissioner) to assess an administrative penalty under
Subchapter F (Administrative Penalty; Restitution Order; Assurance of Voluntary Compliance), Chapter 14
(Consumer Credit Commissioner), against a property tax lender who violates this section, regardless of
whether the violation is knowing or wilful, notwithstanding Section 14.251 (Assessment of Penalty;
Restitution Order).

Prohibits a person from selling, transferring, assigning, or releasing rights to a property tax loan to a person
who is not licensed under Section 351.051 (License Required) or exempt from the application of this
chapter under Section 351.051(c) (relating to setting forth the entities and individuals to which this chapter
does not apply).

Requires the finance commission to adopt rules to implement the above provision.

Requires a transferee of a tax lien to include with the sworn document executed by the borrower and filed
with the collector of a taxing unit under Section 32.06(a-1) (relating to authorizing a person to pay the taxes
imposed by a taxing unit on the person's real property by filing certain documents and information with the
collector), Tax Code.

Authorizes a property owner to authorize another person to pay the taxes imposed by a taxing unit on the
owner's, rather than the person's, real property by executing and filing with the collector for the taxing unit
a sworn document stating the authorization for payment of the taxes; the name and street address of the
transferee authorized to pay the taxes of the property owner; a description of the property by street
address, if applicable, and legal description; and notice has been given to the property owner that if the
property owner is disabled, rather than age 65 or disabled, the property owner may be eligible for a tax
deferral under Section 33.06 (Deferred Collection of Taxes on Residence Homestead of Elderly or Disabled
Person); and the information required by Section 351.054 (Notice to Taxing Unit), Finance Code.

Authorizes a tax lien to be transferred to the person who pays the taxes on behalf of the property owner
under authorization for taxes that are delinquent at the time of payment, or taxes that are due but not
delinquent at the time of payment if the property is not subject to a recorded mortgage lien.

Prohibits a person who is 65 years of age or older from authorizing a transfer of a tax lien on real property
on which the person is eligible to claim an exemption from taxation under Section 11.13(c) (relating to
exempting adults 65 or older from taxation by a school district of $10,000 of the appraised value of their
homestead).

Requires the finance commission to prescribe the form and content of an appropriate disclosure statement
to be provided to a property owner before the execution of a tax lien transfer; adopt rules relating to the
reasonableness of closing costs, fees, and other charges; by rule prescribe the form and content of the
sworn document and the certified statement; and by rule prescribe the form and content of a request a
lender with an existing recorded lien on the property is required to use to request a payoff statement and the transferee's response to the request, including the period within which the transferee must respond.

Requires the transferee to also describe the type and approximate cost range of each additional charge or fee that the property owner may incur in connection with the transfer at the time the transferee provides the disclosure statement.

Authorizes a lender to request a payoff statement before the tax loan becomes delinquent.

Requires the finance commission by rule to require a transferee who receives a request for a payoff statement to deliver the requested payoff statement on the prescribed form within a period prescribed by finance commission rule.

Requires that the prescribed period allow the transferee at least seven business days after the date the request is received to deliver the payoff statement.

Authorizes the commissioner to assess an administrative penalty against a transferee who wilfully fails to provide the payoff statement as prescribed by finance commission rule.

Provides that a contract between a transferee and a property owner that purports to authorize payment of taxes that are not delinquent or due at the time of the authorization or that lacks the authorization is void.

Prohibits a tax lien from being transferred to the person who pays the taxes on behalf of the property owner under the authorization if the real property has been financed, wholly or partly, with a grant or below market rate loan provided by a governmental program or nonprofit organization and is subject to the covenants of the grant or loan.

Authorizes the finance commission to adopt rules to implement the above provision.

Requires the collector to issue a tax receipt to a transferee if that transferee authorized to pay a property owner's taxes pays the taxes and any penalties, interest, and collection costs imposed.

Requires the collector or a person designated by the collector to certify that the taxes and any penalties, interest, and collection costs on the subject property have been paid by the transferee on behalf of the property owner and that the taxing unit's tax lien is transferred to that transferee.

Requires the collector to attach to the certified statement the collector's seal of office or sign the statement before a notary public and deliver a tax receipt and the certified statement attesting to the transfer of the tax lien to the transferee within 30 days.

Authorizes the tax receipt and certified statement to be combined in one document.

Entitles the transferee of a tax lien, except as otherwise provided by this section, to foreclose the lien in the manner provided by law for foreclosure of tax liens.
Requires a transferee to record a tax lien transferred as provided by this section with the certified statement attesting to the transfer of the tax lien in the deed records of each county in which the property encumbered by the lien is located.

Prohibits a transferee of a tax lien from charging a fee for any expenses arising after the closing of a loan secured by a tax lien transferred under this section, including collection costs, except for certain fees and interest.

Provides that failure to comply with Subsection (b-1) (relating to sending a sworn document by the transferee to a mortgage servicer), (f) (relating to sending notice by the holder of a delinquent loan to any holder of a preexisting lien on the property), or (f-1) (relating to entitling the mortgage servicer or lienholder entitled to obtain a release of the tax lien) does not invalidate a tax lien transferred under this section or a deed of trust.

Authorizes the transferee of the tax lien, at any time after the end of the six-month period and before a notice of foreclosure of the transferred tax lien is sent, to require the property owner to provide written authorization and pay a reasonable fee before providing information regarding the current balance owed by the property owner to the transferee.

Provides that a mortgage servicer who pays a property tax loan secured by a tax lien transferred under this section becomes subrogated to all rights in the lien.

Prohibits a judicial foreclosure of a tax lien transferred from being instituted within one year from the date on which the lien is recorded in all counties in which the property is located, unless the contract between the owner of the property and the transferee provides otherwise.

Authorizes the transferee of the lien to foreclose the lien unless the contract between the transferee, rather than the holder of the lien, and the owner of the property encumbered by the lien provides otherwise after one year from the date on which a tax lien transferred under this provision is recorded in all counties in which the property is located.

Prohibits a property owner from waiving or limiting any requirement imposed on a transferee.

Requires that a contract entered into between a transferee and the property owner that is secured by a priority lien on the property, notwithstanding any agreement to the contrary, provide for foreclosure and an event of default; notice of acceleration; and recording of the deed of trust or other instrument securing the contract entered into in each county in which the property is located.

Provides that an agreement that attempts to create a lien for the payment of taxes that are not delinquent or due at the time the property owner executes the sworn document is void.

Repeals Section 32.06(c-1) (relating to foreclosing a tax lien on a property by a transferee), Tax Code.
Selection of Certain Members of Board of Directors of an Appraisal District—S.B. 359
by Senator Hinojosa—House Sponsor: Representative Eiland

Current law provides for representation of incorporated cities and towns, school districts, and conservation and reclamation districts, if applicable, on the boards of directors for the appraisal districts in which they participate. However, there is no representation of junior college districts on such appraisal district boards. This bill:

Adds junior college districts to the list of certain entities whose governing bodies appoint, by vote, the members of the board of directors of the appraisal district.

Requires a chief appraiser, after calculating the number of votes to which each eligible taxing unit is entitled, to deliver to the presiding officer of the governing body of each junior college district participating in the appraisal district and to the president, chancellor, or other chief executive officer of those junior college districts written notice of the number of votes to which the junior college district is entitled.

Requires the board of directors of an appraisal district by resolution, if the appraisal district increases the number of members on the district's board of directors or changes the method or procedure for appointing the members, to provide for the junior college districts that participate in the appraisal district to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the appraisal district among all of the school districts with representation in the appraisal district. Exempts such a resolution from being subject to rejection by a resolution opposing the change filed with the board of directors by a taxing unit participating in the district.

Disbursement of County Funds to a Person Owing Delinquent Property Taxes—S.B. 382
by Senator Carona—House Sponsor: Representative Carter

Current law precludes a county from making a payment to a person providing services to a county if that person owes a debt to the county. However, the term “debt” is defined to include “delinquent taxes,” but does not specify whether it refers to all delinquent tax debts or only those that have been reduced to a judgment by a court of law. An attorney general opinion interpreted current law to require that a tax debt be reduced to a final judgment to meet the definition of “delinquent taxes” under this portion of the statute. This bill:

Redefines “debt” in this section to include delinquent property taxes whether reduced to judgment or not.

Provides that the definition changes only apply to debt for which a notice of indebtedness is filed on or after the effective date of this bill.

Hotel Occupancy Tax For Maintenance, Operation, and Promotion of Coliseum—S.B. 412
by Senator Seliger—House Sponsor: Representative Lewis

The Ector County Coliseum is a 42-acre complex in Odessa, Texas, that is a significant economic driver for Ector County, the city of Odessa, and the West Texas region. The coliseum is home to various teams and
events, including the Odessa Roughnecks indoor football team, the Odessa Jackalopes minor league hockey team, and the Sandhills Stock Show and Rodeo. This bill:

Authorizes the commissioners court of a county with a population of less than 200,000 in which a minor league hockey team is or has been located and in which a component institution of The University of Texas System is located to impose a tax relating to authorizing the imposition of a tax on a person who pays for the use of or possession of a hotel room in certain counties.

Prohibits the tax rate in a county authorized to impose the tax from exceeding two percent of the price paid for a room in a hotel.

Authorizes the revenue from a county hotel occupancy be used only to operate, maintain, and improve a coliseum in the county, advertise and conduct solicitations and promotional programs to attract visitors to the coliseum, and maintain and improve infrastructure in the county to improve traffic flow to the coliseum.

Expiration of the Municipal Sales and Use Tax For Street Maintenance—S.B. 475

by Senator Van de Putte—House Sponsor: Representative Justin Rodriguez

According to Section 327.007 (Reauthorization of Tax), Tax Code, a municipality may hold an election at which voters may elect to adopt a street maintenance sales and use tax. If adopted, an election will be held every four years after, wherein voters may elect to reauthorize the tax. In November 2007, City of Leon Valley voters elected to adopt a street maintenance sales and use tax at the rate of one-quarter of one percent, that began on April 1, 2008, and expired on March 31, 2012. Residents voted to reauthorize this tax in November 2011, to begin on April 1, 2012, and set to expire on March 31, 2016. In each election, more than 80 percent of voters supported this tax. The city's street maintenance tax generates $400,000 annually. The city finds this amount insufficient to finance some larger and necessary road repair projects. This bill:

Provides that the street maintenance sales and use tax, unless imposition of the sales and use tax authorized by Chapter 327 (Municipal Sales and Use Tax for Street Maintenance), Tax Code, is reauthorized, expires on the first day of the first calendar quarter occurring after the fourth anniversary of the date the tax was last reauthorized if, at the election, the voters approved the imposition of the tax for a period that expires on that anniversary, or if the tax is imposed in a general-law municipality with a population of 10,000 or more surrounded entirely by a municipality with a population of 1.3 million or more, the last day of the first calendar quarter occurring after the 10th anniversary of the date the tax was last reauthorized if, at that election, the voters approved the imposition of the tax for a period that expires on that anniversary instead of the first day of the first calendar quarter occurring after the fourth anniversary of the date the tax was last reauthorized.

Provides that an election to reauthorize the tax is called and held in the same manner as an election to adopt the tax under Section 327.006 (Election Procedure), except the ballot proposition is required to be prepared to permit voting for or against the proposition. Sets forth the required language of the proposition.
Sales Tax Exemption Period For Clothing and Footwear—S.B. 485
by Senator Ellis—House Sponsor: Representative Parker

It has been suggested that the state would benefit from changing the date on which the school sales tax holiday for clothing and footwear begins and eliminating the effects of exceptions for certain school districts from the uniform school start date as that applies to the holiday. This bill:

Exempts the sale of an article of clothing or footwear designed to be worn on or about the human body from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, if the sales price of the article is less than $100; and the sale takes place during a period beginning at 12:01 a.m. on the Friday before the 15th day preceding the uniform date prescribed by Section 25.0811(a) (relating to the date before which school districts may not begin instruction being the fourth Monday in August), Education Code, without regard to any exception authorized by that section, before which a school district is prohibited from beginning instruction for the school year.

Use of Municipal Hotel Occupancy Tax to Enhance Sports Facilities in Pecos—S.B. 551
by Senator Uresti—House Sponsor: Representative Nevárez

Texans often travel hundreds of miles to participate in and watch their favorite players and teams go head-to-head in a variety of sports. The creation of a top-of-the-line multisport facility will increase the allure of the City of Pecos to tourists. This bill:

Authorizes revenue from the municipal hotel occupancy tax to be used only to promote tourism and the convention and hotel industry, and limits that use to certain purposes, including the promotion of tourism through the enhancement and upgrading of certain existing sports facilities or fields, if the municipality has a population of at least 7,500 and is located in a county that borders the Pecos River and that has a population of not more than 15,000.

Use of Municipal Hotel Occupancy Tax Revenue For Sports Facilities—S.B. 585
by Senator Hegar—House Sponsor: Representative Morrison

Under current law the City of Victoria lacks the authority to enact an ordinance implementing a hotel occupancy tax of up to seven percent, limiting the revenue available for city projects. This bill:

Authorizes revenue from the municipal hotel occupancy tax to be used only to promote tourism and the convention and hotel industry, and limits that use to certain expenditures including, subject to Section 351.1076 (Allocation of Revenue: Certain Municipalities), the promotion of tourism by the enhancement and upgrading of certain existing sports facilities or fields, if certain conditions are met, including if the municipality is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located.
The creation of a project financing zone would enable the City of Fort Worth to enhance and upgrade certain cultural and entertainment venues within its city limits utilizing revenue generated from a municipal hotel occupancy tax. This bill:

Defines "base year amount," "hotel-associated revenue," "incremental hotel-associated revenue," "project financing zone," "qualified project," and "venue."

Provides that added Section 351.1015 (Certain Qualified Projects), Tax Code, applies only to a qualified project located in a municipality with a population of at least 650,000 but less than 750,000.

Authorizes revenue from the municipal hotel occupancy tax to be used to fund a qualified project, in addition to the uses provided by Section 351.101 (Use of Tax Revenue), Tax Code.

Authorizes a municipality to pledge the revenue derived from the tax imposed under Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, from a hotel located in the project financing zone for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, improve, enlarge, and equip the qualified project.

Authorizes a municipality to pledge for the payment of bonds or certain other obligations the local revenue from eligible tax proceeds from hotels located in a project financing zone that would be available to the owners of qualified hotel projects under that section if the hotels were qualified hotel projects, excluding any amount received by the municipality for a hotel project and located in the zone that exists on the date the municipality designates the zone.

Requires a municipality to notify the comptroller of public accounts of the State of Texas (comptroller) of the municipality’s designation of a project financing zone not later than the 30th day after the date the municipality designates the zone.

Entitles the municipality, notwithstanding other law, to receive the incremental hotel-associated revenue from the project financing zone for the period beginning on the first day of the year after the year in which the municipality designates the zone and ending on the last day of the month during which the designation expires and authorizes the municipality to pledge the revenue for the payment of bonds or certain other obligations.

Requires the comptroller to deposit incremental hotel-associated revenue collected by or forwarded to the comptroller in a separate suspense account to be held in trust for the municipality that is entitled to receive the revenue and provides that the suspense account is outside the state treasury, and the comptroller is authorized to make a payment from the account without the necessity of an appropriation.

Requires the comptroller to begin making payments from the suspense account to the municipality for which the money is held on the date the qualified project in the project financing zone is commenced and requires that the comptroller, if the qualified project has not commenced by the fifth anniversary of the first deposit to the account, to transfer the money in the account to the general revenue fund and cease making deposits to the account.
Authorizes the comptroller to estimate the amount of incremental hotel-associated revenue that will be deposited to a suspense account under Section 351.1015(g) (relating to requiring certain actions of the comptroller), Tax Code, during each calendar year.

Authorizes the comptroller to make deposits to the account, authorizes the municipality to request disbursements from the account on a monthly basis based on the estimate, and requires that the comptroller, at the end of each calendar year, adjust the deposits and disbursements to reflect the amount of revenue actually deposited to the account during the calendar year.

Requires a municipality to notify the comptroller if the qualified project in the project financing zone is abandoned, and if the qualified project is abandoned, requires the comptroller to transfer to the general revenue fund the amount of money in the suspense account that exceeds the amount required for the payment of bonds or other obligations.

Requires an eligible central municipality to use the amount of revenue from the tax that is derived from the application of the tax at a rate of more than seven percent of the cost of a room only for the construction of an expansion of an existing convention center facility, a qualified project to which Section 351.1015, Tax Code, applies and pledging payment of revenue bonds and revenue refunding bonds issued under Subchapter A (Revenue Bonds for Certain Facilities), Chapter 1504 (Obligations for Municipal Buildings), Government Code, for the construction or qualified project, rather than for the construction of the expansion.

Sales and Use Tax Exemptions For Certain Warehouses—S.B. 997
by Senator Deuell—House Sponsor: Representative Hughes

The 81st Legislature, Regular Session, 2009, changed the sourcing rules for local sales and use taxes for warehouse and distribution centers. Certain economic development agreements in place at the time were adversely affected by the change. Due to adverse impacts, certain contractual agreements in place at the time were registered with the comptroller of public accounts of the State of Texas (comptroller) and allowed to continue for a limited period. This bill:

Provides that Section 321.203(c) (relating to receiving order by retailer), Tax Code, does not apply if the taxable item is shipped or delivered from a warehouse located in a municipality with a population of 5,000 or less; is a place of business of the retailer; in relation to which the retailer has an economic development agreement with the municipality that was entered into under Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Chapter 504 (Type A Corporations), or Chapter 505 (Type B Corporations), Local Government Code, or a predecessor statute, before January 1, 2009; and in relation to which the municipality provided information relating to the economic development agreement as required by Section 321.203(c-3), Tax Code, as that subsection existed immediately before its expiration and the place of business of the retailer at which the retailer first receives the order is a retail outlet identified in the information required by Section 321.203(c-3) (relating to requiring certain municipalities to send information prescribed by the comptroller relating to an agreement that identifies each warehouse subject to the agreement and each retail outlet that, on January 1, 2009, was served by that warehouse to the comptroller, requiring the comptroller to prescribe the manner in which the information must be provided, and providing that the provision of information to the comptroller under this subsection does not affect whether information described by this subsection is confidential or excepted from required public
disclosure), Local Government Code, as that subsection existed immediately before its expiration, as being served by the warehouse on January 1, 2009.

Provides that Sections 321.203(c-4) and (c-5) expire September 1, 2024.

**Hotel Occupancy Tax—S.B. 1041**  
_by Senator Zaffirini—House Sponsor: Representative Lozano_

Current law does not authorize Bee County to levy a hotel/motel occupancy tax. The implementation of a county hotel occupancy tax would enable Bee County to utilize the tax revenue for the purpose of maintaining, operating, and improving the Bee County Coliseum, as well as for advertising events that would increase tourism. This bill:

Authorizes the commissioners court of a county with a population of less than 50,000 through which the Aransas River flows and that has a municipality with a population of more than 10,000 to impose a tax on the price paid for a room in a hotel in that county.

Prohibits the county tax rate in a county authorized to impose the tax under Section 352.002(r) (relating to authorizing the commissioners court of a county with a population of less than 50,000 through which the Aransas River flows and that has a municipality with a population of more than 10,000 to impose a tax), Tax Code, from exceeding two percent of the price paid for a room in a hotel if the hotel is located in a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, applicable to that hotel.

Authorizes that the revenue from a tax imposed under Chapter 352 (County Hotel Occupancy Tax), Tax Code, by a county authorized to impose the tax under Section 352.002(r), Tax Code, be used only to operate, maintain, and improve a convention center in the county and advertise and conduct solicitations and promotional programs to attract tourists and convention delegates and registrants to the county.

**Sales and Use Tax Treatment of Certain Snack Items—S.B. 1151**  
_by Senator Hinojosa—House Sponsor: Representative Bohac_

Concerns have been expressed regarding ambiguity with respect to the sales tax treatment of certain snack food products. This bill:

Requires that snack items be included in the definition of “food products.”

Defines, for the purposes of Section 151.314 (Food and Food Products), Tax Code, “snack items” to include breakfast bars, granola bars, nutrition bars, sports bars, protein bars, or yogurt bars, unless labeled and marketed as candy; snack mix or trail mix; nuts, unless candy-coated; popcorn; and chips, crackers, or hard pretzels.

Provides that the exemption provided by Section 151.314(a) (relating to exempting food products for human consumption from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax)), Tax Code, does not apply to a snack item if the item is sold through a vending machine or is sold in individual-
sized portions. Provides that an individual-sized portion is a portion that is labeled as having not more than one serving, or contains less than 2.5 ounces, if the package does not specify the number of servings.

## Regarding a Protest of an Unequal Property Appraisal—S.B. 1255

*by Senator Patrick—House Sponsor: Representative Murphy*

Under the current Tax Code, property owners may file a property protest of appraised value based upon either the market value of the property or an unequal appraisal of the owner's property. The appeal of this property value protest is heard by the Appraisal Review Board (ARB) in each county. An ARB order may be arbitrated by the property owner under the Tax Code, but under current law no unequal appraisal evidence may be heard even though such evidence was presented in the original ARB hearing. Arbitration is a low cost appeal of an ARB board order available for all property owners of a million dollars in value or less, plus all residence homesteads in Texas. This bill:

Entitles a property owner, as an alternative to filing an appeal under Section 42.01 (Right of Appeal by Property Owner), to appeal through binding arbitration under Chapter 41A (Appeal Through Binding Arbitration), Tax Code, an ARB order determining a protest filed under Section 41.41(a)(1) (relating to entitling a property owner to protest a determination of the appraised value of the owner's property) or (2) (relating to entitling a property owner to protest unequal appraisal of the owner's property) concerning the appraised or market value of property if the property qualifies as the owner's residence homestead under Section 11.13 (Residence Homestead) or the appraised or market value, as applicable, of the property as determined by the order is $1 million or less.

Requires an arbitrator to complete a training program on property tax law before conducting a hearing on an arbitration relating to the appeal of an appraisal review board order determining a protest filed under Section 41.41(a)(2). Requires that the training program emphasize the requirements regarding the equal and uniform appraisal of property; be at least four hours in length; and be approved by the comptroller of public accounts of the State of Texas.

## Requirements For Sale to be a Comparable Sale For Ad Valorem Tax Purposes—S.B. 1256

*by Senators Patrick and Campbell—House Sponsor: Representative Bohac*

Current law requires comparable sales for property appraisal purposes to be within the last two years unless "enough comparable properties were not sold during that period to constitute a representative sample." As a result, appraisal districts can go outside of the last two years provision as a matter of course on every property. This bill:

Provides that, notwithstanding Section 23.013(b) (relating to providing that a sale is not considered to be a comparable sale unless the sale occurred within 24 months of the date as of which the market value of the subject property is to be determined, except that a sale that did not occur during that period may be considered to be a comparable sale if enough comparable properties were not sold during that period to constitute a representative sample), Tax Code, a sale is not considered to be a comparable sale unless the sale occurred within 36 months of the date as of which the market value of the subject property is to be determined, regardless of the number of comparable properties sold during that period.
Rendition of Certain Property For Ad Valorem Tax Purposes—S.B. 1508
by Senator Hegar—House Sponsor: Representative Workman

Lenders who finance heavy equipment have faced losses in recent years when the owner of heavy equipment fails to pay personal property tax on other items and the lender's equipment is subject to a tax lien. In some such cases, the lender has lost its property because of the owner's failure to pay taxes on other items. This issue can be corrected by allowing the lender to render the owner's property separate from the owner's other personal property, and therefore prohibiting it from being subject to tax liens potentially created on the other property. This bill:

Authorizes a secured party, with the consent of the property owner, to render for taxation any property of the property owner in which the secured party has a security interest on January 1, although the secured party is not required to render the property by Sections 22.01(a) (relating to requiring a person, except as provided by Chapter 24 (Central Appraisal), to render for taxation all tangible personal property used for the production of income that the person owns or that the person manages and controls as a fiduciary on January 1) or (b) (relating to requiring a person, when required by the chief appraiser, to render for taxation any other taxable property that he owns or that he manages and controls as a fiduciary on January 1), Tax Code. Provides that this provision applies only to property that has a historical cost when new of more than $50,000.

Requires a secured party who renders property to indicate the party's status as a secured party and to state the name and address of the property owner. Provides that a secured party is not liable for inaccurate information included on the rendition statement if the property owner supplied the information or for failure to timely file the rendition statement if the property owner failed to properly cooperate with the secured party. Authorizes a secured party to rely on information provided by the property owner with respect to the accuracy of information in the rendition statement, the appraisal district in which the rendition statement is required to be filed, and compliance with any provisions of Chapter 22 (Renditions and Other Reports), Tax Code, that require the property owner to supply additional information.

Public Notice Required by Taxing Units Before Adopting an Ad Valorem Tax Rate—S.B. 1510
by Senator Hinojosa—House Sponsor: Representative Hilderbran

Required property tax rate notices can be difficult for the public to understand. This bill:

Requires each county and municipality to provide notice of the county's or municipality's proposed property tax rate in the manner provided by the bill's provisions. Authorizes a county or municipality that is authorized to provide a simplified tax rate notice because of the county's or municipality's low tax levies to provide notice of the county's or municipality's proposed property tax rate in the manner provided by the bill's provisions or in the manner provided by statutory provisions relating to that simplified tax rate notice. Exempts a county or municipality that provides such notice from notice and publication requirements under Tax Code provisions relating to effective and rollback tax rates, tax rates of taxing units with low tax levies, and tax increases and establishes that the county or municipality is not subject to an injunction for failure to comply with those requirements. Establishes the form of the notice in which a county or municipality that proposes a property tax rate that does not exceed the lower of the effective tax rate or rollback tax rate is required to provide the proposed rate and establishes the form of the notice in which a county or
municipality that proposes a property tax rate that exceeds the lower of the effective rate or the rollback tax rate is required to provide the proposed rate. Establishes the manner in which a county or municipality is required to provide such notice and requires a county or municipality that provides notice under the bill's provisions to provide, on request, any information regarding the county or municipality that a taxing unit is required to provide under the Tax Code provisions relating to the unit's effective or rollback tax rate.

Municipal Sales and Use Tax Remittances by Certain Retailers—S.B. 1533
by Senator Carona—House Sponsor: Representative Ratliff

In 2011, the 82nd Legislature passed H.B. 590, which amended Chapter 321 (Municipal Sales and Use Tax Act), Tax Code, to address a problem created when a business establishes a billing office as a means to move the sales tax from one jurisdiction to another for economic benefit, while not actually doing business in that location. During the passage of this legislation, it was made clear through legislative intent that the bill was not intended to impact traditional purchasing companies that had a significant economic presence in a community and also had established incentive agreements under Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code. (Senate Journal, Friday, May 20, 2011, page 2632-2633). Chapter 380, Local Government Code, provides that local governments may enter into agreements with a corporation to establish incentives in order to stimulate economic development and promote business and economic activity. In August of 2011, the comptroller of public accounts of the State of Texas (comptroller) issued new guidance based on language included in H.B. 590, which invalidates any purchasing company or office location as a place of business if the company also has an incentive agreement with the local government under Chapter 380, Local Government Code. However, the guidance did not take legislative intent into consideration. This bill:

Provides that an outlet, office, facility, or any location that contracts with a retail or commercial business to process for that business invoices, purchase orders, bills of lading, or other equivalent records onto which sales tax is added, including an office operated for the purpose of buying and selling taxable goods to be used or consumed by the retail or commercial business, is not a "place of business of the retailer" if the comptroller determines that the outlet, office, facility, or location functions or exists to avoid the tax legally due under Chapter 321, Tax Code, or exists solely to rebate a portion of the tax imposed by Chapter 321, Tax Code, to the contracting business. Provides that an outlet, office, facility, or location does not exist to avoid the tax legally due under Chapter 321, Tax Code, or solely to rebate a portion of the tax imposed by Chapter 321, Tax Code, if the outlet, office, facility, or location provides significant business services, beyond processing invoices, to the contracting business, including logistics management, purchasing, inventory control, or other vital business services.

Authority of Certain Counties to Impose a County Hotel Occupancy Tax—S.B. 1585
by Senator Rodríguez—House Sponsor: Representative Nevárez

Hudspeth County is sparsely populated, with less than 6,000 residents, providing for a relatively small tax base. The commissioners court is implementing an environmental development program that would help operate and maintain a county fairground, county barn, and county park that have a substantial impact on tourism and hotel activity in the area. At this time, Hudspeth County does not have a hotel occupancy tax. This bill:
TAX

Authorizes the commissioners court of a county that borders the Rio Grande River and has a population of less than 6,000 and an area of more than 2,500 square miles to impose a tax relating to the commissioners court of certain counties being authorized to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use, possession, or right to the use or possession of a hotel room that costs more than $2 each day and is ordinarily used for sleeping.

Provides that a tax imposed under this subsection does not apply to a hotel located in a municipality that imposes a municipal hotel occupancy tax applicable to the hotel.

Ad Valorem Tax Liens on Personal Property—S.B. 1606 [VETOED]
by Senator Zaffirini—House Sponsor: Representative Strama

When a taxing entity attempts to collect unpaid property taxes from a business, such as during bankruptcy, it is authorized to attach a lien to all inventory, furniture, equipment, and other property the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires. In almost all cases this lien is never executed because the cost associated with seizing, storing, and selling the property usually exceeds the resources and capacities of the taxing entity. Instead the entity attaches the lien to lay claim to a judgment from bankruptcy proceedings. Texas statute is silent as to whether such property must be located within the territory of the taxing district when the lien attaches automatically on January 1. While this historically was interpreted as to apply to any property belonging to the property owner, a 2012 bankruptcy court decision created a potential loophole by ruling that the property must reside within the taxing entity's jurisdiction. This could lead to delinquent or soon-to-be bankrupt property owners moving their property outside the district to evade the attachment of a lien. This bill:

Provides that a tax lien on inventory, furniture, equipment, or other personal property is a lien in solido and attaches to all inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires, irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches.

Expedited Binding Arbitration of Appraisal Review Board Orders—S.B. 1662
by Senator Eltife—House Sponsor: Representative Otto

In 2005, the Texas Legislature enacted legislation which allows certain property owners to appeal an appraisal review board order through binding arbitration as an alternative to filing a lawsuit. In 2009, the Texas Legislature amended the Tax Code to allow property owners to choose between a full arbitration ($500) and an expedited arbitration ($250). In response to the expedited arbitration at a reduced rate, the available pool of qualified arbitrators has declined dramatically (71 percent) while the total number of arbitrations has increased (230 percent) since the enactment of the binding arbitration statute. It has been asserted that, in order to ensure that quality arbitrators are available for binding arbitration in the future, the expedited arbitration option from the Tax Code should be repealed. This bill:

Requires a property owner, in order to appeal an appraisal review board order under Chapter 41A (Appeal Through Binding Arbitration), Tax Code, to file with the appraisal district not later than the 45th day after the
date the property owner receives notice of the order an arbitration deposit made payable to the comptroller of public accounts of the State of Texas in the amount of $500.

Repeals Section 41A.031 (Expedited Arbitration), Tax Code.

Rate of the Hotel Occupancy Tax in Certain Counties—S.B. 1833
by Senator Uresti—House Sponsor: Representative Nevárez

H.B. 3076, 82nd Legislature, Regular Session, 2011, allowed Val Verde County to impose a hotel/motel tax of seven percent in the unincorporated parts of the county and at a rate not to exceed a cumulative total of seven percent within the boundaries of municipalities in the county when added to the hotel tax rate imposed by the municipality. The municipality of Del Rio already charges a hotel tax of seven percent. The commissioners court of Val Verde County wishes to impose an additional two percent tax for hotel occupancy within any incorporated municipality subject to Section 352.003(q) (relating to prohibiting the tax rate in a county authorized to impose the tax under Section 352.002(a)(13) (relating to authorizing the commissioners court of a county that borders the United Mexican States and in which there is located a national recreation area to impose a tax on a person who pays for the use or possession of a hotel room that fulfills certain conditions) from exceeding seven percent of the price paid for a room in the hotel), Tax Code, raising the maximum cumulative hotel/motel tax rate within the corporate limits of municipalities within Val Verde County from seven percent to nine percent when combining the rates charged by the city and county. This bill:

Requires the county to impose the tax authorized under Section 352.002(a)(13) at a rate that is prohibited from exceeding two percent of the price paid for a room in a hotel if the hotel is located in a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes) applicable to the hotel, or the extraterritorial jurisdiction of that municipality and the municipality imposes a tax in that area under Section 351.0025 (Extraterritorial Jurisdiction), Tax Code, applicable to the hotel.
Penalty For Installing Counterfeit Motor Vehicle Air Bag—H.B. 38  
_by Representative Menéndez—Senate Sponsor: Senator Paxton_

The National Highway Traffic Safety Administration issued a report in 2012 showing that automobile repair shops across the country have been using counterfeit airbags as replacement parts. In many cases, these airbags have been shown to malfunction and pose a risk of bodily harm or death to the occupants of the vehicle. H.B. 38 amends the Transportation Code by increasing the penalty for the offense of installing a counterfeit airbag. This bill:

- Provides that the offense of installing a counterfeit air bag is a state jail felony.
- Provides that an offense of installing a counterfeit air bag is a felony of the first degree if it is shown on the trial of the offense that the offense resulted in the death of a person.

Military Specialty License Plate—H.B. 120  
_by Representative Larson et al.—Senate Sponsor: Senator Campbell_

Current law provides for the issuance of specialty license plates for recipients of various military awards and medals. The Defense Superior Service Medal is a prestigious honor awarded to certain members of the United States military under circumstances relating to the member having performed superior meritorious service in a position of significant responsibility. The Texas Department of Motor Vehicles, however, does not recognize the Defense Superior Service Medal as a specialty license plate. This bill:

- Recognizes the exemplary service of Defense Superior Service Medal recipients by providing for the issuance of certain benefits and specialty license plates relating to the medal for those recipients.

Commercial Service Airport Projects—H.B. 138  
_by Representative Raymond—Senate Sponsor: Senator Zaffirini_

Some commercial service airports in Texas are currently ineligible to receive certain public funding, including the Laredo and the Val Verde airports. The Texas Department of Transportation (TxDOT) Aviation Capital Improvement Program (CIP) is a plan for general aviation airport developments that are available to receive funds from the State Block Grant Program in Texas. The detailed listing of potential projects is based on the anticipated funding levels of the Federal Aviation Administration (FAA) Airport Improvement Program and the Texas Aviation Facilities Development Program. Inclusion of a project in the CIP is not a commitment for future funding; however, projects in the CIP are under strong consideration for funding.

In 1993, the state was selected to participate in the state block grant pilot program which is a federal program that gave the state the lead in carrying out the improvement program for the non-reliever general aviation airports. In 1996, the state block grant program was made permanent and TxDOT’s responsibility was expanded to include the reliever airports. TxDOT identifies aviation facility requirements, airport locations, and timing for development of non-reliever general aviation airports. This bill:

- Enables the Laredo and the Val Verde airports to receive funding from the CIP.
Automotive Wrecking and Salvage Yards—H.B. 248
by Representative Walle—Senate Sponsor: Senators Ellis and Garcia

Currently, automotive wrecking and salvage yards in the unincorporated areas of Harris County must be located at least 300 feet from an existing church, school, or residence. The presence of an automotive wrecking and salvage yard lowers local property values, diminishes quality of life, and presents environmental dangers to residents in close proximity to the yard, since its presence may result in the flow of harmful chemicals into the surrounding neighborhood and even the leaching of lead into the soil. There have been concerns raised that even 300 feet is not sufficient to ensure the public's safety. This bill:

- Provides that an automotive wrecking and salvage yard may not be established within 600 feet of an existing church, school, or residence.
- Authorizes an automotive wrecking and salvage yard to be established within 600 feet of a residence if the same person owns the residence and the yard.
- Prohibits an automotive wrecking and salvage yard that is established on or after September 1, 1983, and before September 1, 2013, from being established within 300 feet of an existing church, school, or residence except that a yard may be established within 300 feet of a residence if the same person owns the residence and the yard.

Designation of a Highway In Memory of Trooper Randy Vetter—H.B. 250
by Representative Doug Miller—Senate Sponsor: Senator Estes

Texans lost a valuable member of the law enforcement community with the death of Department of Public Safety of the State of Texas (DPS) Trooper Randall “Randy” Vetter. Trooper Vetter was a native of New Braunfels, graduated from Canyon High School in 1990 as valedictorian, and graduated in May 1994 from St. Edward’s University, where he majored in criminal justice and minored in psychology. He was in DPS class B, which graduated in 1995, and he was stationed in Brownsville until August 1996 when he transferred to New Braunfels, and then to San Marcos in 2000. He was shot while on duty on August 3, 2000, and died on August 7, 2000, at the age of 28. He is survived by his wife and son. H.B. 250 seeks to honor Trooper Randall “Randy” Vetter and his memory with a fitting tribute to his selfless service and contributions to Texas. This bill:

- Designates a portion of Interstate Highway 35 between River Ridge Parkway and Farm-to-Market Road 150 in Hays County as the Trooper Randy Vetter Memorial Highway.
- Requires the Texas Department of Transportation (TxDOT), subject to a grant or donation of funds, to design and construct markers indicating the designation as the Trooper Randy Vetter Memorial Highway and any other appropriate information and to erect a market at each end of the highway and at appropriate intermediate sites along the highway.
**Tollway Impact on Mineral Rights—H.B. 341**  
*by Representative Pitts—Senate Sponsor: Senator Nichols*

Under current law the North Texas Tollway Authority (NTTA) has the authority to condemn mineral rights when using eminent domain to construct a toll road and has exercised that right in the past. However, the Texas Department of Transportation and other related entities do not have similar authority to condemn oil, gas, and sulfur rights when condemning property, and this differential treatment has led to concern. This bill:

Requires a regional tollway authority, in a statement or petition in condemnation, to exclude from the interest to be condemned all the oil, gas, and sulphur that can be removed from beneath the real property.

Requires that this exclusion be made without providing the owner of the oil, gas, or sulphur any right of ingress or egress to or from the surface of the land to explore, develop, drill, or mine the real property.

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**Texting While Driving Ban on Certain Public Property—H.B. 347**  
*by Representative Pitts et al.—Senate Sponsor: Senator Nichols*

Under current law, drivers are prohibited from using cell phones in a school crossing zone unless the vehicle is stopped, or they are using a hands-free device. However, areas on school property such as pick-up and drop-off lanes or parking lots are excluded. This unnecessarily places young students at risk of being hit by a distracted driver. According to the Centers for Disease Control and Prevention, each day more than nine people are killed and 1,060 more are injured in crashes that involve a distracted driver in the United States, including the use of a cellular phone. This bill:

Prohibits a person who drives or has physical control of a vehicle (operator) from using a wireless communication device while operating a motor vehicle on the property of a public elementary, middle, junior high, or high school.

Provides that the ban only applies when in the presence of school crossing guards for schools operated by the district (local authority) or if there is a school crossing zone, during the time a reduced speed limit is in effect for the school crossing zone, unless the vehicle is stopped, or the wireless communication device is used with a hands-free device.

Provides that it is an affirmative defense to prosecution of an offense that the wireless communication device was used to make an emergency call to an emergency response service, including a rescue, emergency medical, or hazardous material response service; a hospital; a fire department; a health clinic; a medical doctor's office; an individual to administer first aid treatment; or a police department.

Provides an exception to an operator of an authorized emergency vehicle using a wireless communication device while acting in an official capacity, or an operator who is licensed by the Federal Communications Commission while operating a radio frequency device other than a wireless communication device.

Provides a preemption of all local ordinances, rules, or regulations that are inconsistent with specific provisions adopted by a political subdivision of this state relating to the use of a wireless communication device by the operator of a motor vehicle.
Authorizing Occupational Driver's Licenses—H.B. 438
by Representative Dutton—Senate Sponsor: Senator Ellis

In Texas, an occupational driver's license authorizes the operation of a noncommercial motor vehicle in connection with a person's occupation, religious purposes, educational purposes, or the performance of essential household duties when an individual's driver's license has been suspended for reasons other than a physical or mental disability or failure to pay child support. Past enacted legislation authorized a person to obtain an occupational driver's license by filing a verified petition only in a district court. Recent enacted legislation expanded the authorization to include a county court in an attempt to unclutter the dockets of district courts and to save money for the state. Expanding the venues by which one can obtain an occupational license can further reduce docket clutter. This bill:

- Authorizes a person whose license has been suspended for a cause other than a physical or mental disability or impairment or a conviction for driving while intoxicated, to apply for an occupational license by filing a verified petition with the clerk of a justice, county, or district court with jurisdiction that includes the precinct or county in which the person resides, or the offense occurred for which the license was suspended.

- Authorizes a person to apply for an occupational license by filing a verified petition only with the clerk of the court in which the person was convicted if the person's license has been automatically suspended or canceled for a conviction of an offense under the laws of this state, and the person has not been issued, in the 10 years preceding the date of the filing of the petition, more than one occupational license after a conviction under the laws of this state.

- Requires the clerk of the court to file the petition as in any other matter.

Designation of a Certain Highway as Memorial to Trooper Eduardo Chavez—H.B. 442
by Representative Muñoz, Jr., et al—Senate Sponsor: Senator Hinojosa

Texas Highway Patrol Trooper Eduardo Chavez was killed in the line of duty in May 2006, having suffered fatal injuries in a traffic accident that occurred on United States Highway 83, also known as the Texas Vietnam Veterans Memorial Highway, as he drove his patrol vehicle to assist his fellow trooper and brother with a felony narcotics stop.

Records note that Trooper Chavez, an Edinburg native from a law enforcement family, was a three-year veteran of the Department of Public Safety of the State of Texas who previously had worked as a sheriff's deputy in Hidalgo County. This bill:

- Requires that the portion of U.S. Highway 83 in Starr County from the eastern boundary of Starr County to Farm-to-Market Road 2360 or the most appropriate point west of Farm-to-Market Road 2360, as determined by the Texas Department of Transportation (TxDOT), serve as a memorial to Trooper Eduardo Chavez.

- Requires TxDOT, at each end of the highway and at appropriate intermediate sites along the highway, to erect markers as long as a grant or donation of funds has been provided to TxDOT.
Observers note that differences in truck weight limit regulations between Texas and Mexico are requiring some produce companies located in the Rio Grande Valley to unload their shipments before crossing the border and to divide shipments into multiple trucks before driving on international bridges.

Companies that ship freight assert that the stop in Mexico is especially inefficient because produce companies often must stop again in Hidalgo County to split the produce for distribution throughout Texas. Produce companies, the cities in which the companies are located, and economic development corporations support the designation of an overweight vehicle corridor to avoid that additional stop. These companies contend that they support the corridor and, due to their cargo's perishability, would be willing to pay a fee to avoid the extra stop in Mexico.

Recent legislation has designated overweight vehicle corridors in other areas of Texas, which makes moving cargo more efficient. This bill:

Provides an optional procedure for the issuance of a permit by a regional mobility authority for the movement of oversize or overweight vehicles carrying cargo on certain roads located in Hidalgo County.

Authorizes the Texas Transportation Commission (TTC) to authorize a regional mobility authority (RMA) authorized to issue certain permits to issue permits for the movement of oversize or overweight vehicles carrying cargo in Hidalgo County on certain roadways.

Requires the RMA to serve the same geographic location as the roads over which the permit is valid.

Authorizes the RMA to collect a fee for permits issued.

Prohibits the maximum amount of the fee from exceeding $80 per trip beginning September 1, 2013. Authorizes the RMA, on September 1 of each subsequent year, to adjust the maximum fee amount as necessary to reflect the percentage change during the preceding year in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, published monthly by the United States Bureau of Labor Statistics or its successor in function.

Requires that fees collected be used only for the construction and maintenance of the roads and for the authority's administrative costs, which are prohibited from exceeding 15 percent of the fees collected.

Requires the RMA to make payments to the Texas Department of Transportation to provide funds for the maintenance of roads and highways.

Requires that a permit issued include certain information.

Requires the RMA to report to the Texas Department of Motor Vehicles all permits issued.

Requires that a permit issued specify the time during which movement authorized by the permit is allowed.
Prohibits movement authorized by a permit issued from exceeding the posted speed limit or 55 miles per hour, whichever is less.

Provides that a violation constitutes a moving violation.

Provides that the Department of Public Safety of the State of Texas has authority to enforce these permits.

Registration of Token Trailers—H.B. 511
by Representative Murphy—Senate Sponsor: Senator Carona

A token trailer is any trailer over 6,000 pounds pulled by a truck or cab that has apportioned or combination truck registration. Token trailers may be registered in Texas, but travel well beyond the state's borders.

The current system of registration requires license plate updating and the placement of paperwork on or in the trailer, which is a burden for the trailer owner, whose units may be in any number of locations outside the state, including traveling cross-country on a rail car or in Canada or Mexico. This bill:

Requires the Texas Department of Motor Vehicles to issue a license plate for a state registered token trailer that does not expire.

Authorizes the alphanumeric pattern for a token trailer license plate to remain on a token trailer for as long as the registration of the token trailer is renewed or until the token trailer is removed from service or sold.

Provides that the registration is not required for a vehicle that displays a token trailer license plate.

Expanding the Definition of Authorized Emergency Vehicle—H.B. 567
by Representative Smith—Senate Sponsor: Senator Nichols

Under current law relating to the rules of the road, an "authorized emergency vehicle" includes public and private ambulances operated by licensed persons. However, emergency services providers are increasingly using vehicles that are not ambulances for first response to medical emergencies, particularly when a regular ambulance is not immediately available or when additional emergency personnel are necessary. Since these vehicles are not included within the statutory definition of an "authorized emergency vehicle," they must comply with certain traffic laws and parking restrictions when responding to an emergency call and cannot operate with certain emergency lighting and sound equipment. This bill:

Redefines "authorized emergency vehicle" to include a public or private ambulance operated by a person who has been issued a license by the Department of State Health Services (DSHS), an emergency medical services vehicle authorized under an emergency medical services provider license issued by DSHS, and operating under a contract with an emergency services district that requires the emergency medical services provider to respond to emergency calls with the vehicle.
Penalty For the Operation of a Vehicle Without a License Plate—H.B. 625

by Representative Harper-Brown—Senate Sponsor: Senator Carona

According to the Office of the Attorney General, the 43rd Legislature, 2nd Called Session, 1934, passed a statute making it a misdemeanor punishable by a fine not to exceed $200 to operate a motor vehicle on a public highway that does not display two license plates. The wording of the misdemeanor penalty has not changed since 1934. H.B. 2357, 82nd Legislature, Regular Session, 2009, inadvertently removed a section of law that set a fine for operating a vehicle without license plates. License plates are necessary for law enforcement officers to identify vehicles effectively and to maintain public safety. A penalty is necessary to ensure compliance with the law. This bill:

Provides that it is an offense to operate a vehicle without a license plate and is a misdemeanor punishable by a fine not to exceed $200.

Funding State Highway Markers—H.B. 695

by Representatives Phillips and Branch—Senate Sponsor: Senator Nichols

Under Texas law, the legislature can enact legislation to designate a portion of a highway by name. Currently, the Texas Department of Transportation (TxDOT) is responsible for the design, construction, and maintenance of highway markers associated with these designations, but is not required to do so unless a grant or donation is made to cover these costs. Private donations have funded markers for some of the enacted designations, but many designations made in recent legislative sessions await donors. This has led to TxDOT funding several of the markers at their discretion. This bill:

Requires TxDOT to accept a grant or donation made to assist in financing the construction and maintenance of designation marker.

Prohibits TxDOT from designing, constructing, or erecting a designation marker unless a grant or donation of funds is made to TxDOT to cover the cost of the design, construction, and erection of the marker.

Weigh Stations—H.B. 714

by Representative Kuempel—Senate Sponsor: Senator Zaffirini

The Department of Public Safety of the State of Texas (DPS) weigh stations in many smaller counties are operated only a few hours each month. It is critical that the state identifies overweight vehicles to protect the public and properly permit these vehicles to provide adequate funding to repair damage to roads caused by these vehicles. By authorizing a county to jointly operate a weigh station with DPS will ensure that the state’s highways are kept safe and are maintained. This bill:

Authorizes a county and DPS to enter into an agreement for the joint operation of a fixed-site facility located within the boundaries of the county.
Golf Cart Operation on a Public Highway—H.B. 719  
_by Representative Morrison—Senate Sponsor: Senator Hegar_

Under current law, a municipality's governing body may allow golf carts and utility vehicles to have restricted access to certain public highways within the municipality's corporate boundaries while the commissioners court in certain counties may allow such carts and similar vehicles restricted access to certain public highways in unincorporated areas of those counties. There was inconsistency in the manner in which these provisions were addressed. Legislation was needed to extend this provision to allow for the operation and use of golf carts and certain utility vehicles on public highways in the unincorporated areas of certain other counties with similar features. This bill:

Expands the list of counties for which the commissioners court is authorized to allow an operator to operate a golf cart or utility vehicle on all or part of a public highway that has a speed limit of not more than 35 miles per hour and is located in the unincorporated area of the county, to include Cass County, Aransas County, and many counties that border on or contain a portion of the Red River.

Requires the Texas Department of Motor Vehicles (TxDMV) to by rule establish a procedure to issue the license plates to be used for such operation of a golf cart.

Authorizes TxDMV to charge a fee not to exceed $10 for the cost of the license plate.

Definition of Authorized Emergency Vehicle—H.B. 802  
_by Representative Rose—Senate Sponsor: Senator Carona_

In Texas, county judges have responsibility for emergency preparedness and response within their local jurisdictions. These officials may appoint an emergency management coordinator to manage day-to-day program activities. However, current statutes do not recognize emergency managers among those authorized to use lights and sirens. This bill:

Redefines "authorized emergency vehicle" to include a county-owned or county-leased emergency management vehicle that has been designated or authorized by the commissioners court.

Dealer's License Plates For Vehicle Transport—H.B. 894  
_by Representative Kolkhorst—Senate Sponsor: Senator Hegar_

Car dealers in Texas use dealer plates and temporary tags to make their inventory legal to drive for various reasons including test-driving and driving vehicles to be serviced. Dealers are issued permanent metal plates to conduct personal business with a car that could also potentially be part of their inventory. Under current law, a dealer cannot use a metal dealer's license plate on a service or work vehicle or a commercial vehicle that is carrying a load. Many independent motor vehicle dealers, however, may use a truck from their inventory to haul vehicles to and from the point of sale, which is often an auction.

Independent motor vehicle dealers participate in a relatively smaller number of transactions compared to franchise dealers and have little need to contract with a car hauling company. Options for independent
motor vehicle dealers to comply with state law relating to delivering inventory to a point of sale are limited, inconvenient, and may be expensive and not cost-effective for the dealer. This bill:

Prohibits a person from using a metal dealer's license plate or dealer's temporary tag on a service or work vehicle, or a commercial vehicle that is carrying a load.

Authorizes an independent motor vehicle dealer or an employee of an independent motor vehicle dealer to use a metal dealer's license plate on a service or work vehicle used to transport a vehicle in the dealer's inventory to or from a point of sale.

Provides that this bill does not authorize a person to operate a service or work vehicle as a tow truck without a license or permit.

Designation of the Army Staff Sergeant Chauncy Mays Memorial Highway—H.B. 938

by Representative Hughes—Senate Sponsor: Senator Eltife

Army Staff Sergeant Chauncy Mays from Mount Pleasant, Texas, served three tours and was deployed with the 705th Explosive Ordnance Disposal Company in support of Operation Enduring Freedom when he was killed in action on February 28, 2011, in Afghanistan while defusing an improvised explosive device. This bill:

Designates a portion of Farm-to-Market Road 2348 in Titus County between its intersection with U.S. Highway 67 and its intersection with State Highway 49 as the Army Staff Sergeant Chauncy Mays Memorial Highway.

All-terrain Vehicle Penalty—H.B. 1044

by Representative Eiland—Senate Sponsor: Senator Williams

Questions have been raised regarding whether the operation of all-terrain vehicles and recreational off-highway vehicles is permissible on public beaches. A recent attorney general opinion on this subject has been interpreted by one county to authorize the use of such vehicles on public beaches, but not on public roads, pedestrian-only beaches, or dunes. Clarity is needed to address this issue. This bill:

Authorizes the state, a county, or a municipality to register an all-terrain vehicle or a recreational off-highway vehicle that is owned by the state, county, or municipality for operation on a public beach or highway to maintain public safety and welfare.

Provides that an all-terrain vehicle or recreational off-highway vehicle that is owned by the state, a county, or a municipality and operated in compliance does not require registration.

Prohibits a person from operating an all-terrain vehicle on public property or a beach unless the person holds or is under the direct supervision of certain persons who hold a safety certificate or certification.
Requires a person to whom a safety certificate has been issued to carry the certificate when the person operates an all-terrain vehicle on public property or a beach, and display the certificate at the request of any law enforcement officer.

Requires an all-terrain vehicle that is operated on public property or a beach to be equipped with certain systems or parts that are qualified and in good condition.

Requires an all-terrain vehicle that is operated on public property or a beach to display a lighted headlight and taillight at certain times.

Prohibits a person from operating an all-terrain vehicle on public property or a beach if certain systems or parts of the vehicle are modified or removed.

Prohibits a person from operating, riding, or being carried on an all-terrain vehicle on public property or a beach unless the person wears a certain helmet and eye protection.

Prohibits a person from operating an all-terrain vehicle on public property or a beach in a careless or reckless manner that endangers, injures, or damages any person or property.

Prohibits a person from carrying a passenger on an all-terrain vehicle operated on public property or a beach unless the all-terrain vehicle is designed by the manufacturer to transport a passenger.

Requires a person operating an all-terrain vehicle on a beach to hold and have in the person’s possession a driver’s license.

Authorizes an operator of an all-terrain vehicle, except as provided by Chapters 61 (Use and Maintenance of Public Beaches) and 63 (Dunes), Natural Resources Code, to drive the vehicle on a beach that is open to motor vehicle traffic.

Authorizes a person who is authorized to operate an all-terrain vehicle that is owned by the state, a county, or a municipality, except as provided by Chapters 61 and 63, Natural Resources Code, to drive the all-terrain vehicle on any beach if the vehicle is registered.

Authorizes the Texas Department of Transportation (TxDOT) or a county or municipality to prohibit the operation of an all-terrain vehicle on a beach if TxDOT or the governing body of the county or municipality determines that the prohibition is necessary in the interest of safety.

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**Work Zone Traffic Offenses—H.B. 1097**

_by Representative Sheets—Senate Sponsor: Senator Paxton_

Under current law, a person commits an offense if the person drives around a barricade or disobeys the instructions, signals, warnings, or markings of a warning sign. Concerns have been raised about drivers being unaware of the speed limit in construction or maintenance work zones and therefore committing an offense as the nearest speed limit signs may not be near a construction or maintenance work zone. Placing additional requirements on the signs marking a construction or maintenance work zone may alleviate this problem. This bill:
Provides that, if an offense, other than an offense for vehicle inspection or safety belt, is committed in a construction or maintenance work zone when workers are present and any written notice to appear issued for the offense states on its face that workers were present when the offense was committed, the minimum fine applicable to the offense is twice the minimum fine that would be applicable to the offense if it were committed outside a construction or maintenance work zone, and the maximum fine applicable to the offense is twice the maximum fine that would be applicable to the offense if it were committed outside a construction or maintenance work zone.

Provides that the fine applies to a violation of a prima facie speed limit only if the construction or maintenance work zone is marked by a sign indicating the applicable maximum lawful speed.

**Discount Programs For Certain Veterans Provided by Toll Project Entities—H.B. 1123**
*by Representative Herrero—Senate Sponsor: Senators Rodríguez and Campbell*

Only a small number of veterans currently benefit from a program for free or discounted use of toll roads in Texas. Interested parties contend that veterans in Texas often must travel a considerable distance to receive care from facilities operated by the United States Department of Veterans Affairs and, as a result, may incur a significant financial burden while traveling. This bill:

Authorizes a toll project entity to establish a discount program for electronic toll collection customers that is required to include free or discounted use of the project by certain customers whose accounts relate to a vehicle registered under statutory provisions governing the issuance of specialty license plates for recipients of the Air Force Cross or Distinguished Service Cross, the Army Distinguished Service Cross, the Navy Cross, or the Medal of Honor. Provides that vehicles registered under statutory provisions governing the issuance of specialty plates for veterans with disabilities or recipients of the Purple Heart will also be included.

**Illegally Passing a School Bus—H.B. 1174**
*by Representative Fallon et al.—Senate Sponsor: Senator Nelson*

A stop arm is a device mounted on the outside of a school bus and is used to stop traffic when bus doors are opened and occupants are exiting. A 2012 National Association of State Directors of Pupil Transportation Services study found that during a one-day survey of 10,855 school bus drivers there were 8,669 reported incidents involving stop arm violations in Texas. These increased violations have raised concern regarding the safety and welfare of children while loading and unloading a school bus. Increasing the penalty could further deter such violations. This bill:

Provides that such an offense is a misdemeanor punishable by a fine of not less than $500 or more than $1,250, rather than not less than $200 or more than $1,000, except that the offense is a misdemeanor punishable by a fine of not less than $1,000 or more than $2,000 if the person is convicted of a second or subsequent offense under this section committed within five years of the date on which the most recent preceding offense was committed; a Class A misdemeanor if the person causes serious bodily injury to another; or a state jail felony if the person has been previously convicted.
Provides that the change in law made by this bill applies only to an offense committed on or after September 1, 2013.

Optional County Vehicle Registration Fee For Transportation Projects—H.B. 1198  
by Representative Raymond et al.—Senate Sponsor: Senator Zaffirini

Currently, certain counties can impose an optional fee for transportation projects when vehicles are registered in those counties, such as in Hidalgo County and Cameron County. Revenues in these counties are credited to the county road and bridge fund and are used for transportation projects. Webb County is seeking revenue to develop a regional mobility authority so that it can fund and conduct long-term planning for transportation projects. This bill:

Authorizes Webb County to collect an additional $10 vehicle registration fee for transportation projects.

Requires that the fee revenue collected be sent to a regional mobility authority located in the county to fund long-term transportation projects in the county.

Designating the Trooper Bobby Steve Booth Memorial Highway—H.B. 1238  
by Representative Price—Senate Sponsor: Senator Seliger

State law currently allows the legislature to assign a memorial to a portion of the highway system. State Trooper Bobby Steve Booth was killed in the line of duty while serving Texas. Designating a memorial highway would publicly honor Trooper Booth's life and service. This bill:

Designates the portion of U.S. Highway 287 between the northern corporate limits of the City of Stratford and the Texas-Oklahoma border as the Trooper Bobby Steve Booth Memorial Highway.

Provides that the designation is in addition to any other designation.

Requires the Texas Department of Transportation (TxDOT) to design and construct markers indicating the designation as the Trooper Bobby Steve Booth Memorial Highway and any other appropriate information, and erect a marker at each end of the highway and at appropriate intermediate sites along the highway. Provides that TxDOT is not required to design, construct, or erect a marker unless a grant or donation of funds is made to TxDOT to cover the cost of the design, construction, and erection of the marker.

El Paso Mission Valley Specialty License Plate Revenue—H.B. 1347  
by Representatives Mary González and Naomi Gonzalez—Senate Sponsor: Senator Rodríguez

Section 504.635 (El Paso Mission Valley License Plates) was added to the Transportation Code in 2004 to create the El Paso Mission Valley specialty license plate as a mechanism for raising funds for the preservation and rehabilitation of the Socorro Mission.

There are three historic missions on El Paso's Mission Trail: Socorro, Ysleta, and San Elizario. However, by statute, the Texas Historical Commission can currently only grant funds raised through the sale of El Paso
Mission specialty license plates to the Socorro Mission. The statute needs to be amended to allow funds collected through the sale of El Paso Mission specialty license plates to be distributed to the Socorro, Ysleta, and San Elizario Missions. This bill:

Authorizes that money in the El Paso Mission Restoration account in the state treasury be used only by the Texas Historical Commission in making grants for the purpose of the preservation and rehabilitation of the Socorro, San Elizario, and Ysleta Missions.

**Authority of a County Road Department to Accept Donations—H.B. 1384**  
*by Representatives Bell and J.D. Sheffield—Senate Sponsor: Senator Hegar*

Under current law some companies or individuals are sometimes prevented from donating labor, money, or other property to a county for use in improvement of county roads because the county lacks the authority to receive such donations. Not all counties have express authority to accept such donations. Due to scarce transportation funding counties have been seeking to find local funding alternatives to fund transportation projects. This bill:

Authorizes a commissioners court to accept donations of labor, money, or other property to aid in the building or maintaining of roads in the county.

**Designating the Veterans Memorial Highway—H.B. 1458**  
*by Representative Gooden—Senate Sponsor: Senator Deuell*

U.S. Highway 175 in Kaufman County stretches southeast from Seagoville through the cities of Crandall and Kaufman to Mabank. Veterans have expressed interest in U.S. Highway 175 because the local Veterans of Foreign Wars post is located on the highway inside the city of Kaufman. Recently, the residents of Kaufman County approved a resolution supporting the designation of the highway as the Veterans Memorial Highway. This bill:

Designates the portion of U.S. Highway 175 in Kaufman County as the Veterans Memorial Highway.

Requires the Texas Department of Transportation (TxDOT) to design and construct markers indicating the designation as the Veterans Memorial Highway and any other appropriate information and erect a marker at each end of the highway and at appropriate intermediate sites along the highway. Provides that TxDOT is not required to design, construct, or erect a marker unless certain conditions are met.

**Privileged Parking For Veterans of World War II—H.B. 1514**  
*by Representative Howard—Senate Sponsor: Senators Campbell and Zaffirini*

Current law provides that some veterans and military award recipients, including disabled veterans, Pearl Harbor survivors, former prisoners of war, and recipients of the Distinguished Service Medal, Bronze Star Medal, Congressional Medal of Honor, Purple Heart, Silver Star Medal, or Legion of Merit whose vehicles display specialty license plates are exempt from paying parking fees collected through a parking meter charged by a governmental authority other than a branch of the federal government. H.B. 1514 seeks to
extend those same parking privileges to veterans who display World War II veterans specialty license plates. This bill:

Provides that a vehicle on which license plates described by Section 504.310 (World War II Veterans) are displayed be exempt from the payment of a parking fee collected through a parking meter charged by a governmental authority other than a branch of the federal government, when being operated by or for the transportation of the person who registered the vehicle or the owner or operator of a vehicle displaying the license plates.

**Designating the Prisoner of War Memorial Highway—H.B. 1534**  
*by Representative Leach et al.—Senate Sponsor: Senator Paxton*

In order to honor prisoners of war who have selflessly served our country, designating a portion of a highway would be fitting. This bill:

Designates the portion of U.S. Highway 75 in Collin County between its intersection with the President George Bush Highway and its intersection with U.S. Highway 380 as the Prisoner of War Memorial Highway.

Provides that the designation is in addition to any other designation.

Requires the Texas Department of Transportation (TxDOT) to design and construct markers indicating the designation as the Prisoner of War Memorial Highway and any other appropriate information and erect a marker at each end of the highway and at appropriate intermediate sites along the highway. Provides that TxDOT is not required to design, construct, or erect a marker unless a grant or donation of funds is made to TxDOT to cover the costs of doing so.

**Study of Use of Certain Public Transportation Services by Disabled Persons—H.B. 1545**  
*by Representatives Allen and Riddle—Senate Sponsor: Senator Ellis*

Under current law, public transportation providers that offer transportation services for people with disabilities do not have a uniform system of procedures and have varying eligibility requirements. This hinders the ability of people with disabilities to move freely across the state. This bill:

Requires the Governor's Committee on People with Disabilities (committee), in coordination with providers located in rural and urban areas of the state and in conjunction with paratransit advocacy groups, to conduct a study to determine the feasibility of standardizing the process of certifying an individual's eligibility in the state and determine whether the current 21-day provision of services by a provider is adequate to meet the needs of visitors with disabilities to locations served by the provider.

Requires the committee, not later than January 1, 2015, to submit a report on the findings of the study performed under this section to the governor, lieutenant governor, speaker of the house of representatives, and standing committees of the senate and house of representatives that have jurisdiction over issues related to transportation.
Authorizing an Optional County Fee on Vehicle Registration in Certain Counties—H.B. 1573
by Representatives McLendon and Gutierrez—Senate Sponsor: Senator Van de Putte

Across the state, counties are finding that funds allocated to local transportation projects are insufficient to meet increasing needs. Texas vehicle owners are required by the Transportation Code to pay a state registration fee proportional to the gross weight of the vehicle. Section 502.051 (Deposit of Registration Fees in State Highway Fund), Transportation Code, dedicates all collected fees to the state highway fund for the construction and maintenance of public roadways. The current state fee for passenger vehicles and light trucks is $50.75.

In addition to the state fee, vehicle owners in some counties pay an optional registration fee approved by the commissioners court. H.B. 2357, 82nd Legislature, Regular Session, 2011, authorized the Cameron County and Hildago County commissioners courts to impose an additional registration fee, not to exceed $10, to be used for certain transportation projects. Likewise, the Bexar County commissioners court annually approves an optional fee of $10 used for the road and bridge fund and $1.50 for child safety. The level of community needs, however, is increasing at a rate that exceeds the county's ability to accommodate those needs. An additional $10 registration fee in Bexar County would generate approximately $12 million for use by Bexar County to fund transportation projects within the county. This bill:

Authorizes Bexar County to charge an optional fee of up to $10 on a vehicle registered in the county.

Requires that revenue from the optional fee imposed in that county be deposited in a special account in the county general fund to be used for transportation projects.

Authority of Commissioners Court to Alter Speed Limits on County Roads—H.B. 1607
by Representative Farney—Senate Sponsor: Senator Nichols

Current state law sets the maximum speed limit allowed on certain county roads or highways at 60 miles per hour, but some of these roads are designed and constructed for higher speed limits. Higher speeds can foster economic development and improve traffic congestion. This bill:

Prohibits a commissioners court from modifying the rule prohibiting an operator from driving at a speed greater than is reasonable and prudent under the circumstances then existing or establishing a speed limit of more than 70 miles per hour.

Houston Port Authority—H.B. 1642
by Representative Dennis Bonnen—Senate Sponsor: Senator Whitmire

The Port of Houston Authority is the federally designated local sponsor of the Houston Ship Channel and collaborates with the United States Army Corps of Engineers to maintain the channel and perform other regulatory roles, while also operating certain terminals and industrial facilities along the channel, including major container and general cargo facilities. The 82nd Legislature directed a special review of the authority by the Sunset Advisory Commission to evaluate concerns about its oversight and management. As a result of its review, the Sunset Advisory Commission recommended several statutory changes. This bill:
Defines "authority," "executive director," "port commission," and "port commissioner."

Makes conforming changes by changing references to the Harris County Houston Ship Channel Navigation District of Harris County, Texas, to the Port of Houston Authority of Harris County, Texas (authority).

Provides that the authority is authorized and empowered to issue in direct conformity with the Constitution and the laws of this State as and when necessary such bonds as may be voted from time to time by the voters voting at any election, rather than by the requisite two-thirds majority of the resident property tax paying voters voting at any election, when called and conducted in direct conformity with the Constitution and laws of Texas and to issue and sell the same subject to such provisions of the Constitution and laws of this State as may be in effect at the time, and subject to the approval of the attorney general.

Makes conforming changes by changing references of the Board of Navigation and Canal Commissioners to the navigation and canal commission of the authority.

Requires that all obligations of the authority issued hereunder be registered and provides that if issued in coupon form the obligations may be registerable as to principal only, or as to both principal and interest, and shall bear interest at a rate not to exceed the amount allowed by law, rather than six percent per annum, payable annually or semiannually.

Requires that obligations be sold in a manner and at times that the port commission determines to be expedient and necessary to the interests of the authority, provided that, in no event shall such obligations be sold for a price which will result in an interest yield therefrom of more than the amount allowed by law computed to maturity according to standard bond tables in general use by banks and insurance companies.

Deletes text regarding the composition and selection of the Port Authority Commissioner Board.

Deletes text providing that only duly qualified resident electors who own taxable property within the Harris County Houston Ship Channel Navigation District and have duly rendered the same for taxation shall be entitled to vote in elections by taking an oath that affirms they reside in the Harris County Houston Ship Channel Navigation District.

Provides that Chapter 90, Acts of the 49th Legislature, Regular Session, 1945, and Chapter 211 (Navigation Districts—Governing Boards—Contracts), Acts of the 54th Legislature, Regular Session, 1955, are not applicable to the authority.

Provides that the authority is subject to review to assess the authority's governance, management, and operating structure, and the authority's compliance with legislative requirements under Chapter 325 (Sunset Law), Government Code (Texas Sunset Act), as if it were a state agency but is prohibited from being abolished under that chapter. Requires that the review be conducted as if the authority were scheduled to be abolished September 1, 2017.

Requires that the authority pay promptly the cost incurred by the Sunset Advisory Commission to perform a review of the authority and provides that this section expires September 1, 2019.

Provides that the authority is governed by a port commission of seven port commissioners who serve staged two-year terms that expire on February 1: two port commissioners appointed by a majority of the
city council of the City of Houston; two port commissioners appointed by a majority of the Harris County Commissioners Court; one port commissioner appointed by the city council of the City of Pasadena, who must reside in the city of Pasadena; one port commissioner appointed by a majority of the Harris County Mayors' and Councils' Association, who must be a resident of a municipality in Harris County that is located adjacent to the Houston Ship Channel and has a population of less than 100,000; and the chair of the port commission.

Provides that Sections 61.159(a) (relating to setting the term limits for the port commission of the authority) and (d) (relating to filling a vacancy of a member of the port commission) and 61.160 (Qualifications; Compensation; Authority), Water Code, apply to the authority.

Provides that a person is not eligible for appointment to the port commission if the person has previously served the equivalent of at least 12 full years on the port commission.

Provides that of the two port commissioners appointed by the majority of the city council of the City of Houston and the two port commissioners appointed by the majority of the Harris County Commissioners Court, one serves a term expiring in an even-numbered year and one serves a term expiring in an odd-numbered year.

Provides that the port commissioner appointed by the city council of the City of Pasadena serves a term expiring in an odd-numbered year.

Provides that the port commissioner appointed by the majority of the Harris County Mayor's and Council's Association serves a term expiring in an even-numbered year.

Requires that the appointing entity, not later than the 45th day after the date on which a term expires or on which a vacancy begins, appoint a new port commissioner and provides circumstances for a secondary and tertiary entity to fill the vacancy if the appointing entity fails to make the appointment before the 45th day.

Requires that if the vacancy occurs through death, resignation, or other reason, the vacancy be filled in the manner provided for making the original appointment and provides circumstances for a secondary and tertiary entity to fill the vacancy if the appointing entity fails to make the appointment.

Requires the City of Houston mayor and city council and the Harris County Commissioners Court to jointly appoint the chair of the port commission in January of odd-numbered years and provides that the term of the chair expires on February 1 of each odd-numbered year.

Authorizes the governor to appoint the chair only if the original appointing entities fail to make an appointment within the appropriate period, and any subsequent appointment must be made by the appointing entities.

Requires the person appointed as the chair of the port commission to comply with the qualifications described by Section 61.160, Water Code.

Requires the City of Houston mayor and city council, the Harris County commissioners, and the Harris County judge, on the second Monday of January in each odd-numbered year, to hold a joint meeting to
appoint the chair of the port commission at the headquarters of the authority and provides certain voting rules for the appointment of the chair of the port commission.

Provides that the navigation board of the authority is composed of the county judge and county commissioners of Harris County, the mayor and city council members of the City of Houston, and the members of the Harris County Mayors’ and Councils’ Association.

Defines "Texas trade association" in this section.

Prohibits a person from being a port commissioner and from being an authority employee employed in a "bona fide executive, administrative, or professional capacity," if the person is an officer, employee, or paid consultant of a Texas trade association in a field relating to maritime commerce, the members of which are regulated by the authority or the person's spouse is an officer, manager, or paid consultant of a Texas trade association in a field relating to maritime commerce, the members of which are regulated by the authority.

Prohibits a person from being a port commissioner or acting as the general counsel to the port commission or the authority if the person is required to register as a lobbyist under Chapter 305 (Registration of Lobbyists), Government Code.

Prohibits a person from being a port commissioner if the person or an individual related to the person in the first degree of consanguinity or affinity, as determined under Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), Government Code, is employed by or participates in the management of a business entity or other organization regulated by or receiving money from the authority or uses or receives a substantial amount of tangible goods, services, or money from the authority other than compensation or reimbursement authorized by law for port commission membership, attendance, or expenses.

Requires a port commissioner to file the financial statement required of state officers under Subchapter B (Personal Finance Statement), Chapter 572 (Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest), Government Code, with the authority and the Texas Ethics Commission (TEC).

Provides that Subchapter B, Chapter 572, Government Code applies to a port commissioner as if the port commissioner were a state officer and governs the contents of, timeliness of filing, public inspection of, and civil and criminal penalties relating to a statement filed.

Prohibits a person who is appointed to and qualifies for office as a port commissioner from voting, deliberating, or being counted as a port commissioner in attendance at a meeting of the port commission until the person completes a training program that provides certain information.

Entitles a person appointed to the port commission to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Provides the grounds for removal from the port commission.

Creates protocol for a notification process should the executive director of the authority have knowledge that a potential ground for removal exists.
Requires the port commission to adopt detailed policies that document its governance practices and make those policies available on the authority's website.

Requires the port commission to develop and implement policies that clearly separate the policymaking responsibilities of the port commission and the management responsibilities of the executive director and the other employees of the authority.

Requires the port commission to distribute a copy of all policies adopted to each port commissioner and authority employee not later than the third business day after the date the person begins employment or a term as port commissioner.

Requires the port commission to appoint an executive director of the authority and prescribe the duties and compensation of the executive director.

Authorizes the port commission to delegate to the executive director full authority to manage and operate the affairs of the authority subject only to orders of the port commission and to employ all persons necessary for the proper handling of the business and operation of the authority and to determine the compensation to be paid to all employees, other than the executive director or the chief audit executive.

Requires the executive director to execute a bond for $10,000 that is to be recorded in a record kept for that purpose in the authority's office, conditioned on the faithful performance of the executive director's duties and other conditions as required by the authority.

Authorizes the port commission by general or special rule, regulation, order, resolution, or other direction to authorize the executive director or another person authorized to act instead of the executive director to perform any act on behalf of the port commission.

Prohibits a port commissioner or an authority employee from:
  • accepting or soliciting any gift, favor, or service that might reasonably tend to influence the port commissioner or employee in the discharge of official duties or that the port commissioner or employee knows or should know is being offered with the intent to influence the port commissioner's or employee's official conduct;
  • accepting other employment or engaging in a business or professional activity that the port commissioner or employee might reasonably expect would require or induce the port commissioner or employee to disclose confidential information acquired by reason of the official position;
  • accepting other employment or compensation that could reasonably be expected to impair the port commissioner's or employee's independence of judgment in the performance of the port commissioner's or employee's official duties;
  • making personal investments that could reasonably be expected to create a substantial conflict between the port commissioner's or employee's private interest and the public interest; or
  • intentionally or knowingly soliciting, accepting, or agreeing to accept any benefit for having exercised the port commissioner's or employee's official powers or performed the port commissioner's or employee's official duties in favor of another.
Requires the port commission to adopt a written ethics policy for the port commissioners and authority employees.

Requires a port commissioner or an authority employee to annually affirm the port commissioner's or employee's adherence to the ethics policy.

Requires the port commission to establish and operate a telephone hotline that enables a person to call the hotline number, anonymously or not anonymously, to report alleged fraud, waste, or abuse or an alleged violation of the ethics policy.

Requires the authority to maintain a system to promptly and efficiently act on complaints filed with the authority and requires the authority to maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

Requires the authority to make certain information easily available to the public, including on the authority's website, describing its procedures for complaint investigation and resolution, periodically notify the complaint parties of the status of the complaint until final disposition, and to develop a standard form and a procedure for submitting complaints to the authority and to make that form and procedure available on the authority's website.

Requires the authority to compile detailed statistics and analyze trends on complaint information, including the nature of the complaints, the disposition of the complaints, and the length of time to resolve complaints and requires authority staff to report the detailed statistics and analysis of trends on complaints to senior management on a regular basis.

Requires the port commission to develop and implement policies that provide a structure for public involvement, a whistleblower policy, spending guidelines for meals, lodging, and entertainment, clear expense report protocols, and a prohibition on the use of authority funds for a meal for a port commissioner or an authority employee that is not part of approved travel for authority business or part of a business-related function with outside parties.

Defines "promotion and development fund."

Requires the port commission to adopt certain clear, complete policy and procedures to govern the use of the promotion and development fund.

 Defines "long-range plan," "mid-range plan," "one-year capital plan," and "staff" for the purposes of Sections 5007.221, 5007.222, 5007.224, and 5007.225, Special District Local Laws Code.

Requires appropriate staff to develop a long-range plan containing a mission and values statement; an assessment of the authority's state as of the date of the plan; an assessment of the projected operating environment over the course of the long-range plan; a discussion of high-level goals, strategies, and priorities; a scheme for ongoing evaluation of progress toward stated goals, including performance measures; and other strategic planning elements, as considered appropriate by the staff or port commission.
Requires the port commission to establish a planning horizon of at least 10 years for the long-range plan and to identify and collaborate with stakeholders to obtain input on the long-range plan.

Authorizes the port commission to amend and requires the port commission to adopt the plan and any updates to the plan in an open meeting.

Requires the staff to provide annual progress updates according to performance measures and to present a report on the annual progress to the port commission.

Requires the staff to complete a comprehensive reevaluation and update of the long-range plan at least every five years or more frequently if the port commission finds that conditions warrant a more frequent update.

Requires appropriate staff to develop a mid-range plan consistent with the long-range plan, that includes a five-year financial forecast addressing the financial needs and financing options of the authority for the five-year period, with information about the relative cost of the options; a five-year capital plan, including a preliminary analysis and prioritization of projects; and other detailed action plans as the port commission or staff finds necessary to achieve the goals of the mid-range plan or long-range plan.

Requires the staff to present the mid-range plan in an open meeting of the port commission and provides that the port commission is not required to adopt a mid-range plan.

Requires the port commission to annually adopt a budget for the authority in an open meeting.

Requires appropriate staff to develop a one-year capital plan, including associated financing that is integrated with the budget of the authority and requires the port commission to adopt the one-year capital plan in an open meeting.

Requires the port commission to establish and document a detailed process for the analysis and approval of a project proposed for inclusion in the one-year capital plan and authorizes a project to be included in the one-year capital plan only if it is approved.

Requires the port commission to post on the authority's website and otherwise make available to the public the authority's most recently adopted budget and any plan adopted by the port commission at an open meeting, including the long-range plan, mid-range plan, one-year capital plan, and updates to that budget or those plans and authorizes the port commission to redact sensitive business information from the plans made publicly available.

Requires the port commission to establish an internal audit procedure consistent with the purposes, duties, and standards for state agency internal audit procedures under Chapter 2102 (Internal Auditing), Government Code.

Requires the port commission to create an internal audit task force consisting of port commissioners and requires the port commission only to hire and authorizes the commission only to fire or suspend a chief audit executive, who is required to report to the internal audit task force.
Requires the chief audit executive to coordinate all audit activity, including compliance reviews, reviews of internal controls, audits by the county auditor of Harris County, contracted audits, performance reviews, and certain investigations of alleged fraud, waste, abuse, or ethics violations.

Requires the chief audit executive to monitor the authority’s compliance with statutory requirements governing use of the promotion and development fund.

Requires the port commission to create, approve, and make available on the authority’s website a risk-based annual audit plan.

Requires the port commission to make internal audits available on request to the county auditor of Harris County, and any entity with the authority to appoint a port commissioner.

Authorizes the county auditor of Harris County to conduct a financial audit of the authority as part of an annual, county-wide risk assessment and audit plan and requires that an audit performed be conducted in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the United States Government Accountability Office, or any other professionally recognized entity that prescribes auditing standards.

Prohibits the county auditor of Harris County from conducting an operational audit of the authority or any audit that exceeds the scope of the audit.

Requires the authority to reimburse the county auditor of Harris County for an audit conducted, according to standard rates agreed to by the authority and the county before an audit is scheduled or performed, and requires that the rates be updated periodically.

Provides that Sections 60.204(c) (relating to requiring a county auditor to limit the amount of income the Texas Commission of Environmental Quality sets aside in the promotion and development fund) and 61.174(b) (relating to requiring the county auditor to make additional reports and perform additional accounting services as needed by the district) and (c) (relating to compensating the county auditor), Water Code, do not apply to the authority.

Defines "gift."

Authorizes the authority to accept a gift only if, not later than the 90th day after the date the port commission receives the gift, the port commission, in an open meeting, acknowledges the acceptance of the gift and requires the authority, for a gift accepted, to record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the port commission.

Repeals Sections 2, 3, 4, 5, 6, and 7a (relating to the creation and ratification of the Harris County Houston Ship Channel Navigation District), Chapter 97, Acts of the 40th Legislature, 1st Called Session, 1927; Section 9 (Sunset Review), Chapter 97 (Port of Houston Authority), Acts of the 40th Legislature, 1st Called Session, 1927, as added by Section 22, Chapter 1027, Acts of the 82nd Legislature, Regular Session, 2011; Section 9 (Sunset Review), Chapter 97 (Port of Houston Authority), Acts of the 40th Legislature, 1st Called Session, 1927, as added by Section 1.10, Chapter 1232, Acts of the 82nd Legislature, Regular Session, 2011; Sections 2 and 3 (relating to legal provisions for the Harris County Houston Ship Channel Navigation District), Chapter 86, Acts of the 49th Legislature, Regular Session, 1945; Sections 5 (Validation
Provisions), 6 (Notice), and 7 (Severability Clause), Chapter 117, Acts of the 55th Legislature, Regular Session, 1957; Sections 2 and 3 (relating to legal provisions for the Harris County Houston Ship Channel Navigation District), Chapter 186, Acts of the 57th Legislature, Regular Session, 1961; Section 2 (relating to the powers and duties of the Harris County Houston Ship Channel Navigation District), Chapter 43, Acts of the 62nd Legislature, Regular Session, 1971; and Sections 2 (relating to the appointment of a port commissioner for the Port of Houston Authority) and 3 (providing that this Act does not affect port commissioners serving of the effective date of this Act), Chapter 1042, Acts of the 70th Legislature, Regular Session, 1987.

**Issuance of Specialty License Plates For Surviving Spouses of Disabled Veterans—H.B. 1678**

*by Representatives Frullo and Cortez—Senate Sponsors: Senators Duncan and Campbell*

The legislature recently passed a law requiring the Texas Department of Motor Vehicles to issue specialty license plates for surviving spouses of disabled veterans of the United States military. H.B. 1678 seeks to establish a fee structure for this specialty license plate that allows the surviving spouse to pay the same fee as the one that accompanies the specialty license plate for disabled veterans. This bill:

- Authorizes a person entitled to specialty license plates for surviving spouses of disabled veterans to register, for the person’s own use, one vehicle without payment of any fee other than the $3 fee for the first set of license plates. Provides that there is no fee for each additional set of license plates.

**Variable Speed Limit Pilot Program—H.B. 2204**

*by Representative Pickett—Senate Sponsor: Senator Watson*

Regulating traffic flow through the use of variable speed limits has been shown to promote a smoother, safer flow of traffic and can be used to provide protection in maintenance work zones. The Texas Transportation Commission (TTC) currently lacks the authority to establish variable speed limits, which are used to lower speed limits in response to conditions like adverse weather, congestion, work zones, and traffic incidents. This bill:

- Requires TTC by rule to establish and requires the Texas Department Transportation (TxDOT) to implement a variable speed limit pilot program to study the effectiveness of temporarily lowering prima facie speed limits to address inclement weather, congestion, road construction, or any other condition that affects the safe and orderly movement of traffic on a roadway.

- Authorizes notice of a speed limit establishment under the pilot program to be displayed using a stationary or portable changeable message sign.

- Requires TTC to select up to three locations to test the pilot program.

- Requires TTC to inform the Department of Public Safety of the State of Texas (DPS) and any affected local law enforcement agency about the pilot program and the locations that are being used to test the pilot program.
Provides that a speed limit that is established under the program is required to be based on an engineering and traffic investigation, is authorized to be effective for all or a designated portion of the highway and may be effective for any period of the day or night, as DPS acting directly or through its authorized officers and agents determines necessary, and is effective only when the speed limit is posted and only if a sign notifying motorists of the change in speed limit is posted not less than 500 feet but not more than 1,000 feet before the point at which the speed limit begins.

Requires TTC, not later than December 1, 2014, to submit a report to the legislature that includes information about the pilot program, the results of the pilot program, and any recommendations for statutory changes based on the results of the pilot program.

**Donations For County Transportation Projects—H.B. 2300**

*by Representatives Keffer and Tracy O. King—Senate Sponsor: Senator Uresti*

A significant portion of energy exploration and production in Texas occurs in rural areas where many of the roads and bridges were not designed for heavy traffic and overweight vehicles. This energy production boom and the associated traffic and heavy trucks has led to these roads and bridges being damaged by these overweight trucks and has contributed to increased numbers of automobile accidents. Funding is needed to rebuild and reinforce transportation infrastructure in certain areas affected by increased energy production while fiscal resources continue to be limited and require priorities to be set. This bill:

Requires a county to determine the amount of the tax increment for a county energy transportation reinvestment zone in the same manner the county would determine the tax increment for a county transportation reinvestment zone.

Authorizes a county, after determining that an area is affected by oil and gas exploration and production activities, by order or resolution of the commissioners court to designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more specified transportation projects located in the zone and to jointly administer a county energy transportation reinvestment zone in conjunction with another county or counties.

Requires a commissioners court, not later than the 30th day before the date the commissioners court proposes to designate an area as a county energy transportation reinvestment zone, to hold a public hearing on the creation of the zone and its benefits to the county and to property in the proposed zone.

Authorizes an interested person, at the hearing, to speak for or against the designation of the zone, its boundaries, the joint administration of a zone in another county, or the use of tax increment paid into the tax increment account.

Requires that notice of the hearing and the intent to create a zone be published in a newspaper having general circulation in the county, not later than the seventh day before the date of the hearing.

Requires that the order or resolution designating an area as a county energy transportation reinvestment zone contain certain information.
Provides that compliance with the requirements of this section constitutes designation of an area as a county energy transportation reinvestment zone without further hearings or other procedural requirements.

Authorizes the county to, from taxes collected on property in a zone, pay into a tax increment account for the zone or zones an amount equal to the tax increment produced by the county less any amounts allocated under previous agreements.

Prohibits tax increment paid into a tax increment account from being pledged as security for bonded indebtedness.

**Enforcement of Federal Commercial Motor Vehicle Regulations by Certain Sheriffs or Deputies—H.B. 2304**

*by Representative Eddie Rodriguez—Senate Sponsor: Senators Watson and Zaffirini*

Currently, the Department of Public Safety of the State of Texas (DPS) is tasked with enforcing federal commercial motor vehicle regulations, which are sometimes more stringent than state regulations. Current law provides that sheriffs or deputy sheriffs can also be certified to enforce these regulations if they serve in a border county or in a county with a population over 2.2 million. If a peace officer who pulls over a vehicle for another violation realizes that the driver is also in violation of a federal commercial motor vehicle regulation, then he or she must call for assistance from a certified officer. This bill:

Amends the Transportation Code to provide that a sheriff or a deputy sheriff of a county bordering the United Mexican States or of a county with a population of one million or more, rather than 2.2 million or more, is eligible to apply for certification to enforce federal commercial motor vehicle safety standards.

**Motor Vehicle Inspections—H.B. 2305**

*by Representative Eddie Rodriguez—Senate Sponsor: Senator Watson*

Compressed natural gas is a growing source of clean burning fuel for vehicles in the United States and particularly in Texas. Federal motor vehicle safety standards and manufacturers of compressed natural gas containers on vehicles require that each container be inspected by a certified inspector once every three years or 36,000 miles in operation to ensure the continued integrity of the container and the safety of passengers. There is currently no way to ensure these cylinders are being inspected and, if necessary, removed. The industry is concerned about the ramifications of an explosion of a cylinder that should have been replaced and asked that CNG cylinder integrity be added to vehicle safety inspection. There is a continued need for standards for inspection to be modified and clarified.

Recent legislation required the Department of Public Safety of the State of Texas (DPS) and the Texas Department of Motor Vehicles (TxDMV) to conduct a study regarding feasibility and best practices for using an electronic system to consolidate the inspection and registration of motor vehicles in Texas. The Consolidated Inspection and Registration System Study resulted in a recommendation to move to a single system with a vehicle inspection report, which would eliminate motor vehicle inspection certificate fraud while reducing costs to Texas. This bill:
Prohibits an inspection station or inspector from issuing a passing vehicle inspection report for a vehicle equipped with a compressed natural gas container unless the owner demonstrates in accordance with rules proof that the container has met the inspection requirements; and the manufacturer's recommended service life for the container, as stated on the container label has not expired; or that the vehicle is a fleet vehicle for which the fleet operator employs a technician certified to inspect the container.

Requires that the standards and the list of items to be inspected be posted in each inspection station.

Prohibits an inspection station or inspector from issuing a passing vehicle inspection report only if the vehicle is inspected and found to be in proper and safe condition and is in accordance with the law.

Authorizes an inspection station or inspector to inspect only the equipment that is required to be inspected by law and prohibits falsely and fraudulently representing to an applicant that equipment required to be inspected must be repaired, adjusted, or replaced before the vehicle will pass inspection, or require an applicant to have another part of the vehicle or other equipment inspected as a prerequisite for issuance of a passing vehicle inspection report.

Prohibits an inspection station or inspector from issuing a passing vehicle inspection report for a vehicle on which certain devices have been installed.

Requires DPS by rule to adopt testing procedures in accordance with motor vehicle emissions testing equipment specifications, and procedures for issuing a vehicle inspection report following an emissions inspection and submitting information to the inspection database following an emissions inspection.

Requires the motor vehicle emissions inspection and maintenance program to be implemented in consultation with the Texas Commission on Environmental Quality (TCEQ) and authorizes it to include a program to develop and implement projects in consultation with the director of DPS for coordinating with local law enforcement officials to reduce the use of counterfeit registration insignia and vehicle inspection reports by providing local law enforcement officials with funds to identify vehicles with counterfeit registration insignia and vehicle inspection reports and to carry out appropriate actions.

Authorizes TCEQ to reduce the match requirement for a county that proposes to develop and implement independent test facility fraud detection programs, including the use of remote sensing technology for coordinating with law enforcement officials to detect, prevent, and prosecute the use of counterfeit registration insignia and vehicle inspection reports.

Requires the county tax assessor-collector, before a motor vehicle that was last registered or titled in another state or country may be titled in this state, to verify that the vehicle has passed the inspections as indicated in the DPS inspection database.

Provides that a motor vehicle, semitrailer, or trailer registered is subject to the inspection requirements as if the vehicle, semitrailer, or trailer were registered without extended registration.

Requires TxDMV and DPS, by rule, to establish a method to enforce the inspection requirements for motor vehicles, semitrailers, and trailers registered. Authorizes TxDMV to assess a fee to cover its administrative costs of implementing this subsection.
Requires TxDMV and DPS to ensure compliance with the motor vehicle inspection requirements, including compliance with the motor vehicle emissions inspection and maintenance program through a vehicle registration-based enforcement system.

Requires TxDMV and DPS to enter into an agreement regarding the timely submission by DPS of inspection compliance information to TxDMV.

Requires that the registration insignia for validation of a license plate be attached to the inside of the vehicle's windshield, if the vehicle has a windshield, in the lower left corner in a manner that will not obstruct the vision of the driver.

Defines "vehicle inspection report" to mean a report issued by an inspector or an inspection station for a vehicle that indicates whether the vehicle has passed the safety and, if applicable, emissions inspections required by this chapter.

Requires that the rules that DPS adopts for the periods of inspection include that a vehicle owner may obtain an inspection not earlier than 90 days before the date of expiration of the vehicle's registration and that a used motor vehicle sold by a dealer is required to be inspected in the 180 days preceding the date the dealer sells the vehicle.

Requires DPS to maintain an electronic database to which inspection stations may electronically submit inspection information.

Requires DPS by rule to require an inspection station to issue a vehicle inspection report to the owner or operator of each vehicle inspected by the station and issue a passing vehicle inspection report to the owner or operator of each vehicle inspected by the station that passes the required inspections.

Authorizes DPS to adopt rules regarding the issuance of vehicle inspection reports, including rules providing for the format and safekeeping of the reports.

Requires an inspection station or inspector, on completion of an inspection, to electronically submit to DPS's inspection database the vehicle identification number of the inspected vehicle and an indication of whether the vehicle passed the inspection and any additional information required by rule by DPS for the type of vehicle inspected.

Authorizes TxDMV or the county tax assessor-collector registering the vehicle, before a vehicle may be registered, to verify that the vehicle has passed the inspections as indicated in DPS's inspection database. Authorizes the owner of the vehicle, if the database information is not available, to present a vehicle inspection report issued for the vehicle.

Requires TCEQ to adopt standards for emissions-related inspection criteria consistent with requirements of the United States applicable to a county in which a the motor vehicle emissions inspection and maintenance program is established, and develop and impose requirements necessary to ensure that a passing vehicle inspection report is not issued to a vehicle subject to the motor vehicle emissions inspection and maintenance program and that information stating that a vehicle has passed an inspection is not submitted to DPS's database unless the vehicle has passed a motor vehicle emissions inspection at a facility authorized and certified by the department.
Authorizes a person to perform an inspection, issue a vehicle inspection report, or submit inspection information to DPS's inspection database only if certified to do so by DPS's rules.

Requires that $5.50 out of each inspection fee be remitted to the state.

Requires that $14.75 of each inspection fee for a passenger car or light truck be remitted to the state.

Requires that $10 of each inspection fee for a commercial motor vehicle be remitted to the state.

Requires TxDMV or a tax county assessor-collector that registers a motor vehicle that is subject to an inspection fee to collect at the time of registration of the motor vehicle the portion of the inspection fee that is required to be remitted to the state.

Requires TxDMV or the county tax assessor-collector to remit the fee to the comptroller of public accounts of the State of Texas.

Designating a Certain Portion of a Highway as Sam Rayburn Parkway—H.B. 2356
by Representative White—Senate Sponsor: Senator Nichols

Samuel "Sam" Rayburn represented Texas' 4th District in the United States House of Representatives from 1914 until his death in 1961. Rayburn served the longest tenure as the Speaker of the House in history, 17 years. Publicly honoring Rayburn by designating a portion of Recreational Road 255 in Jasper County as Sam Rayburn Parkway would be fitted memoriam in honor of his public service. This bill:

Designates the portion of Recreational Road 255 between State Highway 63 and U.S. Highway 96 in Jasper County as Sam Rayburn Parkway.

Requires the Texas Department of Transportation (TxDOT), provided that TxDOT is not required to design, construct, or erect a marker unless a grant or donation of funds is made to TxDOT to cover the cost of the design, construction, and erection of the marker, to design and construct markers indicating the designation as Sam Rayburn Parkway and any other appropriate information, and erect a marker at each end of the road and at appropriate intermediate sites along the road.

Feasibility Study Regarding Requiring Title For Certain Trailers—H.B. 2394
by Representative Perry—Senate Sponsor: Senator Hancock

This bill directs the Texas Department of Motor Vehicles (TxDMV) to conduct a study regarding the feasibility of requiring a title for each trailer, semitrailer, or travel trailer that is not manufactured housing. There is concern that current law does not require all trailers, semitrailers, and travel trailers that are not manufactured housing to be titled. Concerns have been raised that this has resulted in problems statewide, including theft and loss of revenue. Counties, in an effort to address these issues, have begun implementing regulatory policies, resulting in inconsistencies between counties across the state. Texas could benefit from a study relating to the feasibility of requiring title for all trailers, semitrailers, and travel trailers that are not manufactured housing. This bill:
Requires TxDMV to conduct a study regarding the feasibility of requiring title for each trailer, semitrailer, or travel trailer that is not manufactured housing.

Requires TxDMV, in conducting the study, in relation to all trailers, semitrailers, and travel trailers covered by the study to determine the cost and feasibility of assigning vehicle identification numbers; develop options for obtaining title; evaluate the processes of inspection, verification, and assignment of vehicle identification numbers; develop recommendations for requiring the permanent affixation of vehicle identification numbers; determine the approximate fiscal impact from theft and evaluate options to decrease this theft; and evaluate the level of access individuals in rural areas have to obtain title.

Requires TxDMV, in conducting the study, to use input from local governmental entities that provide title services for trailers, semitrailers, or travel trailers, automotive theft experts, statewide associations representing agricultural entities, and statewide associations of counties.

Authorizes TxDMV to use input from any other organization, as necessary.

Requires the comptroller of public accounts of the State of Texas, on the request of TxDMV, to assist TxDMV in conducting the study.

Requires TxDMV to prepare a report that contains its study findings and makes recommendations regarding possible legislative solutions to any problems found in the processes for obtaining title for trailers, semitrailers, or travel trailers covered by the study.

Requires TxDMV, not later than September 1, 2014, to submit the report to the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each legislative standing committee with primary jurisdiction over motor vehicles.

Provides that the study expires August 31, 2015.

Designation of a Portion of U.S. Highway 83 as the Purple Heart Trail—H.B. 2424
by Representative “Mando” Martinez et al.—Senate Sponsor: Senator Hinojosa

The Purple Heart Trail is a system of roads, highways, bridges, and monuments intended to honor the men and women who have been awarded one of the nation's oldest military medals, the Purple Heart Medal, which is awarded to service members wounded or killed in combat.

One stretch of the Texas portion of the national Purple Heart Trail runs from Dallas to San Antonio, then from San Antonio to South Padre Island and from San Antonio to Laredo. Currently there are no other Purple Heart Trail designations in deep South Texas. This bill:

Designates part of U.S. Highway 83 Business in Hidalgo and Cameron Counties as a portion of the national Purple Heart Trail.
Air Medal and Air Medal With Valor Specialty License Plate—H.B. 2485
by Representatives J.D. Sheffield and Cortez—Senate Sponsor: Senator Birdwell

Currently, a number of similar military honors, such as the Bronze Star, are included as Legion of Valor designations. The Bronze Star and Air Medals, while similar in regards to honorary recognition of combat service, are awarded for different purposes. The Bronze Star may not be presented for any activity dealing with aerial flight. Created in 1942, the Air Medal is awarded in times of airborne combat. Veterans from World War II, Korea, Vietnam, the Cold War Era, Desert Storm, and Operation Iraqi Freedom and Operation Enduring Freedom having earned either the Air Medal or Air Medal with Valor designation.

Based on a suggestion from retired Air Force officers from Copperas Cove, Texas, this bill will make the license plate designation more equal among the various branches of the United States Armed Forces. This bill:

Requires the Texas Department of Motor Vehicles to issue specialty license plates for recipients of the Air Medal and Air Medal With Valor.

Requires that license plates issued to recipients of the Air Medal include the Air Medal emblem and include the words "Air Medal" at the bottom of each plate.

Requires that license plates issued to recipients of the Air Medal With Valor that are not personalized also include the letter "V" as a prefix or suffix to the numerals on each plate.

Regional Mobility Authority Subregional Boards—H.B. 2536
by Representatives Geren and Capriglione—Senate Sponsor: Senator Nelson

Current law requires board members of a regional transportation authority to reside within the authority's geographic area. As a result, a resident of a municipality that has not held a confirmation election for the confirmation of an authority, and only receives services under contract, such as a resident of the City of Grapevine, is ineligible to serve on the board of a neighboring authority, such as the Fort Worth Transportation Authority (the T). Even though the City of Grapevine is receiving contract services and has made significant contributions and commitments of its sales tax revenues to the authority. In addition, current law does not expressly allow certain member jurisdictions of a transportation authority to appoint elected officials to serve on the board of the authority without compensation.

Legislation is needed to provide more direct accountability to the taxpayers who are supporting certain transportation authorities by amending provisions relating to the appointment of board members of a regional transportation authority. This bill:

Requires a member of a subregional board to be a qualified voter residing in the regional transportation authority (authority).

Authorizes an individual who does not reside in the authority to be appointed, if the individual is a qualified voter of and resides in a municipality that has entered into a contract with the authority to receive services and has adopted a sales tax to participate in the funding of a transportation project being planned, developed, or operated by the authority.
Sets forth the subregional board's membership requirements.

Provides that an elected officer of the state or a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the board is eligible, as an additional duty of office, to serve on the subregional board.

Provides that an elected officer who is a subregional board member is not entitled to receive compensation for serving as a member but is entitled to reimbursement for reasonable expenses incurred in performing duties as a member.

**Prohibitions and Restrictions on Using County Roads in Certain Circumstances—H.B. 2612**

*by Representative Flynn—Senate Sponsor: Senator Deuell*

Concerns have been raised that county roads are being damaged by overweight trucks and that road supervisors and county commissioners need additional authority to limit the damage to these roads. The growing oil production in the state has caused an increase of heavyweight traffic on county roads that are not designed to carry such loads. This has caused public safety concerns among county officials and has caused county roads to deteriorate at a faster rate. Concerns have also been raised that decisions cannot be arbitrary and must be based on sound transportation policy and not be unduly unreasonable to the transporting entity. This bill:

Authorizes a road supervisor to prohibit or restrict, if an alternative, more suitable road, is available within the county at the time, the use of a road or a section of a road under the supervisor's control by any vehicle that will unduly damage the road when certain conditions are met.

Requires the road supervisor, before prohibiting or restricting the use of a road to post notices that state the road and the expected duration of the prohibition or restriction, and identify the alternate route.

Authorizes the person, if the owner or operator of a vehicle that is prohibited or restricted from using a road is aggrieved by the prohibition or restriction, to file with the county judge of the county in which the restricted road is located a written complaint that sets forth the nature of the grievance.

Requires the county judge, on the filing of the complaint, to promptly set the issue for a hearing to be held not later than the third day after the date on which the complaint is filed.

Requires the county judge to give the road supervisor, the county engineer, and the commissioners court written notice of the date and purpose of each hearing.

Requires the county judge to hear testimony offered by the parties.

Requires the county judge, on conclusion of the hearing, to sustain, revoke, or modify the road supervisor's decision on the prohibition or restriction.

Authorizes a commissioners court to identify an alternate route to a road and require heavy vehicles having a gross weight of more than 60,000 pounds to travel the alternate route in order to prevent excessive damage to the road due to the volume of traffic by such heavy vehicles.
Requires that an alternate route identified be of sufficient strength and design to withstand the weight of the vehicles traveling the alternate route, including any bridges or culverts along the road and located within the same county.

Provides that a person who is required to operate or move a vehicle or other object on an alternate route identified is not liable for damage sustained by the road, including a bridge, as a result of the operation or movement of the vehicle or other object, unless the act, error, or omission resulting in the damage constitutes wanton, wilful, and intentional misconduct or gross negligence.

Creating an Offense For a Sale of a Vehicle by an Unlicensed Dealer—H.B. 2690
by Representative Elkins—Senate Sponsor: Senator Ellis

Current law prohibits persons from being in business as an automobile dealer, either directly or indirectly, including by consignment, without a dealer general distinguishing number for each location from which the person conducts business as a dealer. Many municipalities currently prohibit by ordinance the illegal sale of vehicles by unlicensed persons, known as curbstoning. Many of these ordinances are individually crafted with the assistance of state agencies and there are currently no effective provisions that may be uniformly enforced across the state. This bill:

Authorizes a peace officer, if a person is engaged in business as a dealer, to cause a vehicle that is being offered for sale by the person to be towed from the location where the vehicle is being offered for sale and stored at a vehicle storage facility.

Authorizes a peace officer to cause the vehicle to be towed only if the peace officer has a probable cause that the vehicle is being offered for sale by a person engaged in business as a dealer, the peace officer has complied with the notice requirements, and the notice was attached to the vehicle not less than two hours before the vehicle is caused to be towed.

Requires a peace officer, an appropriate local government employee, or an investigator employed by the Texas Department of Motor Vehicles, before a vehicle may be towed, to attach a conspicuous notice to the vehicle's front windshield or, if the vehicle has no front windshield, to a conspicuous part of the vehicle stating the make and model of the vehicle and the license plate number and vehicle identification number of the vehicle, if any; the date and time that the notice was affixed to the vehicle; that the vehicle is being offered for sale without a dealer general distinguishing number; that the vehicle and any property on or in the vehicle may be towed and stored at the expense of the owner of the vehicle not less than two hours after the notice is attached to the vehicle if the vehicle remains parked at the location; and the name, address, and telephone number of the vehicle storage facility where the vehicle will be towed.

Authorizes a peace officer, once notice has been attached to a vehicle, to prevent the vehicle from being removed by a person unless the person provides evidence of ownership in the person's name or written authorization from the owner of the vehicle for the person to offer the vehicle for sale in a manner other than by consignment.
Regulation of Motor Vehicles—H.B. 2741  
by Representative Phillips—Senate Sponsor: Senator Nichols

Through passage of H.B. 2357, 82nd Legislature, Regular Session, 2011, the Texas Department of Motor Vehicles (TxDMV) was provided with the statutory authorization needed to more fully utilize technology, to accept modern forms of payment, and to move forward with modern processes by removing statutory language tied to outdated technology. H.B. 2357 standardized and moved definitions to one location within the Transportation Code in order to create uniformity. S.B. 1420, 82nd Legislature, Regular Session, 2011, was the Sunset bill for the Texas Department of Transportation (TxDOT) that moved the oversize/overweight permit function from TxDOT to TxDMV.

General clean-up language and replacing references and definitions in certain sections of the Transportation Code and the Occupations Code and renumbering of the statutes is needed. This bill:

Makes various changes to motor vehicle registration, titling, and TxDMV statutes.

Creates four new annual permits: a permit to move unrefined timber in Texas timber production counties; a permit for ready-mixed concrete transport; a permit to deliver relief supplies during a national emergency; and a permit issued by the Hidalgo County Regional Mobility Authority for the transport of agriculture products.

Redefines the definition of “timber products” to include wood chips and woody biomass and excludes poles and pilings.

 Requires that permitted haulers notify TxDOT and each county, electronically via the TxDMV website, of the dates and roads that will be traveled.

Increases weight allowances for timber haulers using a new permit. Provides that vehicles moving with this permit can exceed legal gross weight by up to 4,000 pounds and legal tandem axle group weight by up to 10,000 pounds.

Requires applicants to provide to TxDMV a bond or letter of credit issued to TxDOT prior to permit issuance.

Sets the overweight annual permit fee at $1,500.

Repeals the requirement for ready-mixed concrete trucks to file and carry a copy of a state certified bond.

Requires that carriers that elect to exceed single-axle and tandem-axle weights as previously provided for with the bond obtain a permit.

Requires that the vehicle be equipped with three axles and the applicant to designate the counties of travel to apply for the permit.

Provides that the new permit adds authorization for these vehicles to travel on interstate frontage roads, a privilege not allowed under the previous surety bond system.
Sets the annual permit fee at $1,000.

Repeals TxDMV's authority to issue temporary vehicle registration through wire service agents.

Allows TxDMV to issue temporary tags to wire services to resell to motor carriers.

Requires carriers to obtain temporary registration directly from TxDMV or a county tax assessor-collector's office.

Authorizes the governor to waive permits for motor carriers performing emergency assistance, to the extent allowed under federal law.

Authorizes TxDMV to issue a special time-based permit for a vehicle to haul oversize or overweight divisible loads that consist of relief supplies in response to a national emergency declared by the President.

Grants the TxDMV board rulemaking authority to establish requirements for these permits, including routing, hours of operation, weight limits, lighting requirements, and escort vehicles.

Provides that termination of a dealer franchise requires compliance with current law regarding termination or discontinuance of franchise for additional payment to franchise dealers.

Allows a license to be denied, revoked, or suspended and disciplinary action taken by order of the TxDMV board after an opportunity for a hearing is provided, consistent with the Administrative Procedure Act.

Establishes a penalty for failing to display two license plates on a vehicle.

Provides that a general penalty of a misdemeanor with a fine of not less than $5 or more than $200 is added for all other license plate violations.

Allows a county to contract with another county to perform mail-in and online registration and titling duties and responsibilities.

Provides that applications for a disabled parking placard may now be submitted to the tax assessor-collector of the county where the applicant is seeking medical treatment if the applicant is from out of state.

Authorizes applicants to use military identification or a driver's license issued by another state or country if the applicant has entered Texas for the purpose of medical treatment.

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**Regulation of Certain Motor Vehicles Sold by a Dealer—H.B. 2874**

_by Representative Harper-Brown—Senate Sponsor: Senator Paxton_

Concerns have been raised that the date of the month on which a car is purchased can impact registration renewal periods. A dealership in Texas currently has up to 30 days to submit the car purchase information to the county tax assessor-collector, and the submission date in practice becomes the date of sale, rather than the actual date of purchase. For example, a vehicle purchased on May 1 is likely to have a registration sticker date of May, while a vehicle purchased on May 15 could possibly have a registration
sticker date of June. There is an inconsistency in the date of vehicle registration renewal as a result of this system. This bill:

Requires the Texas Department of Motor Vehicles to use the date of sale of the vehicle in designating the registration year for a vehicle for which registration is applied.

Provides that this legislation applies only to a vehicle registered on or after the effective date of this Act.

**Enforcement Officers For Metropolitan Rapid Transit Authorities—H.B. 3031**  
*by Representative Fletcher—Senate Sponsor: Senator Ellis*

Under current law, a rapid transit authority confirmed before July 1, 1985, in which the principal municipality has a population of less than 850,000 may employ persons to serve as fare enforcement officers to conduct fare inspections and issue citations to individuals who do not show proof of payment to use bus or rail services. Authorities in cities with populations that exceed that number have also shown interest in having this power. This bill:

Authorizes a rapid transit authority to employ persons to serve as fare enforcement officers to enforce the payment of fares for use of the public transportation system by requesting and inspecting evidence showing payment of the appropriate fare from a person using the public transportation system, and issuing a citation to a person if who is unable to provide that evidence.

**Designation of U.S. Highway 80 as a Historic Highway—H.B. 3070**  
*by Representative Simpson—Senate Sponsor: Senator Eltife*

U.S. Highway 80 was one of the nation's first numbered highways, stretching from coast to coast between Georgia and California with a portion running through Gregg and Upshur counties. The highway provided an economic boom for East Texas and the Longview area specifically. Several businesses opened along the roadside, drawing people into Longview. Due to this history, citizens in Longview would like a portion of U.S. Highway 80 to be designated as a historic highway. This bill:

Requires the Texas Historical Commission (THC) to cooperate with the Texas Department of Transportation (TxDOT) to designate, interpret, and market the portion of U.S. Highway 80 in Gregg and Upshur Counties as a Texas Historic Highway.

Authorizes THC and TxDOT to pursue federal funds dedicated to highway enhancement for the purposes of this bill.

Provides that TxDOT would not be required to design, construct, or erect a marker for that portion of U.S. Highway 80 unless a grant or donation of funds is made to cover all costs.
Regulation of Automotive Wrecking and Salvage Yards in Certain Counties—H.B. 3085 [VETOED]

by Representative Walle—Senate Sponsor: Senator Garcia

Concerns have been raised regarding various automotive wrecking and salvage yards in Harris County that are liable to be in violation of statutes regarding the regulation of automotive wreckage and salvage yards. The presence of junkyards lowers property values, diminishes quality of life, and presents a health risk to area residents. Deterrence is needed to limit the impact of these junkyards on property values, quality of life, and the public health to area residents. This bill:

Provides that, in addition to the Class C misdemeanor for each day, a person who operates an automotive wrecking and salvage yard in violation of state law is liable for a civil penalty of not less than $500 or more than $5,000.

Authorizes a separate penalty to be imposed for each day a continuing violation occurs.

Route Designation For Overweight Vehicles in Certain Counties—H.B. 3125

by Representative Lucio III—Senate Sponsor: Senator Lucio

When port authorities along the border with Mexico issue permits to oversize and overweight vehicles, the permits are issued with the proviso that the drivers of these vehicles will use the direct routes designated by the Texas Transportation Commission (TTC). One of these designated routes is currently from the Gateway International Bridge or the Veterans International Bridge at Los Tomates to the entrance of the Port of Brownsville. Concerns have been raised that an additional route is needed to provide transportation efficiencies regarding freight. This bill:

Requires TTC, for an oversize or overweight vehicle permit issued by a port authority located in a county that borders the United Mexican States, to, with the consent of the port authority, designate the most direct route from the Free Trade International Bridge to the entrance of the Port of Brownsville using Farm-to-Market Road 509, United States Highways 77 and 83, Farm-to-Market Road 511, State Highway 550, and East Loop (State Highway 32).

Authorization For Optional Vehicle Registration Fee For Certain Counties—H.B. 3126

by Representative Lucio III—Senate Sponsor: Senator Lucio

Concerns about the lack of transportation infrastructure funds have left counties to find alternative ways to raise capital for local projects. Furthermore, additional funds are needed to build roads to connect residents to the numerous state and national toll roads currently under construction in border counties and to repair existing roads that lead to these toll roads. Additionally, the number of overweight and oversize commercial trucks coming from Mexico has significantly increased since the enactment of the North American Free Trade Agreement (NAFTA) and may increase further with the expansion of the Panama Canal. This significantly contributes to the deterioration of these county roads, necessitating additional transportation maintenance projects. The current limit on vehicle registration fees does not provide sufficient money to contribute to these necessary transportation projects and that these counties should have the authority to impose additional fees to cover costs associated with constructing and maintaining these roads. This bill:
TRANSPORTATION

Authorizes the commissioners court of Cameron County to increase the current vehicle registration fee to an amount that does not exceed $20 if approved by a majority of the qualified voters of the county voting on the issue at a referendum election, which the commissioners court is authorized to order and hold for that purpose.

Operation of Farm Vehicles on a Road—H.B. 3256

by Representatives Kacal and Cook—Senate Sponsor: Senator Uresti

The 82nd Legislature created the agriculture and timber producers registration number for tax exemption purposes. However, current statute does not require the producer to present this tax identification number when applying for agriculture considerations such as specialty agriculture license plates, vehicle registration, or short term permits to carry excess weight. Concerns have been raised that these agriculture considerations can be abused without the producers having to present the tax registration number. This bill:

Prohibits a specialty license plate from being issued to an owner of a farm trailer or farm semitrailer with a gross weight of more than 4,000 pounds but not more than 34,000 pounds that is used for certain purposes unless the vehicle's owner provides a registration number issued by the comptroller of public accounts of the State of Texas (comptroller).

Requires the comptroller to allow access to the online system that validates the registration number.

Prohibits a commercial motor vehicle from being registered unless the vehicle's owner provides a registration number issued by the comptroller.

Prohibits a permit from being issued unless the vehicle's owner provides a registration number issued by the comptroller.

Requires the comptroller to allow access to the online system established to verify a registration number for certain farm related commercial motor vehicle, truck-tractor, trailer, or semitrailer.

Provides that this does not apply to a permit issued to a retail dealer of tools or equipment that is transporting the tools or equipment from the place of purchase or storage to the customer's farm or ranch.

Donations For Texas Highway Landscaping—H.B. 3422

by Representative Lavender—Senate Sponsor: Senator Eltife

Texas has landscape donation programs for state highways, but these programs are not currently in use for various reasons, including lack of funding, lack of awareness about the programs, and the need to standardize Texas Department of Transportation (TxDOT) agreements with local governments. Requiring the Texas Transportation Commission (TTC) to create a program that would provide TxDOT with more authority to develop methods for landscaping state highways could help improve the landscaping along the state's highways. This bill:
Requires TTC by rule to establish a program under which TxDOT is authorized to accept from any source, including an individual or a private business or organization, donations of landscape materials for state highways.

Authorizes the program to provide for TxDOT to enter into an agreement with an individual or private business or organization for the individual or entity to provide, at no cost to TxDOT, services for the installation or maintenance of landscaping on state highways.

Port of Port Arthur Navigation District Commissioners—H.B. 3471
by Representative Deshotel—Senate Sponsor: Senator Williams

The board of port commissioners of the Port of Port Arthur Navigation District of Jefferson County recently conducted an informal survey from which they determined that commissioners of other comparable districts are compensated at a considerably higher rate than are the Port Arthur port commissioners. The commissioners and the board president subsequently requested an increase to bring their compensation in line with that of comparable districts. This bill:

Requires each commissioner to receive adequate compensation for performing duties as a commissioner with the compensation set by the Board of Port Commissioners (BPC), plus actual traveling expenses.

Requires BPC to set the compensation of the secretary, general manager, attorneys, engineers, and all other employees, and requires BPC to set and determine the term and time of employment of all officers and employees of the district, provided that all officers and employees of the district, except the commissioners themselves, are required to hold their offices subject to the will of BPC.

Deletes existing text requiring that each commissioner receive $200 per month for performing duties as a commissioner, and that for the president receive $250 per month.

Driver Education Course Requirements—H.B. 3483
by Representative Fletcher—Senate Sponsor: Senator Watson

An extended learner’s stage that includes supervised driving hours is an effective component of a comprehensive process for young adults to obtain their driver's licenses, as recommended by the National Safety Council. Texas is one of a few states that require fewer than the number of supervised driving hours recommended by the National Safety Council as part of the comprehensive driver's education process.

Current statute prohibits drivers under the age of 18 from driving between the hours of midnight and 5:00 A.M. unless it is for work, attending school-related activities, or a medical emergency for the first 12 months the driver is licensed. This has the result of causing some youths to be under the curfew while others the same age are not. This bill:

Increases from 20 to 30 the number of hours of behind-the-wheel instruction in the presence of a qualified adult that a driver education course must require a student to complete.
Prohibits a person under 18 years of age from operating a motor vehicle with more than one passenger in the vehicle under 21 years of age who is not a family member or after midnight and before 5:00 A.M. unless the operation of the vehicle is necessary for the operator to attend or participate in employment or a school-related activity or because of a medical emergency.

Authorizes a driver education course provider to administer the highway sign and traffic law portions of the driver's license examination.

Authorizes licensed driver education schools to use electronic means to administer the highway sign and traffic law portions of the driver's license examination.

Designation of Segment of U.S. Highway 75 as Presidential Library Expressway—H.B. 3520
by Representative Branch et al.—Senate Sponsor: Senator Carona

The George W. Bush Presidential Center opened on April 25, 2013, on the campus of Southern Methodist University. The center, at the southwest corner of SMU Boulevard and U.S. 75 (North Central Expressway), includes former President George W. Bush's presidential library and museum, a major attraction for tourists and scholars. This legislation seeks to name the adjacent four-mile portion of North Central Expressway (between its intersection with Knox Street/North Henderson Avenue and its intersection with Northwest Highway) as the Presidential Library Expressway to honor President Bush and assist those seeking the Bush Center and Presidential Library. This bill:

Designates the portion of U.S. Highway 75 in Dallas County between its intersection with Knox Street/North Henderson Avenue and its intersection with Northwest Highway as the Presidential Library Expressway.

Provides that the designation is in addition to any other designation.

Requires the Texas Department of Transportation (TxDOT) to design and construct markers indicating the designation as the Presidential Library Expressway and any other appropriate information and erect a marker at each end of the highway and at appropriate intermediate sites along the highway.

Requires TxDOT to accept a grant or donation made to assist in financing the construction and maintenance of a marker.

Prohibits TxDOT from designing, constructing, or erecting a marker under this section unless a grant or donation of funds is made to TxDOT to cover the cost of the design, construction, and erection of the marker.

Designation of the Chief Petty Officer Stephen "Matt" Mills Bridge—H.B. 3568
by Representative Kleinschmidt—Senate Sponsor: Senator Watson

Chief Special Warfare Operator (SEAL) Stephen M. Mills was a member of SEAL Team THREE, was later selected to be a naval Special Warfare Development Group Operator, and reported for duty on the East Coast where he completed numerous deployments around the world in support of the global war on terrorism. He was a highly decorated combat veteran with numerous honors, including two Bronze Star
Medals with Valor, a Joint Service Commendation Medal, a Purple Heart Medal, and many more personal and unit awards and decorations.

Chief Petty officer Mills died while conducting special operations as a member of Navy Special Warfare in Afghanistan on August 6, 2010. Designating the structure on Loop 150 in the City of Bastrop connecting the east and west banks of the Colorado River as the Chief Petty Officer (SOC) Stephen "Matt" Mills Bridge would be a fitting memorial for Mills. This bill:

Designates the structure on Loop 150 located in the city of Bastrop connecting the east and west banks of the Colorado River as the Chief Petty Officer (SOC) Stephen "Matt" Mills Bridge.

Requires the Texas Department of Transportation to obtain a grant or donation of funds to design and construct markers indicating the designation as the Chief Petty Officer (SOC) Stephen "Matt" Mills Bridge and any other appropriate information, and to erect a marker at each end of the structure.

Individual’s Responsibilities Following a Motor Vehicle Accident—H.B. 3668
by Representative Naishtat et al.—Senate Sponsor: Senator Ellis

Texas law currently requires an operator of a motor vehicle involved in an accident resulting in injury or death of a person to immediately stop at the scene of the accident, or immediately return to the scene if the driver did not stop, and remain at the scene to render reasonable aid and assistance to a person who is injured, or possibly killed. If an individual fails to follow the prescribed steps, he or she is presumably guilty of failure to stop and render aid, which is a third degree felony if the victim is killed or suffers a serious bodily injury. In order to successfully prosecute failure to stop and render aid, the state must prove that the operator knew that the accident had resulted in death or injury of another, and made the conscious choice to leave the scene without rendering aid. This bill:

Requires the operator of a vehicle involved in an accident that results or is reasonably likely to result in injury to or death of a person to perform certain duties, including immediately determining whether a person is involved in the accident, and if a person is involved in the accident, whether that person requires aid.

Restrictions on Drivers Under 18 Years of Age—H.B. 3676
by Representative Phillips—Senate Sponsor: Senator Paxton

Current law prohibits a driver under the age of 18 from using a cellular phone while driving and prohibits a newly licensed driver under the age of 18, during the 12-month period after licensure, from driving between midnight and 5 a.m. and from carrying more than one passenger in the vehicle who is under 21 years old and not a family member. However, a driver under the age of 18 who has received a hardship license is exempted from these prohibitions. Including the holder of a hardship license in these driving-related prohibitions applicable to certain teen drivers by removing the exemption for the holder of a hardship license would provide equity to all drivers under the age of 18 while increasing public safety. This bill:

Requires hardship license holders to adhere to the same driving restrictions as those currently applied to drivers under 18 years of age.
Foundation School Program License Plates—H.B. 3677
by Representative Farney et al.—Senate Sponsor: Senator Patrick

The Texas Legislature has the ability to create new specialty license plates and has done so many times. Millions of Texans hold personalized license plates created for various causes and organizations and this program has generated revenue for those valuable purposes. Creating a new revenue stream for the Foundation School Program can further its success. This bill:

Requires the Texas Department of Motor Vehicles (TxDMV) to issue specially designed license plates to benefit the Foundation School Program.

Requires TxDMV to design the license plates in consultation with the Texas Education Agency.

Requires TxDMV, after deduction of TxDMV's administrative costs, to deposit the remainder of the fee for issuance of license plates to the credit of the foundation school fund.

Designation of Portion of State Highway 358 as the Peace Officers Memorial Highway—H.B. 3831
by Representatives Herrero and Hunter—Senate Sponsor: Senator Hinojosa

Lieutenant Stuart Alexander, a 20-year veteran of the Corpus Christi Police Department, was killed on State Highway 358 in the line of duty on March 11, 2009. He is survived by his wife, his son, and three grandchildren. Designating a portion of State Highway 358 as the Peace Officers Memorial Highway would honor Lt. Alexander and other peace officers who have sacrificed their lives in service to their communities. This bill:

Designates a portion of State Highway 358 from Interstate Highway 37 to State Highway 286 in Nueces County as the Peace Officers Memorial Highway.

Provides that the designation is in addition to any other designation.

Requires the Texas Department of Transportation (TxDOT) to obtain a grant or donation of funds to cover the cost to design and construct markers indicating the designation as the Peace Officers Memorial Highway and any other appropriate information, and to erect a marker at each end of the highway and at appropriate intermediate sites along the highway.

Motorcycle Training Requirements—H.B. 3838
by Representative Phillips—Senate Sponsor: Senator Hancock

Motorcycles have become an increasingly popular mode of transportation for Texans, but the inherent risks associated with riding on a motorcycle have prompted observers to note the importance of properly equipping motorcycles to support passengers and properly educating motorcycle operators on how to safely carry passengers. The intent of this bill is to establish Malorie's Law, in remembrance of Malorie Bullock, to increase motorcycle safety for passengers. This bill:
Requires an applicant for an original Class M license or a Class A, B, or C driver's license that includes an authorization to operate a motorcycle to furnish to the Department of Public Safety of the State of Texas (DPS) evidence satisfactory to DPS that the applicant has successfully completed a motorcycle operator training course.

Requires DPS to issue a Class M license that is restricted to the operation of a three-wheeled motorcycle if the motorcycle operator training course completed by the applicant is specific to the operation of a three-wheeled motorcycle.

Prohibits an operator from carrying another person on a motorcycle, and a person who is not operating the motorcycle from riding on the motorcycle, unless the motorcycle is designed to carry more than one person, and equipped with footrests and handholds for use by the passenger.

Requires that a motorcycle that is designed to carry more than one person be equipped with footrests and handholds for use by the passenger.

Provides that the motorcycle operator training and safety program is required to contain information regarding operating a motorcycle while carrying a passenger, and is authorized, rather than required, to include curricula developed by the Motorcycle Safety Foundation.

Prohibits a person from offering or conducting a training in motorcycle operation for consideration unless the person is licensed by or contracts with the designated state agency.

Creates a misdemeanor penalty for individuals providing motorcycle operator training who are not authorized to provide such training by DPS.

Authorizes DPS to deny, suspend, or cancel the agency's approval of motorcycle operation instructors prior to an administrative hearing.

**Designation of the Officer Angel David Garcia Memorial Interchange—H.B. 3946**

*by Representative Naomi Gonzalez et al.—Senate Sponsor: Senator Rodríguez*

Texans lost an exceptional young police officer with the death of Officer Angel David Garcia. Officer Garcia earned his diploma from Clint High School in 2004, and went on to serve his country in the United States Marine Corps, serving in Iraq and Afghanistan. Following his military service, he pursued his dream of becoming a police officer and began training at the police academy. He excelled in his training and was made commander of his class. Officer Garcia was commissioned on March 2, 2012, by the El Paso Police Department. His brief career in law enforcement was marked by his strong work ethic and willingness to serve others in need. Officer Garcia was involved in a traffic accident while removing a traffic hazard on December 16, 2012, and was taken to Del Sol Medical Center, where he passed away at the age of 27. He is survived by his parents, grandparents, and siblings. Designating the Officer Angel David Garcia Memorial Interchange would honor Garcia and his memory with a fitting tribute to his selfless service to Texas and to our country. This bill:

Designates the interchange in El Paso between Interstate Highway 10 and Joe Battle Boulevard as the Officer Angel David Garcia Memorial Interchange.
Requires the Texas Department of Transportation (TxDOT) to design and construct markers indicating the designation as the Officer Angel David Garcia Memorial Interchange and any other appropriate information.

Requires TxDOT to erect a marker at one or more sites on the interchange and approaching the interchange in each direction.

**Designation of the Sergeant Travis E. Watkins Memorial Highway—S.B. 139**
*by Senator Eltife—House Sponsor: Representative Simpson et al.*

Master Sergeant Travis E. Watkins was born on September 5, 1920, in Waldo, Arkansas, but was raised in Troup, Texas. Sergeant Watkins was posthumously awarded the Congressional Medal of Honor for his heroic actions during the Korean War, where he gave his life saving the lives of his fellow soldiers. Sergeant Watkins is buried in the Gladewater Memorial Park Cemetery in East Texas, and interested parties note that the local American Legion Post has bestowed upon him the honor of having a post named after him in memory of his gallant sacrifices for his fellow service members and for his country. Sergeant Watkins has also been honored by the State of Texas, which named the newest veterans home in Tyler for him and another notable East Texas veteran. Designating a segment of highway would further pay tribute to Sergeant Watkins and honor his life and service to the United States of America. This bill:

Designates the portion of U.S. Highway 80 from U.S. Highway 271 in Gregg County to the eastern municipal boundary of Big Sandy in Upshur County as the Sergeant Travis E. Watkins Memorial Highway, in addition to any other designation.

Requires the Texas Department of Transportation, subject to a grant or donation of funds, to design and construct markers indicating the designation as the Sergeant Travis E. Watkins Memorial Highway and any other appropriate information and to erect a marker at each end of the highway and at appropriate intermediate sites along the highway.

**Specialty License Plates For Graduates of Certain Military Academies—S.B. 165**
*by Senator Van de Putte—House Sponsor: Representative Creighton*

The rigorous standards of the United States service academies breed excellence among those with the discipline and fortitude to persevere through them and earn their degree. However, a diploma is not the only thing achieved upon graduation. Many cadets choose to accept a commission and enter into the service of our country. Allowing current or former commissioned officers who graduated from the Merchant Marine and Coast Guard service academies to display their achievement through a specialized license plate would be a fitting sign of gratitude to these men and women. This bill:

Requires the Texas Department of Motor Vehicles to issue specialty license plates for certain persons, including persons who are graduates of the United States Merchant Marine Academy and the United States Coast Guard Academy.
Authorized Emergency Vehicles—S.B. 223

by Senator Watson—House Sponsor: Representative Cortez et al.

During the intense wildfire season of 2011, the Texas Division of Emergency Management (TDEM) played a critical role in coordinating the response of state agencies. Vehicles operated by TDEM are not currently authorized to be used as "emergency vehicles" during a local or state disaster, therefore these emergency responders are prohibited from using lights or sirens on their vehicles and are not granted immediate access to priority areas. In order to expand the availability of emergency services the Texas Emergency Management Council, in concert with the chief of TDEM and the director of the Department of Public Safety of the State of Texas (DPS), could authorize certain organizations like the Red Cross or Salvation Army to operate certain vehicles as designated emergency vehicles in the case of a disaster under Section 418.013 (Emergency Management Council), Government Code. This bill:

Redefines "authorized emergency vehicle" to include a vehicle that has been designated by DPS.

Requires DPS to designate vehicles of the Texas Division of Emergency Management that may be operated as authorized emergency vehicles.

Permits Overweight and Oversize Vehicles in Certain Counties—S.B. 274

by Senator Williams—House Sponsor: Representative Eiland

This bill is a local bill designed to extend the heavy haul corridor in Chambers County to include access to all of the industrial parks centrally located in the same part of the county. The extension will provide a safe and efficient route for all overweight truck traffic moving through the industrial area. This corridor will help facilitate port-related cargo transportation between facilities and businesses along the State Highway 99, Farm-to-Market Road 565, and Farm-to-Market Road 1405 corridors. This bill:

Identifies portions of certain state highways in Chambers County on which the Texas Transportation Commission has authorized the county to issue permits for the movement of oversize or overweight vehicles carrying cargo.

Specifies that in addition to other roads, such a permit may authorize the transport of cargo on certain frontage roads.

Authority of Transportation Authorities to Create a Local Government Corporation—S.B. 276

by Senators Watson and Nelson—House Sponsor: Representative Crownover

There has been concern about the efficiency of public transit in certain areas of the state such as North Central Texas and about the timeframe for implementing transportation projects in such areas. Denton County Transportation Authority is currently unable to meet the growing demand for transit services beyond the limits of its existing member cities. Most cities within Denton County that have adopted an economic development sales tax are unable to increase local sales taxes and do not have the long-term funding required to participate in the transportation authority as a member city. Formation of a local government corporation could be a solution to this issue, enabling the authority to expand service to those cities in Denton County and at the same time protect the investments of the authority's legacy members. Under
current law, however, neither a metropolitan rapid transit authority nor a coordinated county transportation authority is authorized to form such a corporation, unlike regional transportation authorities. This bill:

Redefines "local government," for purposes of statutory provisions in the Texas Transportation Corporation Act relating to local government corporations, to include a rapid transit authority and a coordinated county transportation authority.

Texas Department of Transportation Participation in Federal Programs—S.B. 466
by Senators Hinojosa and Nichols—House Sponsor: Representative Harper-Brown et al.

The Texas Department of Transportation (TxDOT) is currently unable to take advantage of recent changes in federal law. The changes in federal law would allow TxDOT, if given appropriate authority in state law, to be the delegated federal authority with respect to duties under the federal National Environmental Policy Act of 1969 and certain other federal laws. This delegation could improve the efficiency of the environmental review process for transportation projects in Texas without reducing the number and nature of federal environmental requirements. This has been highly successful in other states, resulting in a substantial reduction in the amount of time required for certain environmental reviews and expedited construction of many transportation projects. This bill:

Authorizes TxDOT to assume responsibilities of the United States Department of Transportation with respect to duties under the federal National Environmental Policy Act of 1969 and with respect to duties under other federal environmental laws.

Authorizes TxDOT to assume responsibilities under specified federal law relating to categorical exclusions of certain designated activities regarding environmental assessments or environmental impact statements and under specified federal law relating to the surface transportation project delivery pilot program.

Authorizes TxDOT to enter into one or more agreements, including memoranda of understanding, with the U.S. Secretary of Transportation related to the designation of such categorical exclusions or related to the delivery program.

Authorizes the Texas Transportation Commission to adopt rules to implement the bill's provisions and to adopt relevant federal environmental standards as the standards for Texas for a program described by the bill's provisions.

Specifies that sovereign immunity to suit in federal court and from liability is waived and abolished with regard to the compliance, discharge, or enforcement of a responsibility assumed by TxDOT under the bill's provisions.

Specifies that such waiver and abolishment do not create liability for TxDOT that exceeds the liability created under the related federal law.
All-Terrain Vehicles and Recreational Off-Highway Vehicles—S.B. 487
by Senator Davis—House Sponsor: Representative Lavender

According to the Outdoor Industry Association, $646 billion annually is being spent nationwide on outdoor recreation. According to Environment Texas, a state environmental group, in Texas alone, consumers spend $28.7 billion a year all-terrain vehicle (ATV), and recreational off-highway vehicle (ROV) use. Over the last several years, the sale of saddle-seat ATVs and ROVs has declined across the country while the sale of side-by-side seat vehicles has increased. In reaction to consumer demand, trail-accessible side-by-side vehicles have been introduced. Even though these vehicles are similar in size to traditional straddle-seat ATVs, they are not currently allowed to be ridden on certain ATV trails in Texas due to the seating configuration.

This legislation addresses this issue by updating the definitions for ATVs and ROVs in an effort to encompass the industry's current and future product offerings and permit the latest vehicles to be legally ridden on all ATV trails. This is part of an effort to update definitions across the country to ensure consistency among state definitions, thus allowing manufacturers to react more quickly to consumer demand and ensure a consistent customer experience. This bill:

Redefines "all-terrain vehicle" to mean a motor vehicle that meets certain criteria, including being equipped with a seat or seats, rather than a saddle, for certain persons, and being not more than 50 inches wide.

Redefines "recreational off-highway vehicle" to mean a motor vehicle that meets certain criteria, including being equipped with a seat or seats, rather than a non-straddle seat, for the use of certain persons, including a passenger or passengers, if the vehicle is designed by the manufacturer to transport a passenger or passengers.

Penalty For Passing Certain Vehicles on a Highway—S.B. 510
by Senator Nichols—House Sponsor: Representatives "Mando" Martinez and McClendon

Unfortunately, highway workers are losing their lives as a result of being struck by traveling motorists while on the job. According to the Texas Department of Transportation (TxDOT), over 100 TxDOT employees working within a work zone or near the shoulder of a roadway have died since the 1930s as a result of being struck by motorists, with several of these fatalities occurring within the last decade. Working and traveling on highways in Texas would be safer if Texas would require motorists to vacate the lane closest to the highway maintenance or construction vehicle or to slow down when nearing a stopped highway maintenance or construction vehicle if the vehicle has overhead lights activated. Legislation sometimes referred to as the “move over/slow down” law requires a driver approaching a stationary authorized emergency vehicle or a stationary tow truck with lights activated to either slow down or change lanes. Such legislation is needed in Texas. This bill:

Provides that this section applies only to a stationary, authorized emergency vehicle using visual signals and a stationary tow truck, and a TxDOT vehicle not separated from the roadway by a traffic control channelizing device and using visual signals that comply with the standards and specifications.
Requires an operator, on approaching a vehicle described above, unless otherwise directed by a police officer, to vacate the lane closest to the vehicle when driving on a highway with two or more lanes traveling in the direction of the vehicle or slow to a speed not to exceed certain miles per hour.

Provides that an operator who violates the requirements commits a misdemeanor offense punishable by a fine of not less than $1 or more than $200; punishable by a fine of $500 if property damage occurs; or a Class B misdemeanor if the violation results in bodily harm.

Provides that a Class B misdemeanor is punishable by a fine of not more than $2,000, confinement in jail for a term not to exceed 180 days, or both.

**Inclusion of Veteran’s Branch of Service Emblem on Specialty License Plates—S.B. 530**
*by Senator Birdwell et al.—House Sponsor: Representatives Orr and Cortez*

Many disabled veterans have expressed the desire to have their specialty license plates identify the branch of the military in which they served. Authorizing the issuance of disabled veteran license plates that include the emblem of the veteran’s branch of service would provide a fitting recognition in service for their service. This bill:

Authorizes a specialty license plate issued to a disabled veteran, on request, to include the emblem of the veteran's branch of service or one emblem from another license plate to which the person is entitled under provisions relating to the issuance of a specialty license plate for recipients of certain military medals, former prisoners of war, and Pearl Harbor survivors.

**Specialty License Plates to Honor Recipients of the Defense Superior Service Medal—S.B. 563**
*by Senator Hegar—House Sponsor: Representative Zerwas*

The Defense Superior Service Medal award was established on February 6, 1976, by an executive order issued by President Gerald R. Ford. The medal is awarded by the Secretary of Defense to military officers for exceptional service within the Office of the Secretary of Defense, The Joint Chiefs of Staff, special or outstanding command in a defense agency, or any other joint activity designated by the Secretary of Defense. Authorizing the Texas Department of Motor Vehicles (TxDMV) to issue a license plate to recognize individuals who have received the Defense Superior Service Medal while serving in the United States Department of Defense would be a fitting expression of gratitude to these service members. There is no current law allowing for a license plate for the recipients of the medal. This bill:

Requires TxDMV to issue specialty license plates for recipients of the Defense Superior Service Medal.

Requires that license plates include the words "Defense Superior Service Medal" at the bottom of each plate.

Requires a person applying for a set of license plates to pay the registration fee and the applicable special plate fee, except that one set of license plates is required to be issued without the payment of the registration fee.
Specialty License Plates For Certain Veterans of Operation Enduring Freedom—S.B. 597
by Senator Birdwell et al.—House Sponsor: Representative Van Taylor et al.

The Texas Department of Motor Vehicles (TxDMV) currently issues specialty license plates for commercial and personal vehicles registered in Texas to current members of the military or to military veterans. Options for such specialty license plates range from displaying a service member's or veteran's branch of service, awards received while in uniform, or the tour served by the service member or veteran. While there is currently a specialty plate for persons who served in Operation Enduring Freedom that displays the words "Enduring Freedom," there is no specialty plate available specifically for those who served in the Afghanistan theater of that operation. Creating a new plate specific to the Afghanistan theater of Operation Enduring Freedom that displays the words "Enduring Freedom Afghanistan" would honor these veterans.

This bill:

Requires TxDMV to issue specialty license plates for persons who served in the U.S. military and participated in Operation Enduring Freedom in Afghanistan.

Requires that the license plates include the words "Enduring Freedom Afghanistan."

Motorcycle Training Standards—S.B. 763
by Senator Watson—House Sponsor: Representative Phillips

Motorcycle training and safety programs are crucial to making Texas roadways safer for both motorcyclists and other drivers. The operation of three-wheeled motorcycles, which is significantly different from the operation of a typical motorcycle, has recently increased. Interested parties note that, although there are some training courses for the operation of three-wheeled motorcycles that are distinct from the available training courses for the operation of the more common two-wheeled motorcycles, these three-wheeled motorcycle training courses are more costly and less readily available than comparable courses for two-wheeled motorcycles and that, consequently, there is a growing need for alternative state-approved training courses and licensing requirements specific to these three-wheeled motorcycles. This bill:

Requires the Department of Public Safety of the State of Texas (DPS) to issue a Class M license that is restricted to the operation of a three-wheeled motorcycle if the motorcycle operator training course completed by the applicant is specific to the operation of a three-wheeled motorcycle.

Requires the motorcycle operator training and safety program to include curricula approved by the state agency administering the program.

Makes a violation of the prohibition against unauthorized training a Class B misdemeanor offense and enhances the penalty for a subsequent conviction of such offense to a Class A misdemeanor.

Requires notice and opportunity for a hearing on the denial, suspension, or cancellation of approval for a program sponsor to conduct or for an instructor to teach a program course to be given following denial, suspension, or cancellation of the approval.

Repeals a provision authorizing any peace officer to stop and detain a motorcycle, motor driven cycle, or moped to determine whether the vehicle is of a model and make certified by DPS.
Management of a Coordinated County Transportation Authority—S.B. 948

by Senator Nelson—House Sponsor: Representative Parker

The Denton County Transportation Authority (DCTA) is a coordinated county transportation authority (CCTA) operating under Chapter 460 (Coordinated County Transportation Authorities) of the Transportation Code, and is the only such CCTA. DCTA serves one of the fastest growing counties in the nation. This bill:

Expands the definition of "local government" under Chapter 431 (Texas Transportation Corporation Act), Transportation Code, to include a CCTA.

Expands the interim executive committee of a CCTA to include one member appointed by the governing body of each municipality in certain counties.

Provides that a private operator who contracts with a CCTA is not a public entity except that an independent contractor of the CCTA that performs a function of the CCTA is liable for damages only to the extent that the CCTA would be liable if it was performing the function.

Authorizes a CCTA to contract for persons to serve as fare enforcement officers.

Provides that if the board of directors (board) of a CCTA increases a certain population amount, the board must also increase corresponding population amount by the same amount.

Requires a person, to eligible for appointment to the board of directors, to reside in the territory of the authority or outside the territory of the authority in a municipality that is located partly in the territory of the authority.

Expands the types of contracts the board may authorize without competitive sealed bids or proposals.

Funding of a Transportation Reinvestment Zone—S.B. 971

by Senator Williams et al.—House Sponsor: Representative Deshotel

Ports are seeking assistance with dredging waterways and widening channels due to the projected larger ships expected from the Panama Canal Expansion. The port improvements will significantly benefit commerce in the state, however, the improvements are costly and many local port authorities and navigation districts do not have the resources to retrofit their facilities. Providing a source of revenue to help pay for costly long-term economic development projects, such as dredging waterways and widening channels, will assist in speeding up the movement of freight and the state will continue to be a leader in port development and shipping and benefit from the increased commerce opportunities that the larger ships will bring. This bill:

Provides that for a port authority or navigation district created or operating under certain sections of the Constitution (port authority) the amount of a port authority's tax increment for a year is the amount of ad valorem taxes levied and collected by the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a transportation reinvestment zone (zone); the captured appraised value of real property taxable by a port authority for a year is the total appraised value of all real property taxable by the port authority and located in a zone for that year less the tax increment.
base of the port authority; and the tax increment base of a port authority is the total appraised value of all real property taxable by the port authority and located in a zone for the year in which the zone was designated.

Authorizes the governing body of a port authority or navigation district (port commission) of the port authority, after determining that an area is unproductive or underdeveloped and that action under this section would improve the security, movement, and intermodal transportation of cargo or passenger in commerce and trade, to by order or resolution designate a contiguous geographic area in the jurisdiction of the port authority to be a zone to promote a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal, and other projects (port project) and for the purpose of abating ad valorem taxes or granting other relief from taxes imposed by the county on real property located in the zone.

Requires the port commission to comply with all applicable laws in the application of this Act.

Requires the port commission, not later than the 30th day before the date the port commission proposes to designate an area as a zone under this section, to hold a public hearing on the creation of the zone, its benefits to the port authority and to property in the proposed zone, and the abatement of ad valorem taxes or the grant of other relief from ad valorem taxes imposed by the port authority on real property located in the zone.

Requires that the notice of the hearing and the intent to create a zone, not later than the seventh day before the date of the hearing, be published in a newspaper having general circulation in the county in which the zone is proposed to be located.

Requires that the order or resolution designating an area as a zone describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone; provide that the zone takes effect immediately on adoption of the order or resolution and that the base year shall be the year of passage of the order or resolution or some year in the future; assign a name to the zone for identification, with the first zone designated by a county designated as "Transportation Reinvestment Zone Number One, (name of port authority)," and subsequently designated zones assigned names in the same form numbered consecutively in the order of their designation; designate the base year for purposes of establishing the tax increment base of the port authority; establish an ad valorem tax increment account for the zone; and contain findings that promotion of a port project will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade.

Provides that compliance with the requirements of this section constitutes designation of an area as a zone without further hearings or other procedural requirements.

Authorizes the port commission to, from taxes collected on property in a zone, including maintenance and operation taxes, pay into a tax increment account for the zone an amount equal to the tax increment produced by the port authority less any amounts allocated under previous agreements, including agreements under Chapter 312 (Property Redevelopment and Tax Abatement Act), Tax Code; from a tax increment account for the zone, repay any loan or other debt incurred to finance a port; by order or
resolution enter into an agreement with the owner of any real property located in the zone to abate all or a portion of the ad valorem taxes or to grant other relief from the taxes imposed by the port authority on the owner's property in an amount not to exceed an certain amount calculated for that year; by order or resolution elect to abate all or a portion of the ad valorem taxes imposed by the port authority on all real property in a zone; or grant other relief from ad valorem taxes on property in a zone.

Requires all abatements or other relief granted by the port commission in a zone to be equal in rate. Prohibits the total amount of the taxes abated or the total amount of other relief granted under this section, in any ad valorem tax year, from exceeding a certain amount calculated for that year, less any amounts allocated under previous agreements.

Authorizes a port authority, to further the development of the port project for which the zone was designated, to assess all or part of the cost of the port project against property within the zone.

Authorizes the assessment against each property in the zone to be levied and payable in installments in the same manner as provided for municipal and county public improvement districts provided that the installments do not exceed the total amount of the tax abatement or other relief.

Provides that the port authority has the powers provided to municipalities and counties for the assessment of costs for the issuance of bonds by the port authority to pay the cost of a port project.

Authorizes the port commission of the port authority to contract with a public or private entity to develop, redevelop, or improve a port project in the zone, including aesthetic improvements, and authorizes the port commission of the port authority to pledge and assign to that entity all or a specified amount of the revenue the port authority receives from installment payments of the assessments for the payment of the costs of that port project.

Prohibits the port commission of the port authority, after a pledge or assignment is made, if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the port project, from rescinding its pledge or assignment until the bonds or other obligations secured by the pledge or assignment have been paid or discharged.

Authorizes any amount received from installment payments of the assessments not pledged or assigned in connection with the port project to be used for other purposes associated with the port project or in the zone.

Authorizes the boundaries of a zone, to accommodate changes in the limits of the project for which a reinvestment zone was designated, to be amended at any time, except that property may not be removed or excluded from a designated zone if any part of the assessment has been assigned or pledged directly by the port authority or through another entity to secure bonds or other obligations issued to obtain funding of the project, and prohibits property from being added to a designated zone unless the port commission of the port authority complies with certain requirements.

Provides that a tax abatement agreement entered into or an order or resolution on the abatement of taxes or the grant of other relief from taxes terminates on December 31 of the year in which the port authority completes any contractual requirement that included the pledge or assignment of assessments collected.
Provides that a zone terminates on December 31 of the 10th year after the year the zone was designated, if before that date the port authority has not used the zone for the purpose for which it was designated.

**Conversion of a Nontolled Highway to a Toll Project—S.B. 1029**  
_by Senator Campbell et al.—House Sponsor: Representative Phillips_

Many have raised concerns regarding the conversion of existing nontolled state highways to toll roads. Current law authorizes the Texas Department of Transportation (TxDOT) to convert an existing nontolled state highway or segment of a highway into a toll road under certain conditions. Prohibiting TxDOT from converting certain nontolled state highways or segments of certain nontolled state highways to a toll road can address these concerns. This bill:

Prohibits TxDOT from operating a nontolled state highway or a segment of such a highway as a toll project and from transferring a nontolled highway or segment to another entity as a toll project, to remove from the conditions creating an exception to that prohibition that the highway or segment was open to traffic as a turnpike project on or before September 1, 2005, or that the Texas Transportation Commission (TTC) converts the highway or segment to a toll facility by specified means.

Repeals provisions relating to the TTC's authority by order to convert a nontolled state highway or a segment of a nontolled state highway to a toll project on making a determination regarding improved mobility and the means by which expansion, improvements, or extensions to that segment are most feasibly and economically accomplished.

**Notice to Lienholder of a Towed Vehicle—S.B. 1053**  
_by Senator Carona—House Sponsor: Representative Guillen_

When regulatory authority over vehicle storage under the Vehicle Storage Facility Act was transferred from the Texas Department of Transportation (TxDOT) to the Texas Department of Licensing and Regulation (TDLR) several years ago, a reference to TxDOT's licensing program was not revised to reflect the program's transfer to TDLR. This bill:

Requires that the notice required to be provided by mail to the vehicle owner or lienholder of a vehicle towed to a vehicle storage facility to include the facility license number preceded by "Texas Department of Licensing and Regulation Vehicle Storage Facility License Number," or "TDLR VSF Lic. No."

Replaces a reference to TxDOT with a reference to the Texas Department of Motor Vehicles (TxDMV) in the requirement that a parking facility owner notify the owner or operator of a vehicle that has been left unattended in the parking facility in an unauthorized manner that the parking facility owner is having the vehicle removed and stored at a vehicle storage facility, which the parking facility owner must do by mailing the required notice to the last address shown for the vehicle's owner according to TxDMV's vehicle registration records.
Designation of Transportation Reinvestment Zone—S.B. 1110
by Senator Nichols—House Sponsor: Representative Pickett

A county or municipality may currently contract with a public or private entity to develop a transportation project in a transportation reinvestment zone and pledge or assign all or a portion of the funds collected into the tax increment account to that entity but that a county designating such a zone is not subject to the same requirements as a municipality designating such a zone. Under state law, money the county receives in a tax increment or from other payments associated with the zone can be used only in connection with a transportation project in the zone but counties should have broader authority to use these funds for other purposes as determined by the commissioners court in the same way municipalities have this broader authority for the use of unencumbered funds.

Recent legislation eliminated the requirement that transportation reinvestment zones based on property tax increments be linked to pass-through projects, allowing these zones to be used for a wide range of transportation projects. Requiring zones based on sales taxes to be linked to pass-through toll projects is inefficient and outdated and that a zone based on sales taxes should be able to implement the same types of transportation projects as a zone based on property taxes. This bill:

Expands the purposes of municipal and county transportation reinvestment zones to include the enhancement of a local entity's ability to sponsor a transportation project.

Authorizes a municipality or county to create a transportation reinvestment zone to promote one or more transportation projects.

Deletes the authorization for a county transportation reinvestment zone to be created for the purpose of abating property taxes or granting other relief from taxes imposed by the county on real property located in the zone.

Authorizes a municipality or county to contract with a public or private entity to develop, redevelop, or improve a transportation project in a transportation reinvestment zone.

Prohibits the municipality or county from rescinding its pledge or assignment of money from the tax increment or property tax assessment, as applicable, to that entity until contractual commitments, rather than bonds or other obligations, have been satisfied.

Deletes a provision prohibiting such a governing body, if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the transportation project, from rescinding its pledge or assignment until the bonds or other obligations secured by the pledge or assignment have been paid or discharged.

Provides that in a county transportation reinvestment zone, similar to a municipal transportation reinvestment zone, any unpledged amount received from the tax increment or assessments may be used for other purposes determined by the governing body of the county or municipality, as applicable.

Prohibits property in a municipal or county transportation reinvestment zone from being removed or excluded from the zone if any part of the tax increment or assessment, as applicable, has been assigned or pledged to secure bonds or other obligations.
Provides that the prohibition is if the bonds or other obligations have been assigned or pledged directly to obtain development, in addition to funding, of a project.

Provides that a municipal or county transportation reinvestment zone terminates on December 31 of the year in which the municipality or county completes certain tasks.

Requires the municipality or county to complete all contractual requirements that included the pledge or assignment of all or a portion of money deposited to a tax increment account or the repayment of money owed under an agreement for the development, redevelopment, or improvement of the project or projects for which the zone was designated.

Requires the county to complete all contractual requirements that included the pledge or assignment of the collected assessments.

Requires that an order or resolution designating a county transportation reinvestment zone, similar to an ordinance designating a municipal transportation reinvestment zone, contain findings that promotion of the transportation project or projects will cultivate the improvement, development, or redevelopment of the zone.

Authorizes the sales taxes collected in relation to a transportation reinvestment zone to be deposited into a tax increment account to be disbursed from the account to pay for authorized pass-through tolling transportation projects or other transportation projects.

Authorizes the governing body of a county or municipality to designate a transportation reinvestment zone for a transportation project located outside the boundaries of the county or municipality if the certain conditions are met.

Repeals a provision authorizing a county, in the event the county collects a tax increment, to issue bonds to pay all or part of the cost of a transportation project and to pledge and assign all or a specified amount of money in the tax increment account to secure those bonds.

Repeals a provision defining "transportation project" for purposes of transportation reinvestment zones for other transportation projects.

University of Houston Real Property—S.B. 1165
by Senator Hegar—House Sponsor: Representative Rick Miller

State institutions of higher education have the authority to undertake a wide variety of activities that are not strictly educational but that still support a university's educational mission. The University of Houston--Sugar Land currently builds partnerships with other educational institutions, community organizations, government agencies, and private entities to serve the region and to create additional learning opportunities for its students through internships and other hands-on programs. One example of such a partnership is the Fort Bend County library branch at the university campus, which the parties assert mutually benefits the university and the community. Eliminating a limitation in the legislation providing for the use of certain real property by the university will enable the university to further its mission, achieve revenue potential, and continue its drive for tier-one university status. This bill:
Transfers real property on which the University of Houston--Sugar Land is now located to the University of Houston System by the Texas Department of Transportation and requires the ownership and transfer documents for the property, in order to clarify legislative intent in accordance with the findings, to be amended to state that the University of Houston--Sugar Land is required to use the property "for higher education purposes" consistent with the purposes of the university.

Retired Armed Forces Specialty License Plates—S.B. 1376
by Senator Eltife—House Sponsor: Representative Paddie

The Texas Department of Motor Vehicles (TxDMV) is currently required to offer specialty license plates to current and former members of branches of the United States military. TxDMV is also required to design such plates for each branch of service and, for former members of the military, to include the words "Honorably Discharged." Allowing a military retiree with 20 or more years of satisfactory military service to have the word "Retired" placed on his or her military license plate, in addition to the appropriate military branch designation would be a fitting honor. This bill:

Requires TxDMV to include the word "Retired" for license plates issued to retired members of the United States armed forces who have completed 20 or more years of satisfactory federal service.

Provides that a letter from any branch of the military under the jurisdiction of the United States Department of Defense, the United States Department of Homeland Security, the Army, or the Department of the Air Force stating that a retired member has 20 or more years of satisfactory federal service is satisfactory proof of eligibility.

Regulation of Traffic in a Special District by a Commissioners Court—S.B. 1411
by Senator Deuell—House Sponsor: Representative Gooden

Enforcement of traffic laws on public roads that are owned by special districts can be problematic because such roads are outside the jurisdiction of any municipality or county and districts often lack enforcement capabilities of their own. The Office of the Attorney General issued an opinion in 2010 that questioned the ability of county commissioners to regulate roads in unincorporated areas. Clarity regarding this issue is needed. This bill:

Authorizes a county commissioners court to enter into an interlocal contract with the board of a special district in order to apply the county's traffic regulations to a public road in the county that is owned, operated, and maintained by the district if the county commissioners court finds that it is in the county's interest to regulate traffic on the public road.

Authorizes a county commissioners court by order to apply the county's traffic regulations to a public road in the county that is owned, operated, and maintained by a special district and located wholly or partly in the county if the commissioners court and the board of the district have entered into such an interlocal contract.
Establishes that a public road subject to such an order is considered to be a county road for purposes of applying a traffic regulation to the public road.

Authorizes a county commissioners court to adopt regulations establishing a system of traffic control devices in restricted traffic zones on property abutting a public road that is the subject of such an order if the property is owned by the district that is subject to the order or is a public right-of-way.

**Termination of Auto Dealers Agreements—S.B. 1415**  
by Senator Deuell—House Sponsor: Representative Workman

Recent legislation relating to the Fair Practices of Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act provided for situations in which there exists good cause for termination of a dealer agreement. Because of certain drafting conventions used in that legislation, certain situations constituting good cause events were combined with other such events to create one unified numerical list in the statute. Numerical listing of those situations had the unintentional effect of giving a manufacturer the right to terminate an agreement with a dealer because of the dealer's failure to substantially comply with the agreement without giving the dealer prior notice of the problem and an opportunity to correct the problem. It is necessary to change the statutes to provide for a period to give a dealer the opportunity to correct a problem before a dealer agreement is terminated for the dealer's failure to substantially comply with the agreement. This bill:

Removes a dealer's failure to substantially comply with essential and reasonable requirements imposed on the dealer under the terms of a dealer agreement as a condition qualifying a supplier for an exemption from notice and right to cure provisions applicable to the termination of a dealer agreement, other than a single-line dealer agreement, under the Fair Practices of Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act.

**Territory of a Regional Transportation Authority—S.B. 1461**  
by Senator Carona—House Sponsor: Representative Harper-Brown

It has been reported that the Dallas Area Rapid Transit Authority may collaborate with the municipality of Arlington on the possible operation of express bus service to The University of Texas at Arlington. However, current law is unclear regarding the ability of certain municipalities to become part of the territory of a regional transportation authority. Currently, the T, Fort Worth's transportation authority, is experiencing a similar a problem. This bill:

Redefines "special sales and use tax," for purposes of statutory provisions relating to adding a municipality to a regional transportation authority, as a sales and use tax levied by a municipality that is in excess of one percent.

Authorizes a municipality that does not have territory that is part of a regional transportation authority to be added to the territory of an authority on a date determined by the executive committee of the authority if certain established conditions are fulfilled.
Amends one of the conditions to require that any part of the territory of the municipality be located in a county in which the authority has territory or in a county that is adjacent to a county in which the authority has territory.

Requires that the executive committee state, by resolution, the authority's intention to provide transportation services in the territory of the municipality.

**Abandonment of a County Road—S.B. 1487**

*by Senator Watson—House Sponsor: Representative Fletcher*

Current statute allows for a county road to be abandoned if an adjacent owner has fenced it for at least 20 years with the exception for cemeteries. The law relating to abandonment of a county road does not currently apply to a road to a cemetery. This bill:

Includes a condition to the exemption of a road to a cemetery from state law relating to the abandonment of a county road by specifying that such a road is exempt unless a property owner whose property adjoins the road enclosed with a fence files notice with the county clerk of the county in which the road is located that the owner agrees to provide reasonable access to the cemetery.

**Jurisdiction of Regional Mobility Authority—S.B. 1489**

*by Senator Watson—House Sponsor: Representative Phillips*

Regional mobility authorities are locally controlled entities created by local governments, with approval of the Texas Transportation Commission (TTC), that have the authority to develop a wide variety of transportation projects. These authorities often provide certain services to assist other such authorities in the state to avoid potentially lengthy and expensive processes or duplication. This practice can be cost-effective, efficient, and particularly beneficial to newly created regional mobility authorities. By changing the relevant laws the opportunity exists to provide these regional mobility authorities more flexibility in assisting other governmental entities and in other areas of the state, thus expanding this cost effective practice. This bill:

Authorizes a regional mobility authority to perform any function not specified in applicable state law to promote or develop a transportation project, to specify that such projects are those that the authority is authorized to develop or operate under that state law and to remove the conditions that the performance of such a function be requested by TTC and that the project be in the authority's area of jurisdiction.

Adds to the actions that a regional mobility authority is authorized to take under an arrangement relating to a transportation project to include the acquisition, maintenance, and repair of such a project on behalf of another governmental entity and removes the specification that an authority enter into such an agreement with a governmental entity; that an authority is only authorized to enter into such an agreement if the transportation project is located in the authority's area of jurisdiction or a county adjacent to the authority's area of jurisdiction; if the project is being acquired, planned, constructed, designed, operated, repaired, or maintained on behalf of the Texas Department of Transportation (TxDOT) or another toll project entity; or if the project is not located in those areas, TxDOT approves the acquisition, planning, construction, design,
operation, repair, or maintenance of the project by the authority and such an action is not being taken on behalf of TxDOT.

Deletes a provision authorizing an authority to enter into a contract or agreement with TxDOT under which the authority will plan, develop, operate, or maintain such a project on behalf of TxDOT. Prohibits statutory provisions relating to regional mobility authorities from being construed to restrict the ability of an authority to enter into an agreement under the Interlocal Cooperation Act with another governmental entity located anywhere in Texas.

Adds a provision to the actions a regional mobility authority is authorized to take relating to a transportation project in a county that is part of the authority, a county in Texas that is not part of the authority, or a county in another state or the United Mexican States to include studying, evaluating, designing, financing, and repairing such a project.

Authorizes an authority to take these actions on a transportation project in a county in Texas that is not a part of the authority if the county and authority enter into an agreement under statutory provisions authorizing an arrangement with a governmental entity or TxDOT.

Deletes certain conditions imposed on such an authority.

Authorizes a regional mobility authority to enter into an agreement with one or more persons to provide, on terms and conditions approved by the authority, personnel and services to design, construct, operate, maintain, expand, enlarge, or extend a transportation project, and requires that the project be owned or operated by the authority.

Authorizes a regional mobility authority to construct a border inspection facility to be used solely for the purpose of conducting commercial motor vehicle inspections by the Department of Public Safety of the State of Texas provided that the facility is located at or near a border crossing from another state of the United States and not more than 50 miles from an international border.

Authorizes a border inspection facility to include implementation of Intelligent Transportation Systems for Commercial Vehicle Operations technology, to the extent an authority constructing such a facility considers appropriate to expedite commerce.

Driver's License Examinations—S.B. 1705
by Senator Campbell—House Sponsor: Representative Parker

Currently, the Department of Public Safety of the State of Texas (DPS) is the only entity authorized to administer driving tests for driver's license applicants. Clarification is needed to ensure that the DPS director has the authority to permit other qualified organizations or businesses to administer driving tests. Clarification will give DPS the flexibility to authorize other entities, such as the military, educational institutions, or driver education and training service providers, to administer driving tests. DPS establishes testing standards to ensure tests are administered according to DPS specifications.

The ability to delegate testing authority to other entities is expected to contribute to reduced wait times and increased efficiency in DPS driver's license offices by augmenting DPS staff resources that are constrained.
by the length of time required to administer driving tests. Maintaining the high standards currently employed by DPS in driver testing will ensure that driver's license applicants are qualified to safely operate a motor vehicle on Texas roadways. This bill:

Authorizes DPS to authorize an entity, including a driver education school, to administer a driver's license examination.

Renewal and Duplicate Driver's Licenses—S.B. 1729
by Senator Nichols et al.—House Sponsor: Representatives Ken King and Van Taylor

Under current law, the Department of Public Safety of the State of Texas (DPS) has the authority to issue renewal and duplicate driver's licenses, election identification certificates, and personal identification certificates. As the state's population has increased, the demand for these services has also increased. DPS has been unable to meet this growing demand and Texans in many areas of the state experience an inconvenience in obtaining these services due to overcrowding at the local DPS office or the lack of a DPS office within the vicinity of the person's residence. Establishing a pilot program under which DPS may enter into an agreement with the commissioners court of certain counties for county employees to provide services relating to the issuance of renewal and duplicate driver's licenses and other identification certificates could alleviate the wait times at DPS driver's license offices and provide an easier way for persons to obtain a renewal or duplicate driver's license. This bill:

Authorizes DPS to establish a pilot program for the provision of renewal and duplicate driver's license, election identification certificate, and personal identification certificate services in not more than three counties with a population of 50,000 or less, not more than three counties with a population of more than 50,000 but less than 1,000,001, and not more than two counties with a population of more than 1 million, and any county in which DPS operates a driver's license office as a scheduled or mobile office.

Authorizes DPS, under the pilot program, to enter into an agreement with a county commissioners court to permit county employees to provide services at a county office relating to the issuance of renewal and duplicate driver's licenses, election identification certificates, and personal identification certificates, including the following services: taking photographs; administering vision tests; updating those documents to change a name, address, or photograph; distributing and collecting information relating to organ donations; collecting fees; and performing other basic ministerial functions and tasks necessary to issue renewal and duplicate documents.

Prohibits such an agreement from including training to administer an examination for driver's license applicants and requires a participating county to remit the fees collected for the issuance of a renewal or duplicate driver's license or personal identification certificate to DPS for deposit as required by statutory provisions relating to driver's licenses and certificates.

Authorizes the county commissioners court to provide the license and certificate services through any consenting county office, authorizes a county office to decline or consent to provide such services by providing written notice to the commissioners court, and requires DPS to provide all equipment and supplies necessary to perform the services, including network connectivity.
Requires DPS to adopt rules to administer the bill's provisions and authorizes a county that provides the license and certificate services to collect an additional fee of up to $5 for each transaction provided that relates to driver's license and personal identification certificate services only.

Comprehensive Development Agreements—S.B. 1730
by Senator Nichols—House Sponsor: Representative Phillips

Recent legislation changed the structure of Texas transportation financing by authorizing the use of comprehensive development agreements (CDAs) to create public-private partnerships to build transportation projects. The Texas Department of Transportation (TxDOT) was given the authority to enter into such an agreement with a private entity to design, develop, finance, construct, maintain, repair, operate, extend, or expand various types of transportation projects. Later legislation provided an expiration date, with certain exemptions, for TxDOT's authority to enter into these types of agreements. To further regional and statewide transportation goals, TxDOT and certain regional mobility authorities were authorized to enter into a CDA for all or a part of certain projects or for improvements to or construction of certain projects.

With the state's continued growth, transportation infrastructure is increasingly vital to the success of the Texas economy. CDAs have proved to be a successful tool for governmental entities to implement and finish transportation projects. This bill:

Authorizes TxDOT to enter into CDA for a nontolled state highway improvement project authorized by the legislature.

Amends the list of specific projects for which TxDOT or a regional mobility authority may enter into a CDA and extends the expiration date for the authority to enter into a CDA for these projects by two years to fiscal year 2017.

Funding and Donations For Transportation Projects—S.B. 1747
by Senator Uresti et al.—House Sponsor: Representative Keffer et al.

It has been reported that the state's increased revenue and financial stability can be directly attributed to the increased production of the oil and gas industry. It also has been reported that accelerated road degradation in several counties can be attributed to the unexpected increase in vehicle traffic related to oil and gas exploration. Many county roads were not intended to support the heavy trucks that are used in this exploration process. Additionally, county road and bridge budgets are not sufficiently funded to routinely maintain these affected roads and counties are often left with severe road damage directly related to energy exploration and production. Funding and a funding mechanism is needed to help repair these roads. This bill:

Establishes the transportation infrastructure fund, provides for its composition, and restricts appropriation of money into the fund to the Texas Department of Transportation (TxDOT) for the fund's intended purposes.
Requires TxDOT to develop policies and procedures to administer a grant program to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production and provides for the allocation of grants among counties.

Sets forth requirements regarding the grant application process, matching funds, and subsequent grant applications by a county.

Authorizes a county to create a county energy transportation reinvestment zone in an area affected by oil and gas exploration and production activities, sets out applicable procedures and requirements regarding the creation of such a zone, including the establishment of a property tax increment account for the zone, and provides for the termination and extension of a zone.

Authorizes a county commissioners court to enter into an agreement with TxDOT to designate a county energy transportation reinvestment zone for a specified transportation infrastructure project involving a state highway located in the proposed zone.

Provides for the alternative formation of a road utility district that has the same boundaries as a county energy transportation reinvestment zone in order to assist the county in developing a transportation infrastructure project.

Sets forth the eligibility requirements for a transportation infrastructure project grant.

Creates a county energy transportation reinvestment zone advisory board by a county.

Requires a road condition report made by a county that is operating under a system of administering county roads to include, if reasonably ascertained, the primary cause of any road, culvert, or bridge degradation.

Authorizes a commissioners court to accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

**Remedies For Nonpayment of Tolls—S.B. 1792**

*by Senators Watson and Paxton—House Sponsor: Representative Phillips*

Numerous drivers on toll roads across Texas refuse to pay the toll associated with these roads, and some drivers do this on a regular basis. It has been estimated that there are tens of thousands of drivers who have more than 100 unpaid tolls on facilities in North Texas alone, costing the applicable toll project entities significant losses in revenue. It is also estimated that the vast majority of these individuals continue to drive on these toll roads daily.

The authority that toll project entities in Texas have to pursue money owed by these habitual violators varies between entities and these entities have little or no authority to prohibit the continued use of the toll roads by violators. S.B. 1792 seeks to address these issues by providing remedies for toll authorities with respect to individuals who habitually drive on toll roads without paying the associated toll. This bill:
Authorizes a toll project entity to publish a list of the names of the registered owners or lessees of nonpaying vehicles who at the time of publication are liable for the payment of past due and unpaid tolls or administrative fees.

Authorizes the list to include certain information about the persons.

Prohibits a toll project entity from including on a published list the name of a registered owner who remits a tax.

Authorizes a toll project entity to enter into an agreement with the registered owner of a vehicle, for whom a single payment is not feasible, that allows the person to pay the total amount of outstanding tolls and administrative fees over a specified period.

Requires that the agreement be in writing and specify the amount due for tolls and administrative fees, the duration of the agreement, and the amount of each payment.

Authorizes a toll project entity, if the registered owner of the vehicle fails to comply with the terms of an agreement, to send by first class mail to the person at the address shown on the agreement a written notice demanding payment of the outstanding balance due.

Authorizes a toll project entity, if the registered owner fails to pay the outstanding balance due on or before the 30th day after the date on which the notice is mailed, to, in addition to other remedies available to the entity, refer the matter to an attorney authorized to represent the toll project entity for suit or collection.

Authorizes the authority to file suit in a district court in the county in which the toll project entity's administrative offices are primarily located to recover the outstanding balance due.

Authorizes the authority to recover reasonable attorney's fees, investigative costs, and court costs incurred on behalf of the toll project entity in the proceeding.

Authorizes a toll project entity to, in lieu of mailing a written notice of nonpayment, serve with a written notice of nonpayment in person to an owner of a vehicle that is not registered in this state, including the owner of a vehicle registered in another state of the United States, the United Mexican States, a state of the United Mexican States, or another country or territory.

Authorizes a notice of nonpayment to also be served by an employee of a governmental entity operating an international bridge at the time a vehicle with a record of nonpayment seeks to enter or leave this state.

Requires each written notice of nonpayment issued to include a warning that failure to pay the amounts in the notice may result in the toll project entity's exercise of the habitual violator remedies.

Provides that an owner who is served a written notice of nonpayment and fails to pay the proper toll and administrative fee within the time specified in the notice commits an offense.

Provides that each failure to pay a toll or administrative fee is a separate offense.

Provides that an offense is a misdemeanor punishable by a fine not to exceed $250.
TRANSPORTATION

Authorizes the court in which an owner is convicted of an offense to also collect the proper toll and administrative fee and forward the toll and fee to the toll project entity.

Provides that it is a defense to prosecution that the owner of the vehicle is a lessor of the vehicle and not later than the 30th day after the date the notice of nonpayment is served provides to the toll project entity proof that meets applicable toll project entity law establishing that the vehicle was leased to another person at the time of the nonpayment.

Provides that it is a defense to prosecution that the vehicle in question was stolen before the failure to pay the proper toll occurred and was not recovered by the time of the failure to pay, but only if the theft was reported to the appropriate law enforcement authority before the earlier of the occurrence of the failure to pay or eight hours after the discovery of the theft.

Provides that a habitual violator is a registered owner of a vehicle who a toll project entity determines was issued at least two written notices of nonpayment that contained, in the aggregate, 100 or more events of nonpayment within a period of one year, not including events of nonpayment for which the registered owner has provided to the toll project entity information establishing that the vehicle was subject to a lease at the time of the nonpayment, as provided by applicable toll project entity law; or a defense of theft at the time of the nonpayment has been established as provided by applicable toll project entity law; and a warning that the failure to pay the amounts specified in the notices may result in the toll project entity's exercise of habitual violator remedies; and has not paid in full the total amount due for tolls and administrative fees under those notices.

Requires a toll project entity to give written notice to the person at the person's address as shown in the vehicle registration records of the Texas Department of Motor Vehicles (TxDMV) or the analogous agency of another state or country, or an alternate address provided by the person or derived through other reliable means.

Requires that the notice be sent by first class mail and provides that the notice is presumed received on the fifth day after the date the notice is mailed. Requires that the notice state the total number of events of nonpayment and the total amount due for tolls and administrative fees; the date of the determination; the right of the person to request a hearing on the determination; and the procedure for requesting a hearing, including the period during which the request must be made.

Requires a hearing, if not later than the 30th day after the date on which the person is presumed to have received the notice the toll project entity receives a written request for a hearing to be held.

Provides that if the person does not request a hearing within the period, the toll project entity's determination becomes final and not subject to appeal on the expiration of that period.

Requires a hearing to be conducted in a justice court in a county in which the toll collection facilities where at least 25 percent of the events of nonpayment occurred are located.

Requires a party requesting a hearing to pay a filing fee of $100 to the clerk of the justice court. Requires the other party, if that party prevails under the justice's finding, to reimburse the prevailing party for the amount of the filing fee within 10 days after issuance of the finding.
Provides that the issues to be proven at the hearing by a preponderance of the evidence are whether the registered owner was issued at least two written notices of nonpayment for an aggregate of 100 or more events of nonpayment within a period of one year, not including events of nonpayment for which the registered owner has provided to the toll project entity information establishing that the vehicle was subject to a lease at the time of the nonpayment, as provided by applicable toll project entity law; or whether a defense of theft at the time of the nonpayment has been established as provided by applicable toll project entity law; and whether the total amount due for tolls and administrative fees specified in those notices was not paid in full by the dates specified in the notices and remains not fully paid.

Authorizes proof to be by oral testimony, documentary evidence, video surveillance, or any other reasonable evidence.

Provides that if the justice of the peace finds in the affirmative on each issue, the toll project entity's determination that the registered owner is a habitual violator is sustained and becomes final.

Requires the toll project, if the justice does not find in the affirmative on each issue, to rescind its determination that the registered owner is a habitual violator.

Provides that rescission of the determination does not limit the toll project entity's authority to pursue collection of the outstanding tolls and administrative fees.

Provides that a registered owner who requests a hearing and fails to appear without just cause waives the right to a hearing, and the toll project entity's determination is final and not subject to appeal.

Authorizes a justice of the peace court to adopt administrative hearings processes to expedite hearings.

Authorizes a registered owner to appeal the justice of the peace's decision by filing a petition not later than the 30th day after the date on which the decision is rendered in the county court at law of the county in which the justice of the peace precinct is located or if there is no county court at law in that county, in the county court.

Requires the registered owner to send a file-stamped copy of the petition, certified by the clerk of the court, to the toll project entity by certified mail not later than the 30th day after the date the appeal petition is filed.

Requires the court to notify the toll project entity of the hearing not later than the 31st day before the date the court sets for the hearing.

Provides that a trial on appeal is a trial de novo on the issues.

Provides that neither the filing of the appeal petition nor service of notice of the appeal stays the toll project entity's exercise of the habitual violator remedies unless the person who files the appeal posts a bond with the toll project entity issued by a sufficient surety in the total amount of unpaid tolls and fees owed by the registered owner to the toll project entity.

Provides that a final determination that a person is a habitual violator remains in effect until the total amount due for the person's tolls and administrative fees is paid or the toll project entity, in its sole discretion, determines that the amount has been otherwise addressed.
Requires the toll project entity, when a determination terminates, to, not later than the seventh day after the date of the termination, send notice of the termination to the person who is the subject of the determination at an address, and if the toll project entity provided notice to a county tax assessor-collector or TxDMV, to that county tax assessor-collector or TxDMV, as appropriate.

Authorizes an toll project entity, by order of its governing body, to prohibit the operation of a motor vehicle on a toll project of the toll project entity if the registered owner of the vehicle has been finally determined to be a habitual violator and the toll project entity has provided notice of the prohibition order to the registered owner.

Requires that the notice required to sent by first class mail to the registered owner at an address under Section 372.106(b) (relating to requiring that a notice be sent to a determined habitual violator) at least 10 days before the date the prohibition order takes effect and provides that the notice is presumed received on the fifth day after the date the notice is mailed.

Authorizes the order to include the registered owner's name, the city and state of residence, and the license plate number of the nonpaying vehicle.

Provides that a person commits an offense if the person operates a motor vehicle on a toll project in violation of an order issued.

Provides that an offense is a Class C misdemeanor.

Authorizes a toll project entity, after a final determination that the registered owner of a motor vehicle is a habitual violator, to report the determination to a county tax assessor-collector or TxDMV in order to cause the denial of vehicle registration.

Authorizes a peace officer to detain a motor vehicle observed by the officer to be operated in violation of an order and to direct the impoundment of the vehicle if the vehicle was previously operated on a toll project in violation of an order issued and personal notice to the registered owner of the vehicle of the toll project entity's intent to have the vehicle impounded on a second or subsequent violation was provided at the time of the hearing at the time of the previous traffic stop involving a violation, or by personal service.

Provides that a vehicle impounded may be released after payment by or on behalf of the registered owner of all towing, storage, and impoundment charges and a determination by the toll project entity that all unpaid tolls and fees owed to the entity by the registered owner are paid or are otherwise addressed to the satisfaction of the toll project entity in the toll project entity's sole discretion.

Provides that fees required to be submitted to a governmental entity include an amount for unpaid tolls and fees owed by the registered owner of an impounded vehicle as set out in timely written notice given by the toll project entity to the operator of the vehicle storage facility where the vehicle is impounded.

Authorizes the toll project entity to set out in that notice an amount less than all unpaid tolls and fees owed by the registered owner without releasing the registered owner from liability under any other law for the full amount of unpaid tolls and fees.
Authorizes a toll project entity to seek habitual violator remedies against a lessee of a vehicle and not the registered owner if the toll project entity sends to the lessee, in accordance with applicable toll project entity law, at least two notices of nonpayment containing a warning and in the aggregate, 100 or more events of nonpayment in the period of one year, not including events of nonpayment for which a defense of theft at the time of the nonpayment has been established as provided by applicable toll project entity law, that were not paid in full by the dates specified in the notices and that remain not fully paid and were incurred during the period of the lease as shown in a lease contract document provided by the registered owner to the toll project entity as provided by applicable toll project entity law.

Requires a toll project entity seeking habitual violator remedies against a lessee to use the previously mentioned procedures as if the lessee were the registered owner.

Authorizes a toll project entity to seek habitual violator remedies against a person if the person is served with two or more written notices of nonpayment and the amount owing under the notices was not paid in full by the dates specified in the notices and remains not fully paid, and notice of the toll project entity's intent to seek habitual violator remedies was served on the person in the manner for a notice of nonpayment.

Authorizes a person to request a hearing not later than the 30th day after the date of the notice.

Provides that in making a finding against a person a justice of the peace is required to find that the requirements have been met in lieu of the findings otherwise required.

Provides that a toll project entity's use of remedies is cumulative of other remedies and is optional, and nothing in this subchapter prohibits a toll project entity from exercising any other enforcement remedies available under this chapter or other law.

Requires a regional tollway authority, not later than the 30th day after the effective date of this Act, to send to each person the authority determines to be a habitual violator on the effective date of the notice.

Requires that the notice include the total amount the person would owe for the events of nonpayment in the notice, not including any otherwise applicable administrative fees or penalties, and information regarding the terms of the grace period.

Authorizes a person who receives notice, not later than the 90th day after the effective date of this Act, to request a hearing or become an electronic toll collection customer of the regional tollway authority and pay the amount specified plus an administrative fee in an amount not to exceed 10 percent of the amount specified or enter into a contract to pay the amount specified plus an administrative fee in an amount not to exceed 10 percent of the amount specified.

Prohibits a regional tollway authority from pursuing habitual toll violator remedies against a person who becomes an electronic toll collection customer and pays the amount specified plus an administrative fee in an amount not to exceed 10 percent of the amount specified or enters into a contract to pay the amount specified plus an administrative fee in an amount not to exceed 10 percent of the amount specified and makes the required payments. Provides that this provision expires August 31, 2015.
TRANSPORTATION

Authorizes a county tax assessor-collector or TxDMV to refuse to register or renew the registration of a motor vehicle if it has received written notice from a toll project entity that the owner of the vehicle has been finally determined to be a habitual violator.

Requires a toll project entity to notify a county tax assessor-collector or TxDMV, as applicable, that a person for whom the assessor-collector or TxDMV has refused to register a vehicle is no longer determined to be a habitual violator or an appeal has been perfected and the appellant has posted any bond required to stay the toll project entity’s exercise of habitual violator remedies pending the appeal.

Glenda Dawson Donate Life-Texas Registry—S.B. 1815
by Senator Zaffirini—House Sponsor: Representative Zerwas et al.

The federal government has designated organ procurement organizations in each state, and in Texas, the organ procurement organizations have formed the nonprofit Donate Life Texas. Recent legislation has allowed Donate Life Texas to administer the statewide organ and tissue donor registry with funds from additional fees a person may voluntarily pay when registering a motor vehicle or applying for or renewing a driver’s license or personal identification card.

Concerns have been raised that state law restricts the Department of State Health Services from allowing these funds to be used in ways that can increase donor registrations. The funds are not tax dollars, but voluntary donations intended to be used to increase donor registrations and potentially save lives and should be used to implement proven best practices and to support the expertise possessed by Donate Life Texas. This bill:

Requires a nonprofit organization designated by the Department of Public Safety of the State of Texas (DPS) to maintain and administer the Glenda Dawson Donate Life-Texas Registry and updates statutory provisions to reflect the change.

Creates the Glenda Dawson Donate Life-Texas Registry fund as a trust fund outside the state treasury to be held by the comptroller of public accounts of the State of Texas (comptroller) and administered by DPS as trustee on behalf of the statewide donor registry and specifies the fund is composed of money deposited to the credit of the fund under specified statutory provisions relating to fees collected for and contributions to the donor registry.

Requires that money in the fund be disbursed at least monthly, without appropriation, to the nonprofit organization administering the registry to pay related costs.

Deletes a prohibition against the nonprofit organization administering the registry charging any fee related to the operation and maintenance of the registry.

Deletes the requirement that additional fees collected for the registration or renewal of registration of a motor vehicle to pay for the costs of the Glenda Dawson Donate Life-Texas Registry be remitted to the comptroller and the requirement that the comptroller maintain the identity of the source of the fees.

Requires DPS to remit any contribution paid under the bill’s provisions to the comptroller for deposit to the credit of the Glenda Dawson Donate Life-Texas Registry fund.
Authorizes the money received by the nonprofit organization to be used only to manage the registry, provide donor education, and promote donor awareness.

Requires the organization to submit an annual report to the legislature and the comptroller that includes the total dollar amount of money received by the organization under these provisions for the registry.

Authorizes DPS to credit all or a portion of a person's contribution to the person's registration fee instead of crediting it to the registry if the person makes a contribution but does not pay the full amount of the registration fee.

Requires the Texas Department of Motor Vehicles (TxDMV) to include space on each motor vehicle registration renewal notice that allows a person renewing a registration to voluntarily contribute $1 to the organization, to provide an opportunity during the registration renewal process on TxDMV's Internet website for a person to contribute $1 to the nonprofit organization, and to provide an opportunity to contribute $1 to the organization in any registration renewal system that succeeds the registration renewal system in place on September 1, 2013.

Authorizes a person applying for an original or renewal driver's license to contribute $1 to the nonprofit organization that administers the registry.

Requires DPS to include space on each application for a new or renewal driver's license and to provide an opportunity during the application process for such a license on the DPS website for a person to contribute $1 to the organization.

Deletes the requirement that DPS collect additional fees for the issuance or renewal of a personal identification card to pay the costs of the registry and remit those fees collected to the comptroller and the requirement that the comptroller maintain the identity of the source of the fees.

Requires DPS to remit any contribution collected from an applicant for an original or renewal driver's license and any additional fee collected from the issuance or renewal of a personal identification card to the comptroller for deposit to the credit of the Glenda Dawson Donate Life-Texas Registry fund.

Authorizes DPS, before sending the money to the comptroller, to deduct money for reasonable expenses of administering the bill's provisions, capped at five percent of the money collected.

Requires the organization to submit an annual report to the director of DPS that includes the total amount of contributions and additional fees received by the organization under these provisions.

Provides that provisions relating to a contribution made on application for an original or renewal driver's license apply to a driver's license issued or renewed on or after January 1, 2014.

State Official Specialty License Plates—S.B. 1914
by Senators Garcia and Eltife—House Sponsor: Representative Pickett

In a recent memo to state officials, the Department of Public Safety of the State of Texas (DPS) stated, "Public officials in Texas may face a variety of threats. These threats can take the form of non-violent
crimes such as vandalism, harassment, hacking, and stalking; or violent crimes such as kidnapping, assault, or even assassination. The motives associated with these threats are varied, including financial gain, radical ideology, revenge, or a psychological disorder. Some public officials are targeted for specific reasons, while others are targeted as symbols of the government. In some cases, the families or staff members of officials may also be affected by these threats."

One of the safety recommendations of DPS is for state officials to keep a low profile and not call attention to themselves. This bill:

Requires the Texas Department of Motor Vehicles (TxDMV) to issue specialty license plates, rather than to issue specialty license plates that include the words "State Official," to a state official.

Requires TxDMV to design and issue specialty license plates relating to the State Capitol and authorizes TxDMV to design the license plates in consultation with the State Preservation Board.

**Definition of Authorized Emergency Vehicle—S.B. 1917**

*by Senator Birdwell—House Sponsor: Representative Cook*

Under current law, emergency management coordinators are not authorized to use lights and sirens on a vehicle while performing their duties. This bill:

Redefines "authorized emergency vehicle," for purposes of statutory provisions relating to rules of the road, to include a private vehicle of an employee or volunteer of a county emergency management division in a county with a population of more than 46,500 and less than 48,000 that is designated as an authorized emergency vehicle by the county commissioners court.
Notice of Availability of Agreement Forms Authorizing Electronic Communications—H.B. 241
by Representatives Otto and Button—Senate Sponsor: Senator Hegar

Current law requires a chief appraiser to provide notice regarding the availability of agreement forms authorizing electronic communications. Normally, communication is discretionary, but the requirement to provide notice of the availability of agreement forms applies regardless. This bill clarifies the notice requirement by limiting its applicability to appraisal districts that have opted for such communication. This bill:

Applies Section 1.085(h), Tax Code, only to the chief appraiser of an appraisal district only to an appraisal district that is located in a county that has a population of more than 200,000 and in which a property owner whose property is included in 25 or more accounts in the district's appraisal records requests the electronic format or to an appraisal district where the chief appraiser has decided to authorize electronic communication under this section and the appraisal district has implemented a system that allows such communication.

Customer Notification of Water Loss by Retail Public Utility—H.B. 1461
by Representative Aycock—Senate Sponsor: Senator Fraser

A reduction in the amount of water lost by a utility can be a significant conservation measure. Minimizing water loss can help utilities increase efficiency, improve their financial status, and reduce the need to search for additional water sources. Currently, any retail public water utility that has an active loan with the Texas Water Development Board (TWDB) is required to file a water audit annually for the life of the loan. This bill:

Requires the Texas Commission on Environmental Quality by rule to require a public utility that files a water audit required by Section 16.0212 (Water Audits), Water Code, to notify each of the utility's customers of the water loss reported in the water audits.

Requires a retail public utility to provide the notice on or with the utility's next annual consumer confidence report delivered after the water audit is filed or with the next bill the customer receives after the water audit is filed.

Utility Service Disconnection—H.B. 1772
by Representative Chris Turner et al.—Senate Sponsor: Senators Davis and Garcia

Concerns have been raised about multifamily properties and the impact that unexpected utility service disconnection has on the residents. Tenants in nonsubmetered master metered apartment properties usually pay a flat rate for utilities, which are typically included in their monthly rent, with the landlord being responsible for directly paying the utility company for the property as a whole. One of the biggest concerns regarding this method is that it leaves tenants with little to no recourse in getting service restored when it is unexpectedly disconnected as a result of a landlord's failure to meet the lease agreement. Recent reports indicate that this scenario is not uncommon among large numbers of apartment and condominium complexes, particularly in low-income urban areas where buildings might be older and, therefore, not submetered. This bill:
Requires a customer to provide written notice of a service disconnection to each tenant or owner at a nonsubmetered master metered multifamily property not later than the fifth day after the date the customer receives a notice of service disconnection from an electric service provider or a gas utility.

Requires the customer to provide the notice by mail to the tenant's or owner's preferred mailing address or hand deliver the notice to the tenant or owner.

Requires that the notice include the customer's contact information and the tenant's remedies under Section 92.301 (Landlord Liability to Tenant for Utility Cutoff).

Requires that the notice include certain text in both English and Spanish.

Sets forth the language to be included on the notice.

Requires the customer, if the property is located in a municipality, to provide that same notice to the governing body of that municipality by certified mail.

Authorizes the governing body of the municipality to provide additional notice to the property's tenants and owners after receipt of the service disconnection notice.

Provides that a customer is not required to provide the notices if the customer avoids the disconnection by paying the bill.

Requires a retail electric provider or a vertically integrated electric utility, not including a municipally owned utility or an electric cooperative, in an area where customer choice has not been introduced, to send a written notice of service disconnection to a municipality before the retail electric provider or vertically integrated electric utility disconnects service to a nonsubmetered master metered multifamily property for nonpayment if the property is located in the municipality, and the municipality establishes an authorized representative to receive the notice.

Requires the retail electric provider or vertically integrated electric utility in an area where customer choice has not been introduced to send the notice required by this section not later than the 10th day before the date electric service is scheduled for disconnection.

Provides that the customer safeguards are in addition to safeguards provided by other law or agency rules.

Provides that this subchapter does not prohibit a municipality or the Public Utility Commission (PUC) from adopting customer safeguards that exceed these safeguards.

Requires PUC by rule to develop a mechanism by which a municipality is authorized to provide PUC with the contact information of the municipality's authorized representative to whom the notice is required to be sent.

Requires PUC to make the contact information available to the public.

Requires a gas utility to send a written notice of service disconnection to a municipality before the gas utility disconnects service to a nonsubmetered master metered multifamily property for nonpayment if the
property is located in the municipality, and the municipality establishes an authorized representative to receive the notice.

Requires the gas utility to send the notice required by this section not later than the 10th day before the date gas utility service is scheduled for disconnection.

Provides that the customer safeguards are in addition to safeguards provided by other law or agency rules.

Provides that these provisions do not prohibit a municipality or the Railroad Commission of Texas (regulatory authority) governing body of a municipality from adopting customer safeguards that exceed the safeguards provided by this chapter (Rates and Services).

Requires the regulatory authority by rule to develop a mechanism by which a municipality is authorized to provide the regulatory authority with the contact information of the municipality's authorized representative to whom the notice required is required to be sent.

Requires the regulatory authority to make the contact information available to the public.

Regulation of Telecommunicators—H.B. 1951

by Representative Senfronia Thompson—Senate Sponsor: Senator Carona

The Occupations Code includes telecommunicators employed by or serving certain law enforcement agencies among the law enforcement personnel regulated by provisions relating to certain duties of the Commission on Law Enforcement Officer Standards and Education (TCLEOSE). However, recent high profile instances regarding 9-1-1 operators suggest that minimum licensing and training requirements are necessary to ensure that public safety is protected. This bill:

Authorizes TCLEOSE to establish minimum standards relating to competence and reliability, including education, training, physical, mental, and moral standards, for licensing as an officer, county jailer, public security officer, or telecommunicator.

Requires TCLEOSE to establish and maintain training programs for officers, county jailers, and telecommunicators.

Requires that the training be conducted by TCLEOSE staff or by other agencies and institutions TCLEOSE considers appropriate.

Authorizes TCLEOSE to issue or revoke the license of a school operated by or for this state or a political subdivision of this state specifically for training officers, county jailers, recruits, or telecommunicators; operate schools and conduct preparatory, in-service, basic, and advanced courses in the schools, as TCLEOSE determines appropriate, for officers, county jailers, recruits, and telecommunicators; issue a license to a person to act as a qualified instructor under conditions that TCLEOSE prescribes; and consult and cooperate with a municipality, county, special district, state agency or other governmental agency, or a university, college, junior college, or other institution, concerning the development of schools and training programs for officers, county jailers, and telecommunicators.
Prohibits a person, with certain exceptions under certain provisions, from appointing or employing a person to serve as an officer, county jailer, public security officer, or telecommunicator unless the person holds an appropriate license issued by TCLEOSE.

Requires a person who appoints or employs a telecommunicator licensed by TCLEOSE to notify TCLEOSE not later than the 30th day after the date of the appointment or employment.

Requires a person, if the person appoints or employs an individual who previously served as a telecommunicator and the appointment or employment occurs after the 180th day after the last date of service as a telecommunicator, to have on file in a form readily accessible to TCLEOSE new criminal history record information and two completed fingerprint cards.

Requires TCLEOSE to issue an appropriate officer or county jailer license to a person who completes certain requirements.

Requires TCLEOSE to issue a telecommunicator license to a person who submits an application; completes the required training; passes the required examination; and meets any other requirement of this chapter and the rules prescribed by TCLEOSE to qualify as a telecommunicator.

Authorizes TCLEOSE to issue a temporary or permanent license to a person to act as a telecommunicator.

Requires a state agency, county, special district, or municipality that appoints or employs a telecommunicator to provide training to the telecommunicator of not less than 20 hours during each 24-month period of employment.

Requires that the training be approved by TCLEOSE and consist of topics selected by TCLEOSE and the employing entity.

Requires TCLEOSE to adopt rules for issuing achievement awards to peace officers, reserve peace officers, jailers, custodial officers, or telecommunicators who are licensed by TCLEOSE.

Requires that TCLEOSE rules require recommendations from an elected official of this state or a political subdivision, an administrator of a law enforcement agency, or a person holding a license issued by TCLEOSE.

Prohibits this state or a political subdivision of this state from employing a person to act as a telecommunicator unless the person holds a license to act as a telecommunicator or agrees to obtain the license not later than the first anniversary of the date of employment.

Prohibits a person employed to act as a telecommunicator who has not obtained a license to act as a telecommunicator from continuing to act as a telecommunicator after the first anniversary of the date of employment unless the person obtains the license.

Provides that an officer is not required to obtain a telecommunicator license to act as a telecommunicator. Provides that a person commits an offense if the person appoints or retains another person as an officer, county jailer, or telecommunicator in violation of state law.
Requires TCLEOSE to adopt rules, standards, and procedures necessary to implement the provisions of this Act.

Provides that a person employed as a certified telecommunicator on January 1, 2014, is exempt from the requirements for an initial telecommunicator license, and TCLEOSE is required to issue a telecommunicator license to the person on receipt of an application showing that the person was employed as a certified telecommunicator on that date.

**Ability of Cogeneration Facility to Sell Electric Energy—H.B. 2049**

*by Representatives Huberty and Menéndez—Senate Sponsor: Senator Williams*

A cogeneration facility is a facility, often located at large industrial plants, that produces electricity and another form of useful thermal energy such as heat or steam in a way that is more efficient than the separate production of both forms of energy. Clarity is needed regarding the statutory definition of a cogeneration facility as one that sells electric energy to the sole purchaser of a cogenerator's thermal output. The definition is incongruent with a regulatory ruling allowing cogeneration facilities to sell thermal energy to multiple purchasers to maximize operational efficiency. This bill:

Authorizes a qualifying cogenerator to sell electric energy at retail to more than one purchaser of the cogenerator's thermal output.

Provides that selling electric energy at retail to more than one purchaser does not, as a result of that sale, subject a qualifying cogenerator to regulation as a retail electric provider or power generation company, or a retail electric utility.

Provides that this Act does not apply to sales in an area in which customer choice has not been adopted and where a municipally owned utility or an electric cooperative is certificated to provide retail electric utility service or that is served by an electric utility that operates solely outside of the Electric Reliability Council of Texas (ERCOT).

**Imposition of Fees by a Municipally Owned Utility System's Board of Trustees—H.B. 2105**

*by Representative Lucio III—Senate Sponsor: Senator Lucio*

Currently, the Government Code allows municipalities to levy and collect charges for utility systems. Resacas are remnants of Rio Grande channels that aid in flood control, water storage, and agricultural water delivery and are present in municipal utilities but not currently addressed in that portion of statute. This bill:

Authorizes a municipality to acquire, purchase, construct, improve, enlarge, equip, operate, or maintain any property, including channels or bodies of water known as resacas, interests in property, buildings, structures, activities, services, operations, or other facilities, with respect to a utility system, a park, or a swimming pool.
Authors the board of trustees having management and control of a utility system located in a county contiguous to the Gulf of Mexico and bordering Mexico to impose and collect the charges for services provided by the utility system.

**Relocation of Utility Facilities Upon Completion of a Tolled Highway—H.B. 2585**

*by Representatives Harper-Brown and Dennis Bonnen—Senate Sponsor: Senator Paxton*

Highway projects, including toll roads, often result in the need to move utility facilities that occupy the right-of-way. In 2005, a cost-sharing plan for facility relocations was established by the legislature and passed as part of H.B. 2702.

Current law states that the state and utilities will equally share the cost of relocating utility facilities for state toll road projects. Utility companies with facilities in the right-of-way currently receive reimbursement for relocating facilities in state toll road projects through toll revenue. The current reimbursement for the relocation of utilities for these projects is set to expire on September 1, 2013. This bill:

Deletes existing text regarding expiration for reimbursement for the relocation of utilities for tolled projects.

Requires the Texas Department of Transportation (TxDOT) and the utility to share equally the cost of the relocation of a utility facility that is required by the improvement of a nontolled highway to add one or more tolled lanes.

Requires TxDOT and the utility to share equally the cost of the relocation of a utility facility that is required by the improvement of a nontolled highway that has been converted to a turnpike project or toll project and required by the improvement of a nontolled highway that has been converted to a turnpike project or toll project.

Requires TxDOT and the utility to share equally the cost of the relocation of a utility facility that is required by the construction on a new location of a turnpike project or toll project or the expansion of such a turnpike project or toll project and required by the construction on a new location of a turnpike project or toll project or the expansion of such a turnpike project or toll project.

**Cable Operators' Attachments Controlled by Electric Cooperatives—H.B. 3355**

*by Representative Cook—Senate Sponsor: Senator Carona*

Telecommunications and electric utilities have an established system of utility poles to carry the wires that move their resources from provider to the consumer. However, cable companies rarely have their own utility poles so they often lease space from utility pole owners. Historically, rates, terms, and conditions for attachments to cooperative poles have been established through private contracts. However, specific requirements for rate setting, transfer, and removal of such attachments would provide a framework for future contract negotiations and create a more predictable and efficient system. This bill:

Defines "abandoned pole attachment," "cable operator," "pole," "pole attachment," and "security instrument."
Provides that this Act applies to a pole attachment affixed by a cable operator to a pole owned and controlled by an electric cooperative.

Provides that this Act does not apply to a pole attachment regulated by the Federal Communications Commission under 47 U.S.C. Section 224.

Provides that this Act does not abrogate or affect a right or obligation of a party to a pole attachment contract entered into by a cable operator and an electric cooperative before September 1, 2013.

Provides that this Act does not constitute state certification under 47 U.S.C. Section 224(c).

Provides that if a court determines that this Act constitutes certification then this Act is not enforceable and has no effect.

Prohibits this chapter from being construed to subject an electric cooperative to regulation by the Federal Communications Commission under 47 U.S.C. Section 224.

Provides that this Act does not authorize a department, agency, or political subdivision of the state to exercise enforcement or regulatory authority over attachments to electric cooperative poles.

Requires that the technical terms and phrases in this Act be construed to use the usual and customary meanings in the electric and cable industries.

Requires a cable operator and an electric cooperative to establish the rates, terms, and conditions for pole attachments, including the cooperative's application and permitting processes by a written pole attachment contract executed by both parties.

Requires that the rates, terms, and conditions for attachments by a cable operator on an electric cooperative's poles be just and reasonable.

Requires a cable operator and an electric cooperative to negotiate a pole attachment contract in good faith.

Requires that a request to negotiate a new pole attachment contract by a cable operator or an electric cooperative be in writing.

Provides that if a cable operator and an electric cooperative are unable to agree to a new pole attachment contract before the expiration date of an existing pole attachment contract, the rates, terms, and conditions of the existing pole attachment contract and the terms and conditions of the electric cooperative's application and permitting processes remain in force during the 180-day negotiation period and during the period of any agreed extension, and during the 90-day mediation period and during the period of any agreed extension.

Provides that if a cable operator and an electric cooperative are unable to agree to a new pole attachment contract before the 181st day after the expiration date of the existing pole attachment contract and are unable to agree to an extension of the negotiation period for a certain number of days, the cable operator and electric cooperative shall attempt to resolve any disagreement over the rates, terms, or conditions by submitting the contract negotiations to mediation.
Prohibits the mediation process from extending later than the 90th day after the end of the 180-day negotiation period and any agreed extension of that period unless the cable operator and an electric cooperative agree to an extension of the mediation period for a certain number of days.

Requires that the mediation process be conducted in a county in which the electric cooperative has distribution poles.

Requires the cable operator and an electric cooperative to share the expenses for the mediator equally.

Authorizes the cable operator or the electric cooperative to request that a court resolve the disagreement over the rates, terms, or conditions if the mediation process does not resolve the disagreement over the rates, terms, or conditions.

Authorizes access to a pole to be denied where there is insufficient capacity and for reasons of safety, reliability, and generally applicable engineering purposes.

Requires that at least the following factors be considered in determining whether rates, terms, and conditions are just and reasonable: the interests of and benefits to the consumers and potential consumers of the electric cooperative's services; the interests of and benefits to the subscribers and potential subscribers of the services offered through the pole attachments; compliance with applicable safety standards; and the maintenance and reliability of both electric distribution and cable services.

Requires an electric cooperative to provide a cable operator with notice when the electric cooperative is installing a new pole to replace an existing pole to which a pole attachment is affixed due to the rerouting, maintenance, or upgrading of the electric distribution system.

Requires the electric cooperative, in the notice, to specify a date for the cable operator to remove its attachment from the existing pole and transfer the attachment to the new pole.

Authorizes the electric cooperative to transfer the pole attachment to the new pole at the cable operator's expense, including the cost for the electric cooperative to return to the site if a cable operator does not transfer a pole attachment to the new pole on or before the 30th day after the date specified by the electric cooperative.

Requires a cable operator to indemnify, defend, and hold harmless the electric cooperative and the cooperative's members, directors, officers, agents, and employees from and against all liability for the removal and transfer of a pole attachment subject to this section, except for personal injury or property damage arising from gross negligence or wilful misconduct of the electric cooperative during the removal and transfer process.

Requires a cable operator to remove the operator's abandoned pole attachment from an electric cooperative's pole not later than the 60th day after the date the cable operator receives from the electric cooperative a written request for removal of the pole attachment.

Authorizes a cable operator to request an electric cooperative to extend for a reasonable period at any time before the 60-day period expires.
Requires that the request for an extension be in writing.

Authorizes the electric cooperative to grant a cable operator a reasonable extension of time to remove an abandoned attachment.

Authorizes the electric cooperative to remove, use, sell, or dispose of the pole attachment at the cable operator's expense if a cable operator does not remove a pole attachment for which a request for removal was made before the expiration of the period or before the expiration of an extended period granted by the electric cooperative.

Authorizes an electric cooperative to require that a cable operator post a security instrument in an amount reasonably sufficient to cover the potential cost to the electric cooperative of removal and disposal of abandoned pole attachments.

Requires a cable operator to indemnify, defend, and hold harmless the electric cooperative and the cooperative's members, directors, officers, agents, and employees from and against all liability for the removal, use, sale, or disposal of abandoned pole attachments, except for personal injury or property damage arising from the gross negligence or willful misconduct of the electric cooperative during the removal and disposal process.

Provides that a cable operator is responsible for obtaining all rights-of-way and easements necessary for the installation, operation, and maintenance of the operator's pole attachments.

Provides that an electric cooperative is not required to obtain or expand a right-of-way or easement to accommodate a pole attachment requested by a cable operator.

Provides that an electric cooperative is not liable if a cable operator is prevented from placing or maintaining a pole attachment because the cable operator did not obtain a necessary right-of-way or easement.

Requires a cable operator to indemnify, defend, and hold harmless the electric cooperative and the cooperative's members, directors, officers, agents, and employees from and against any liability resulting from the cable operator's failure to obtain a necessary right-of-way or an easement for a pole attachment.

**Telecommunications Services and Markets—S.B. 259**

*by Senator Carona—House Sponsor: Representative Cook*

Incumbent local exchange carriers (ILEC), sometimes called legacy carriers, are telecommunications providers that had historically been regulated in the Texas market. In 1995, the 74th Legislature, Regular Session, 1995, passed H.B. 2128, which deregulated the telecommunications market, and soon thereafter ILECs began the process of deregulation. As a result of deregulations, competitive local exchange carriers (CLEC) were formed to bring competition to areas that were once monopolized by an ILEC. Since then, CLECs have had less regulatory oversight that ILECs as an incentive to compete at the beginning of deregulation. Over time, these conflicting policies have caused unequal treatment and regulatory uncertainty for ILECs that are transitioning into deregulation. This bill:
Prohibits the Public Utility Commission of Texas (PUC) from requiring a nondominant carrier to obtain advance approval for a filing with PUC or a posting on the nondominant carrier's Internet website that adds, modifies, withdraws, or grandfathers a retail service or the service's rates, terms, or conditions.

Prohibits PUC from requiring a deregulated company or transitioning company to obtain advance approval for a filing with PUC or a posting on the company's Internet website that adds, modifies, withdraws, or grandfathers a nonbasic retail service or the service's rates, terms, or conditions, or for a market that has been deregulated, or a basic network service of the service's rates, terms, or conditions.

Requires an incumbent local exchange carrier to continue to provide to affected resellers of retail services the same notice of rate changes or withdrawal of detariffed services that was required to provide prior to detariffing, unless an interconnection agreement contract specifies otherwise.

Prohibits PUC from, by a rule or regulatory practice adopted under this chapter, imposing on a nondominant telecommunications utility a greater regulatory burden than is imposed on a holder of a certificate of convenience and necessity serving the same area, or a deregulated company that has 500,000 or more access lines in service at the time it becomes a deregulated company, or serves an area also served by the nondominant telecommunications utility.

Provides that a deregulated company that holds a certificate of operating authority is a nondominant carrier.

Provides that a deregulated company that holds a certificate of operating authority issued under this subchapter is not required to fulfill the obligations of a provider of last resort; comply with retail quality of service standards or reporting requirements; file an earnings report with PUC unless the company is receiving support from the Texas High Cost Universal Service Plan; or comply with a pricing requirement.

Provides that, notwithstanding any other provisions of this title, PUC has only the authority over a deregulated company that holds a certificate of operating authority.

Provides that various provisions apply to a deregulated company and authorizes PUC to enforce the provisions using the remedies of this Act.

Authorizes PUC to hear complaints of retail and wholesale customers against deregulated companies that are in the scope of PUC's authority.

Repeals Section 55.012 (Limitations on Discontinuance of Basic Local Telecommunications Service), Utilities Code.

Power Line Standards—S.B. 349

by Senator Nichols—House Sponsor: Representative Creighton

Section 181.045 (Standards for Construction, Operation, and Maintenance of Lines), Utilities Code, requires that both electric transmission and electric distribution lines be constructed with clearance heights that meet the standards of the National Electrical Safety Code (NESC). In addition, Section 181.045(b) sets a specific clearance height, for transmission lines only, of 22 feet. For decades, electric utilities, co-ops, and municipally owned utilities have followed NESC clearance height standards for transmission and
distribution lines, while also following the 22-foot clearance standard in Section 181.045(b) for transmission lines.

A recent Texas Supreme Court decision applied the 22-foot transmission line clearance standard in Section 181.045(b) to distribution lines as well, and this opinion would by its terms apply to all distribution lines in Texas. As a result, tens of thousands of miles of distribution lines will be viewed as non-compliant with the statute, despite following NESC standards. This bill:

Defines “distribution line” and “transmission line.”

Requires a municipal electric utility to construct, operate, and maintain its transmission lines and distribution lines along highways and at other places in accordance with the national electrical safety code.

Requires an electric utility that is not a municipal electric utility, with regard to clearances, to construct, operate, and maintain its transmission lines and distribution lines along highways and at other places in accordance with the national electrical safety code.

Specialized Telecommunications Assistance Programs—S.B. 512

by Senator Carona—House Sponsor: Representative Frullo

The Specialized Telecommunications Assistance Program (STAP) is a statewide program that provides financial assistance for the purchase of specialized assistive equipment or services for Texans with disabilities that interfere with their ability to access the telephone network, such as deaf, blind, or hard of hearing. Currently, STAP is bifurcated between the Department of Assistive and Rehabilitative Services’ Office of Deaf and Hard of Hearing Services (DHHS) and the Public Utility Commission (PUC). This causes program inefficiencies resulting from the program being administered under two sets of agency rules and procedures.

Currently, applications for specialized assistive equipment or services are reviewed by DHHS to determine whether the applicant is eligible as defined by rule or statute. Qualifying applicants are sent a voucher for the purchase of equipment or services. The value of all vouchers is determined by DHHS. PUC is the administrator of the Texas Universal Service Fund, which is the funding source for vendor reimbursements. PUC is responsible for STAP vendor registration and reimbursement, and also assists in resolving problems between a STAP voucher recipient and a vendor. This bill:

Requires PUC to adopt and enforce rules requiring local exchange companies to establish a universal service fund for certain purposes, including to reimburse the Department of Assistive and Rehabilitative Services (DARS) and PUC, rather than to reimburse DARS, the Texas Commission for the Deaf and Hard of Hearing (TCDHH), and PUC, for costs incurred in implementing this chapter and Chapter 57 (Distance Learning and Other Advanced Services).

Adds auditing voucher payments and other expenditures made under the specialized telecommunications assistance program established under Subchapter E (Specialized Telecommunications Assistance Program) to the list of duties required of PUC in this section.
Provides that the advisory committee to assist PUC in administering this subchapter is composed of certain persons appointed by PUC, including two persons, at least one of whom is deaf, with experience in providing relay services recommended by DARS, rather than TCDHH.

Requires the advisory committee to perform certain duties, including, to advise DARS, at DARS' request, rather than to advise PUC and TCDHH, at the request of either commission, regarding any issue related to the specialized telecommunications assistance program established under Subchapter E, including devices or services suitable to meet the needs of persons with disabilities in communicating with other users of telecommunication services, and oversight and administration of the program.

Requires the executive commissioner of the Health and Human Services Commission (executive commissioner), after consulting with DARS, rather than requiring PUC and TCDHH, to, by rule establish a specialized telecommunications assistance program to provide financial assistance to individuals with disabilities that impair the individuals' ability to effectively access the telephone network to assist the individuals with the purchase of basic specialized equipment or services to provide the individuals with telephone network access that is functionally equivalent to that enjoyed by individuals without disabilities.

Authorizes the executive commissioner to adopt rules that identify devices and services eligible for vouchers under the program.

Authorizes DARS to contract, as necessary, to implement and administer the specialized telecommunications assistance program.

Requires the executive commissioner, after consulting with DARS to by rule prescribe eligibility standards for individuals, including deaf individuals and individuals who have an impairment of hearing or speech, to receive an assistance voucher under the program.

Requires the executive commissioner, after consulting with DARS to by rule provide that a distributor of devices or a provider of services will receive not more than the full price of the device or service if the recipient of a voucher exchanges the voucher for a device or service that the distributor or provider sells for less than the voucher's value.

Provides that, except as provided by rules adopted under this Act, an individual is not eligible for a voucher if DARS has issued a voucher for a device or service to another individual with the same type of disability in the individual's household.

Authorizes the executive commissioner, after consulting with DARS, to by rule provide for financially independent individuals who reside in a congregate setting to be eligible for a voucher regardless of whether another individual living in that setting has received a voucher.

Authorizes DARS to implement certain procedures, including to delay payment of a voucher to a distributor of devices or a service provider if there is a dispute regarding the amount or propriety of the payment or whether the device or service is appropriate or adequate to meet the needs of the person to whom DARS issued the voucher until the dispute is resolved.

Authorizes the executive commissioner, after consulting with DARS, to adopt rules to implement the above provision.
Authorize DARS to promote the program by means of participation in certain promotional items or efforts.

Transfers from PUC to DARS the powers, duties, functions, programs, and activities of PUC relating to the specialized telecommunications assistance program.

Provides that a rule or form adopted by PUC that relates to a power, duty, function, program, or activity transferred is a rule or form of DARS and remains in effect until altered by the executive commissioner.

Provides that a reference in law to PUC that relates to a power, duty, function, program, or activity transferred in this section means DARS.

Transfer of Water Rates to the Public Utility Commission—S.B. 567  
by Senator Watson et al.—House Sponsor: Representative Geren

During the 82nd Legislature, the Sunset Advisory Commission recommended that "the state could benefit from transferring regulatory functions related to water and wastewater utilities to PUC." However, the Public Utility Commission (PUC) sunset bill did not pass and the utility rate setting function did not transfer. The Sunset Advisory Commission has reaffirmed the recommendation that water and wastewater utility ratemaking functions be transferred to PUC and that the Office of Public Utility Counsel (OPUC) be authorized to intervene in water rate cases on behalf of residential and small commercial customers.

In addition to the Sunset review, subcommittees of the Senate Natural Resources Committee and Business and Commerce Committee held hearings that established support for ending the one-size-fits-all treatment for an investor-owned utility (IOU) rate setting and establishing utility classifications based on connection count. This bill:

Transfers the economic regulation of water and wastewater utilities from the Texas Commission on Environmental Quality (TCEQ) to PUC.

Grants OPUC authority to intervene in water rate cases on behalf of residential and small commercial customers.

Establishes IOU classifications based on connection count, thus ending the one-size-fits-all treatment for IOU rate setting.

Provides that under these proposed classes, the largest IOU would be distinguished from the smallest IOU and an IOU's proposed rate would not automatically go into effect until finally approved.

Provides that a Class A utility, defined as an IOU with 10,000 connections or more, will follow a ratemaking process similar to the process in the Public Utility Regulatory Act (PURP) that is currently used for electric rate increases.

Provides that a Class A utility will file detailed costs, rate schedules, and pre-filed testimony supporting the requested rate increase at the time the IOU applies for the rate increase, and a final rate determination will be required to be made within 185 days.
Provides that a Class A utility will be required to file annual financial and earnings monitoring reports with PUC.

Authorizes PUC to make rules to determine how to treat affiliates of Class A IOUs for filing purposes.

Provides that for the first filing at PUC, a Class B or Class C affiliate of a Class A utility cannot file for a new rate prior to a filing for the Class A utility.

Provides that a Class B utility, defined as an IOU with 500 to 10,000 connections, would file an abbreviated rate-filing package providing cost-of-service and rate base information.

Authorizes pre-filed testimony if the application becomes contested.

Provides that a Class C utility, defined as an IOU with 500 connections or less, will be allowed the option to request an annual rate adjustment based on a predetermined index not to exceed a five percent increase.

Provides that the adjustments could go into effect 30 days after proper notice to customers if the adjustment is equal to or lower than PUC's established water utility index for that year.

Provides that if the adjustment is greater than the established index, the rate application will follow the Class B process.

Authorizes a Class C utility to only one adjustment every 12 months, with no more than four total adjustments prior to the Class C utility filing a Class B rate application.

Eligibility For Support From the Universal Service Fund—S.B. 583  
by Senators Carona and West—House Sponsor: Representative Cook

In 1987, the 70th Legislature established the Texas Universal Service Fund (TUSF), the Texas equivalent of the Federal Universal Service Fund. The concept of universal service is that all citizens should have access to basic telecommunication services. Originally, long-distance rates subsidized rural local rates, which generally have a higher cost to provide services. Once telecommunication markets became open to competition this method became unsustainable and inefficient and subsidies are now made explicitly through a surcharge. TUSF exists outside the treasury and is authorized by Chapter 56 (Telecommunications Assistance and Universal Service Fund), Utilities Code. Overall support is provided on a per-line, competitively neutral basis, meaning that if the customer chooses another telecommunications provider, that line’s support follows the customer to the new company.

The federal government recently reduced universal service funding and shifted its focus to broadband. Furthermore, while universal service funding is meant to ensure that rates in rural areas are not significantly higher than in urban areas, Texas has seen urban area rates that are higher than rural rates.

In order for TUSF to best serve its intended purpose a needs test should be created for TUSF so that after December 1, 2016, no company or cooperative with more than 31,000 access lines is eligible for support in an exchange that has two voice providers. This is the same concept created by S.B. 980, 82nd Legislature, Regular Session, 2011, for deregulation. Furthermore, a safety net should address equity for
companies and cooperatives to petition the Public Utility Commission of Texas (PUC) for support in areas with no unsubsidized competitor that have financial need. This bill:

Requires that the eligibility criteria require that a telecommunications provider, in compliance with the quality of service requirements of PUC, include offering service to each consumer within an exchange in the company’s certificated area for which the incumbent local exchange company receives support under a plan established under Section 56.021(1) (relating to requiring PUC to adopt and enforce rules requiring local exchange companies to establish a universal service fund to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas under certain plans) and to any permanent residential or business premises to which the company is designated to provide services under Subchapter F (Service to Uncertificated Area), and rendering continuous and adequate service within an exchange in the company’s certificated area for which the incumbent local exchange company receives support under a plan established under Section 56.021(1) and to any permanent residential or business premises to which the company is designated to provide services under Subchapter F.

Provides that for an incumbent local exchange company or cooperative that served greater than 31,000 access lines in this state on September 1, 2013, or a company or cooperative that is a successor to such a company or cooperative, the support that the company or cooperative is eligible to receive on December 31, 2016, under a plan established is reduced on January 1, 2017, to 75 percent of the level of support the company or cooperative is eligible to receive on December 31, 2016; on January 1, 2018, to 50 percent of the level of support the company or cooperative is eligible to receive on December 31, 2016; and on January 1, 2019, to 25 percent of the level of support the company or cooperative is eligible to receive on December 31, 2016.

Authorizes an incumbent local exchange company or cooperative that is subject, after PUC has adopted rules, to petition PUC to initiate a contested case proceeding as necessary to determine the eligibility of the company or cooperative to receive support under an established plan.

Prohibits a company or cooperative from filing more than one petition.

Requires PUC, on receipt of a petition, to initiate a contested case proceeding to determine the eligibility of the company or cooperative to receive continued support under an established plan for service in the exchanges that are the subject of the petition.

Requires the company or cooperative to demonstrate that it has a financial need for continued support to be eligible to receive support for service in an exchange.

Requires PUC to issue a final order on the proceeding not later than the 330th day after the date the petition is filed with PUC.

Entitles the company or cooperative to receive the total amount of support the company or cooperative was eligible to receive on the date the company or cooperative filed the petition until PUC issues a final order on the proceeding.

Provides that a company or cooperative that files a petition is not subject to Subsection (f) (relating to eligibility to receive support) after PUC issues a final order on the proceeding.
Requires PUC to set the amount of support in the same proceeding if PUC determines that a company or cooperative has demonstrated financial need for continued support.

Prohibits the amount of support set by PUC for an exchange from exceeding certain percentages for certain time periods.

Provides that for an incumbent local exchange company that is an electing company or a cooperative that served greater than 31,000 access lines in this state on September 1, 2013, or a company or cooperative that is a successor to such a company or cooperative, the support that the company or cooperative is eligible to receive on December 31, 2017, under an established plan is reduced by certain percentages for certain time periods.

Authorizes an incumbent local exchange company or cooperative after PUC has adopted rules to petition PUC to initiate a contested case proceeding as necessary to determine the eligibility of the company or cooperative to receive support under an established plan for service.

Prohibits a company or cooperative from filing more than one petition under this subsection.

Requires PUC, on receipt of a petition to initiate a contested case proceeding to determine the eligibility of the company or cooperative to receive continued support under an established plan for service in the exchanges that are the subject of the petition.

Requires the company or cooperative to demonstrate that it has a financial need for continued support to be eligible to receive support for service in an exchange.

Requires PUC to issue a final order on the proceeding no later than the 330th day after the date the petition is filed with PUC.

Requires the company or cooperative to continue to receive the total amount of support it was eligible to receive on the date the company or cooperative filed a petition under this subsection until PUC issues a final order on the proceeding.

Requires PUC to set the amount of support in the same proceeding if PUC determines that a company or cooperative has demonstrated financial need for continued support under this subsection.

Prohibits the amount of support set by PUC for an exchange from exceeding certain percentages for certain time periods.

Requires PUC by rule to establish the standards and criteria for an incumbent local exchange company or cooperative to demonstrate that the company or cooperative has a financial need for continued support for residential and business lines under an established plan.

Entitles the telecommunications provider to continued support through December 31, 2017, at the same monthly per-line support amount as the provider is receiving as of the date the support ceases for that exchange for the incumbent local exchange company or cooperative, notwithstanding the period for continued support, if the eligible telecommunications provider receiving continued support under that subsection is a cooperative or an affiliate of a cooperative.
Provides that support authorized under this subsection ceases December 31, 2017.

Provides that a report or information PUC requires a telecommunications provider to provide is confidential and not subject to disclosure under Chapter 552 (Public Information), Government Code.

Provides that in addition to the authority for each local exchange company that serves fewer than 31,000 access lines and each cooperative, PUC is authorized to adopt a mechanism necessary to maintain reasonable rates for local exchange telephone service, and for each local exchange company and each cooperative that serves 31,000 or fewer access lines and that on June 1, 2013, is not an electing company PUC is required to adopt rules to expand the universal service fund in the circumstances prescribed by this section.

Prohibits PUC, notwithstanding any other provision of this section, after December 31, 2013, from distributing support granted under this section, including any support granted before that date, to a local exchange company or cooperative that serves greater than 31,000 access lines or that is an electing company on June 1, 2013.

Authorizes PUC to revise the monthly support amounts to be made available from the Small and Rural Incumbent Local Exchange Company Universal Service Plan by any mechanism, including support reductions resulting from rate rebalancing approved by PUC.

Requires PUC to consider the adequacy of basic rates to support universal service in determining appropriate monthly support amounts, rather than in determining appropriate monthly per line support amounts.

Entitles a company that receives frozen monthly support amounts as prescribed by a final order issued by PUC in PUC’s Docket No. 39643 to continue to receive that monthly support until the support is revised.

Requires PUC to annually set the company’s monthly support amounts for the following 12 months by dividing by 12 the annualized support amount calculated under this subsection for each small or rural incumbent local exchange company that is not receiving frozen support amounts and is not an electing company.

Requires PUC to calculate the annualized amount for the initial 12-month period for which a company makes an election under this subsection by determining the annualized support amount received by the company as of January 1, 2013, and for subsequent 12-month periods by adjusting the most recent annualized support amount calculated by PUC by a factor equal to the percentage change in the consumer price index for the most recent 12-month period.

Authorizes PUC, on its own motion or on the written request of the company, to initiate a proceeding to recalculate the most recent annualized support amount to be used as the basis for adjustment for a subsequent 12-month period.

Requires PUC, except for good cause, to establish monthly support amounts not later than the 60th day after the date PUC determines the company is eligible, rather than requiring PUC to approve the request not later than the 60th day after the date PUC determines the company is eligible and has met all the procedural requirements under this subchapter.
Provides that any monthly support amount approved under those subsections expire September 1, 2017.

Repeals Section 3 (relating to amending Section 56.031 (Adjustments), Utilities Code, effective September 1, 2013), Chapter 535 (H.B. 2603), Acts of the 82nd Legislature, Regular Session, 2011, Utilities Code.

Requires PUC to adopt rules under Section 56.023(j), Utilities Code, as added by this Act, not later than December 1, 2014. Requires PUC to initiate the rulemaking proceeding not later than January 1, 2014.

Regulating Faulty On-Site Sewage Disposal Systems in Unincorporated Areas—S.B. 634
by Senators Davis and Garcia—House Sponsor: Representative Collier

Currently, surface discharge from an on-site sewage disposal is not defined as a "public nuisance." This bill:

Redefines a public nuisance to include surface discharge from an on-site sewage disposal system.

Authorizes a county to use any means of abatement reasonably necessary to bring the system into compliance with Chapter 366 (On-Site Sewage Disposal Systems), Health and Safety Code, in the case of a nuisance under Section 343.011(c)(13), Health and Safety Code, only after the defendant fails to abate the nuisance as ordered by the court under Section 343.012(e) (relating to providing a court order to abate a nuisance if a defendant is convicted of an offense), Health and Safety Code.

Public Utility Commission Rates For Certain Surcharges and Emergency Services Fees—S.B. 809
by Senator Carona—House Sponsor: Representative Frullo

Section 771.071(a), Health and Safety Code, authorizes the Commission on State Emergency Communications (CSEC) to impose a 9-1-1 service fee of up to 50 cents on each telephone landline using formulas adopted in the code. CSEC establishes and allocates the 9-1-1 fee using formulas adopted in the Health and Safety Code. The Health and Safety Code also requires CSEC to file the fee information with the Public Utility Commission of Texas (PUC), which is required to monitor the establishment of the fees. If PUC determines that the recommended rate or allocation is not appropriate, PUC is required to provide comments to CSEC, the governor, and the Legislative Budget Board regarding appropriate rates and the basis for that determination. The fee for wireless is statutorily set at 50 cents; therefore, PUC’s review is limited to the landline (wireline) fee. This fee is currently set at 50 cents, the same as the fee set for wireless in 1997. To date, PUC has not recommended any reductions to the 9-1-1 fee to ensure that all telephone subscribers (wireline and wireless) are treated at parity. It is not administratively efficient for PUC to review CSEC’s proposed rates and allocations because they are either statutorily mandated or the potential for reduction in 9-1-1 fees for wireline may discriminate against wireless subscribers and negatively impact CSEC. This bill:

Repeals Sections 771.0725(a) (relating to requiring PUC to monitor the establishment of emergency service fees and the equalization of certain surcharges), 771.0725(b) (relating to requiring CSEC to provide documentation to PUC regarding the rate at which each fee should be imposed and the allocation of revenue under certain sections), 771.0725(c) (relating to requiring PUC to review the documentation provided by CSEC as well as allocations derived therefrom and also identified by CSEC), and 771.0725(d)
(relating to authorizing PUC to review and make comments, in an informal proceeding, regarding a certain rate or allocation), Health and Safety Code.

**Notice of Utility Rate Increases—S.B. 885**  
*by: Senator Hinojosa—House Sponsor: Representative Harper-Brown*

Currently, natural gas companies are required to publish notifications for rate increases in local newspapers for four consecutive weeks. For customers residing in municipalities with a population of less than 2,500, the gas utility can provide notice by the United States Postal Service to each customer or by inserting notification in the monthly bill. This bill:

Authorizes a gas utility, instead of publishing newspaper notice, to provide notice in a certain manner, including by sending the notice by email to each directly affected customer if that address is available to the gas utility. Deletes existing text authorizing a gas utility, instead of publishing newspaper notice, to provide notice to the public in an area outside the affected municipality or in a municipality with a population of less than 2,500 in a certain manner.

Authorizes a gas utility to provide a customer with notice of the utility’s intent to increase rates by email only if the customer has consented in writing to the use of the customer’s email address for that purpose.

**Electric Utility Bill Assistance Programs—S.B. 981**  
*by: Senator Van de Putte et al.—House Sponsor: Representative Menéndez*

Severe burn victims are unable to regulate their body temperatures. By allowing vertically integrated electric utilities, municipally owned utilities, retail electricity providers, and electric cooperatives to establish an electricity discount program for military veterans who have a significantly decreased ability to regulate their body temperature because of severe burns received in combat would relieve some of the financial pressures these victims incur.

By requiring the Public Utility Commission of Texas (PUC) to compile a list of the discount programs offered by retail electricity providers to military veterans with severe burns and for that list to be posted on the PUC website would help these burn victims find a utility that best suits their needs. This bill:

Authorizes an electric utility located in a portion of this state not subject to retail competition to establish a bill payment assistance program for a customer who is a military veteran who a medical doctor certifies has a significantly decreased ability to regulate the individual's body temperature because of severe burns received in combat.

Requires a regulatory authority to allow as a cost or expense a cost or expense of the bill payment assistance program. Provides that the electric utility is entitled to fully recover all costs and expenses related to the bill payment assistance program; defer each cost or expense related to the bill payment assistance program not explicitly included in base rates; and apply carrying charges at the utility's weighted average cost of capital to the extent related to the bill payment assistance program.
Authorizes a retail electric provider to establish a bill payment assistance program for a customer who is a military veteran who a medical doctor certifies has a significantly decreased ability to regulate the individual's body temperature because of severe burns received in combat.

Requires PUC to compile a list of discount programs that are available from retail electric providers.

Requires PUC to publish the list on PUC's Internet website and requires the Office of Public Utility Counsel (OPUC) to provide on OPUC's Internet website a link to the list.

Requires a retail electric provider to provide to PUC information necessary to compile the list in the form, manner, and frequency PUC by rule requires.

Provides that the costs of a bill payment assistance program established are considered a necessary operations expense.

Authorizes the board of directors of an electric cooperative or the governing body of a municipally owned utility to determine the method to fund a bill payment assistance program.

Inclusion of Natural Gas as a Public Facility For a Public Facility Corporation—S.B. 1063

by Senator Hegar—House Sponsor: Representative Kolkhorst

Currently, the Public Facility Corporation Act does not include as a “public facility” natural gas purchased for resale to a local government under a cooperative purchasing contract with the public facility corporation's sponsor. This bill:

Provides that natural gas purchased by a corporation for resale to a local government under an interlocal cooperation contract described by Section 791.025 (Contracts for Purchases), Government Code, between the sponsor and the local government is considered a public facility.

Regulation of Certain Water and Sewage Utilities—S.B. 1086

by: Senators Campbell and Zaffirini—House Sponsor: Representative Isaac

The 80th Legislature, Regular Session, 2007, enacted a bill that was meant to address the concerns of firefighters in unincorporated areas who could not tell whether hydrants were operable. In order to distinguish whether hydrants were in working order, firefighters were instructed to paint non-functioning hydrants black. As a result, several areas simply painted the hydrants black without testing them first. This bill:
Sets forth the municipalities to which Section 341.0358 (Public Safety Standards), Health and Safety Code, applies.

Sets forth the municipalities to which Section 341.03585 (Fire Hydrant Flow and Pressure Standards in Certain Municipalities), Health and Safety Code, as added by this bill, applies.

Requires the governing body of a municipality by ordinance to adopt standards requiring a utility to maintain sufficient water flow and pressure to fire hydrants in a residential area or an industrial district located in the municipality or the municipality's extraterritorial jurisdiction. Sets forth the provisions for the standards.

Prohibits an ordinance, except as provided by this subsection, from requiring a utility to build, retrofit, or improve fire hydrants and related infrastructure in existence at the time the ordinance is adopted. Authorizes an ordinance to apply to a utility's fire hydrants and related infrastructure that the utility installs after the effective date of the ordinance or acquires after the effective date of the ordinance if the hydrants and infrastructure comply with the standards adopted by the ordinance at the time the hydrants and infrastructure are acquired.

Requires the municipality, after adoption of an ordinance, to encourage any responsible emergency services district, as described by Chapter 775 (Emergency Services District), Health and Safety Code, to enter into a written memorandum of understanding with the utility to provide for the necessary testing of fire hydrants and other relevant issues pertaining to the use of the water and maintenance of the fire hydrants to ensure compliance with Section 341.03585 (Fire Hydrant Flow and Pressure Standards in Certain Municipalities), Health and Safety Code.

Requires the utility, after adoption of an ordinance, to paint all fire hydrants in accordance with the ordinance or a memorandum of understanding that are located in a residential area or an industrial district within the municipality or the municipality's extraterritorial jurisdiction.

Provides that notwithstanding any provision of Chapter 101 (Tort Claims), Civil Practice and Remedies Code, to the contrary, a utility is not liable for a hydrant's or metal flush valve's inability to provide adequate water supply in a fire emergency. Provides that this subsection does not waive a municipality's immunity under Subchapter I (Adjudication of Claims Arising Under Written Contracts With Local Governmental Entities), Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, or any other law and does not create any liability on the part of the municipality or under a joint enterprise theory of liability.

**Electric Utility's Income Taxes—S.B. 1364**

*by Senator Schwertner—House Sponsor: Representatives Murphy and Deshotel*

Section 36.060(a), Utilities Code, has been interpreted to require the Public Utility Commission of Texas to implement a consolidated tax savings adjustment in rate proceedings involving an electric utility that is part of an affiliated group eligible to file a federal consolidated income tax return. Current law allows the comingling of electric utility and non-electric utility costs. This comingling violates legislative intent that the activities of an electric utility's affiliates should not affect the utility service provided to ratepayers or the rates that they pay for such service. This bill:
Requires that the related income tax benefit, if an expense is allowed to be included in utility rates or an investment is included in the utility rate base, be included in the computation of income tax expense to reduce the rates.

Prohibits the related income tax benefit, if an expense is not allowed to be included in utility rates or an investment is not included in the utility rate base, from being included in the computation of income tax expense to reduce the rates.

Requires that the income tax expense be computed using the statutory income tax rates.

Deletes existing text requiring an electric utility's income taxes, unless it is shown to the satisfaction of the regulatory authority that it was reasonable to choose not to consolidate returns, to be computed as though a consolidated return had been filed and the utility had realized its fair share of the savings resulting from that return, if the utility is a member of an affiliated group eligible to file a consolidated income tax return and it is advantageous to the utility to do so.
**Display of Flags at Half-Staff to Honor Service Members Killed in Action—H.B. 150**  
*by Representative Larson et al.—Senate Sponsor: Senator Van de Putte*

Although the governor has discretionary authority to direct half-staff display in memory of Texans this bill formalizes this symbol of gratitude and appreciation for fallen military soldiers. This bill:

Requires that the flag of the State of Texas and the flag of the United States be flown at half-staff at the Capitol building on the death of a member of the armed forces of the United States who was a resident of this state and who was killed in action. Requires that the flags be displayed at half-staff for one day following the date the person’s family is notified of the person’s death. Requires the Office of the Governor notify the State Preservation Board of the days on which flags are required to be flown at half-staff under this subsection.

**Cold War Medal—H.B. 402**  
*by Representative Sarah Davis—Senate Sponsor: Senator Birdwell*

H.B. 402 seeks to acknowledge the efforts made in the Cold War, which lasted from September 2, 1945, to December 26, 1991, by offering a token equal to that shown by the state to those who served in other international conflicts. This bill:

Requires that the Cold War Medal, be awarded to a member of the Texas National Guard or the Texas State Guard who served between September 2, 1945, and December 26, 1991. Authorizes that a person be awarded a Cold War Medal only if a fee in the amount necessary to cover the costs of awarding the medal is paid to the adjutant general's department.

**Use of Service Animals that Provide Assistance—H.B. 489**  
*by Representative Menéndez—Senate Sponsor: Senator Uresti*

Recent reports indicate that the increasing number of veterans with disabilities has resulted in a corresponding increase in the number of trained assistance animals. Individuals with post-traumatic stress disorder, seizure disorders, and even diabetes are being provided with specially trained animals, usually dogs, to serve as an early warning for the onset of symptoms and to act as a reminder or "safety net" during illness-specific incidents. H.B. 489 intends to address, and make the public more aware of, the rights and responsibilities of persons with disabilities, including with respect to the use of assistance animals. This bill:

Prohibits a food service establishment, retail food store, or other entity regulated under this chapter from denying a service animal admittance into an area of the establishment or store or of the physical space occupied by the entity that is open to customers and is not used to prepare food if the service animal is accompanied and controlled by a person with a disability or the service animal is in training and is accompanied and controlled by an approved trainer.

Authorizes a staff member of a food service establishment, retail food store, or regulated entity, if a service animal is accompanied by a person whose disability is not readily apparent, for purposes of admittance to a food service establishment, retail food store, or physical space occupied by another entity regulated under
this chapter, to only inquire about whether the service animal is required because the person has a
disability and what type of work the service animal is trained to perform.

Defines, in this section, "service animal," "assistance animal," "person with a disability," and "public facility."

Provides that no common carrier, airplane, railroad train, motor bus, streetcar, boat, or other public
conveyance or mode of transportation operating within the state is authorized to refuse to accept as a
passenger a person with a disability because of the person's disability nor may a person with a disability be
required to pay an additional fare because of his or her use of a service animal, wheelchair, crutches, or
other device used to assist a person with a disability in travel.

Provides that the discrimination prohibited by this section includes a refusal to allow a person with a
disability to use or be admitted to any public facility, a ruse or subterfuge calculated to prevent or
discourage a person with a disability from using or being admitted to a public facility, and a failure to comply
with Chapter 469 (Elimination of Architectural Barriers), Government Code, rather than Article 9102,
Revised Statutes.

Entitles a person with a total or partial disability who has or obtains a service animal to full and equal
access to all housing accommodations provided for in this section, and prohibits such person from being
required to pay extra compensation or make a deposit for the animal except that the person is liable for
damages done to the premises by the animal except for reasonable wear and tear.

Prohibits a service animal in training from being denied admittance to any public facility when accompanied
by an approved trainer, rather than prohibiting an assistance animal in training from being denied
admittance to any public facility when accompanied by an approved trainer who is an agent of an
organization generally recognized by agencies involved in the rehabilitation of persons who are disabled as
reputable and competent to provide training for assistance animals, and/or their handlers.

Provides that, except as provided by Subsection (l), a person is not entitled to make demands or inquiries
relating to the qualifications or certifications of a service animal for purposes of admittance to a public
facility except to determine the basic type of assistance provided by the service animal to a person with a
disability.

Authorizes a staff member or manager of a facility, if a person's disability is not readily apparent, for
purposes of admittance to the public facility with a service animal, to inquire about whether the service
animal is required because the person has a disability and what type of work or task the service animal is
trained to perform.

Provides that a person, including a firm, association, corporation, or other public or private organization, or
the agent of the person who violates a provision of Section 121.003 (Discrimination Prohibited) commits an
offense, rather than a person, firm, association, corporation, or other organization, or the agent of a person,
firm, association, corporation, or other organization who violates a provision of Section 121.003 commits an
offense. Provides that an offense under this subsection is a misdemeanor punishable by a fine of not more
than $300, rather than not less than $300 or more than $1,000, and 30 hours of community service to be
performed for a governmental entity or nonprofit organization that primarily serves persons with visual
impairments or other disabilities, or for another entity or organization at the discretion of the court, to be
completed in not more than one year.
Provides that, in addition to the preceding penalty, a person, including a firm, association, corporation, or other public or private organization, or the agent of the person who violates the provisions of Section 121.003 is deemed to have deprived a person with a disability of his or her civil liberties, rather than, in addition to the penalty provided in Subsection (a) of this section, a person, firm, association, corporation, or other organization, or the agent of a person, firm, association, corporation, or other organization, who violates the provisions of Section 121.003 of this chapter is deemed to have deprived a person with a disability of his or her civil liberties. Authorizes the person with a disability deprived of his or her civil liberties to maintain a cause of action for damages in a court of competent jurisdiction, and provides that there is a conclusive presumption of damages in the amount of at least $300, rather than $100, to the person with a disability.

Provides that a person who uses a service animal, rather than an assistance animal, with a harness or leash of the type commonly used by persons with disabilities who use trained animals, in order to represent that his or her animal is a specially trained service animal when training has not in fact been provided, rather than special trained assistance animal when training of the type described in Section 121.002(1)(B) (defining "assistance animal" to mean an animal that is specially trained or equipped to help a person with a disability and that has been trained by an organization generally recognized by agencies involved in the rehabilitation of persons with disabilities as reputable and competent to provide animals with training of this type) of this chapter has not in fact been provided, is guilty of a misdemeanor and on conviction is required to be punished by a fine of not more than $300, rather than $200, and 30 hours of community service to be performed for a governmental entity or nonprofit organization that primarily serves persons with visual impairments or other disabilities, or for another entity or organization at the discretion of the court, to be completed in not more than one year.

Requires, rather than authorizes, the governor, to ensure maximum public awareness of the policies set forth in this chapter, to issue a proclamation each year taking suitable public notice of October 15 as White Cane Safety and Service Animal Recognition Day. Requires that the proclamation contain appropriate comment about the significance of various devices and animals used by persons with disabilities to assist them in traveling, and call to the attention of the public the provisions of this chapter and of other laws relating to the safety and well-being of this state's citizens with disabilities.

Requires the comptroller of public accounts of the State of Texas, the secretary of state, and other state agencies that regularly mail forms or information to significant numbers of public facilities and businesses operating within the state to cooperate with state agencies responsible for the rehabilitation of persons with disabilities by sending information about this chapter to those to whom regular mailings are sent, rather than requires state agencies regularly mailing forms or information to significant numbers of public facilities operating within the state to cooperate with state agencies responsible for the rehabilitation of persons with disabilities by sending information about this chapter to those to whom regular mailings are sent. Authorizes the information, which is required to be sent at the request of state agencies responsible for the rehabilitation of persons with disabilities and at least once each year, rather than not more than once each year, to be included in regular mailings or sent separately.

Provides that the changes in law made by this Act to Sections 121.004 and 121.006 (Penalties for Improper Use of Assistance Animals), Human Resources Code, apply only to an offense committed on or after the effective date of this Act. Provides that an offense committed before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for
that purpose. Provides that, for purposes of this section, an offense was committed before the effective
date of this Act if any element of the offense occurred before that date.

Voluntary Contribution to the Fund for Veterans' Assistance—H.B. 633
by Representative Farias et al.—Senate Sponsor: Senators Davis and Campbell

The purpose of the Fund for Veterans' Assistance (fund) is to provide grants to local government and
nonprofit organizations to enhance or improve veterans' assistance programs that address the needs of
veterans and their families. H.B. 633 provides an opportunity to voluntarily contribute to the fund through
the Department of Public Safety of the State of Texas (DPS). This bill:

Requires that DPS include space to voluntarily contribute to the fund on the front page of an application for
an original or renewal driver's license or personal identification certificate. Requires that DPS provide an
opportunity for a person to contribute to the fund on an online application on the DPS Internet website.
Requires DPS to send any contribution made under this section to the comptroller of public accounts of the
State of Texas for deposit in the state treasury to the credit of the fund not later than the 14th day of each
month. Authorizes DPS, before sending the money to the fund, to deduct money equal to the amount of
reasonable expenses for administering this section.

Inmate Veteran Status—H.B. 634
by Representatives Farias and Lucio III—Senate Sponsor: Senator Rodriguez

Currently, the Texas Department of Criminal Justice (TDCJ) relies on offenders to self-report their military
service during its initial intake process for offenders. TDCJ previously provided this data to the United
States Department of Veterans Affairs (VA), which verified veteran status, but the VA stopped participating
in the data exchange. TDCJ also attempts to identify veterans through its re-entry case managers, who
conduct a needs assessment to identify the offender's pre-release and post-release needs. During this
assessment interview, the offender is questioned about his or her prior military service. Based on the
offender's response, appropriate services are offered.

County jails in Texas are required to meet the minimum standards set forth by TDCJ. These standards
require county jails to complete a screening form for suicide, medical, and mental impairments for each
person who is booked into the county jail. One of the questions on this screening form asks about previous
military service and is a self-report measure.

Veteran status is currently exchanged with the Health and Human Services Commission as part of the
Public Assistance Reporting Information System (PARIS) and a pilot program mandated by the legislature
to identify and assist veterans currently receiving public assistance. This bill:

Defines "system" as the Public Assistance Reporting Information System (PARIS) operated by the
Administration for Children and Families of the United States Department of Health and Human Services.

Requires TDCJ to investigate and verify the veteran status of each inmate by using the data made
available from PARIS through the Health and Human Services Commission.

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Requires TDCJ to use PARIS data to assist inmates who are veterans in applying for federal benefits or compensation for which the inmates may be eligible under a program administered by the VA.

Military Access to Juvenile and Criminal History Records—H.B. 694
by Representative Phillips—Senate Sponsor: Senator Whitmire

Section 58.204 (Restricted Access on Certification), Family Code, prohibits the Department of Public Safety of the State of Texas (DPS) from disclosing the existence of the records or any information from juvenile justice case records in response to an inquiry from a law enforcement agency; a criminal or juvenile justice agency; a governmental or other agency given access to information under Chapter 411, Government Code; or any other person, agency, organization, or entity; and requires DPS to respond to a request for information about the records by stating that the records do not exist. This bill:

Allows DPS to permit access to the information in the juvenile justice information system relating to the case of an individual for research purposes by the Texas Juvenile Justice Department or with the written permission of the individual, by military personnel, including a recruiter of the state or the United States if the individual is an applicant for enlistment in the armed forces.

Provides that criminal history record information obtained by an agency of the United States armed forces may not be released to any person or agency except on court order or with the consent of the person who is the subject of the criminal history information.

Requires the agency of the United States armed forces to destroy criminal history record information obtained after the purpose for which the information was obtained is accomplished.

Awarding of the Texas Legislative Medal of Honor—H.B. 1589
by Representatives Cortez and Rick Miller—Senate Sponsor: Senator Van de Putte

The Legislative Medal of Honor is the highest award given for the performance of duty during a time of war by the State of Texas. This bill:

Authorizes the legislature to direct the Texas Legislative Medal of Honor to be awarded only during a regular session and prohibits the legislature from, during a regular session, directing the medal to be awarded to more than one person for service in the state or federal military forces during the period beginning after 1835 but before 1956, and one person for service in the state or federal military forces after 1955, rather than prohibiting the legislature from directing the medal to be awarded to more than one person during a regular session.

Reciprocity For Emergency Medical Services Certification For Certain Military Personnel—H.B. 1960
by Representative Cortez et al.—Senate Sponsor: Senators Campbell and Garcia

Interested parties report that the executive commissioner of the Health and Human Services Commission, in an effort to assist returning veterans in securing employment, issued an executive order instituting reciprocity for emergency medical services (EMS) personnel certification to military personnel with EMS
credentials from the United States military. These parties assert that many military combat medic programs are substantially similar to civilian EMS certification programs and that the same consideration should be given to veterans who have received training under a combat medic program as is given to civilian EMS personnel from other states with regard to certification. This bill:

Defines "United States military." Requires the executive commissioner of the Health and Human Services Commission by rule to provide that an individual is eligible for emergency medical services personnel certification through reciprocity if the individual: successfully completed emergency medical services training provided by the United States military; has emergency medical services personnel credentials from the United States military; and is certified by the National Registry of Emergency Medical Technicians.

Eligibility Requirements For Plumbing Licenses—H.B. 2028
by Representative Chris Turner et al.—Senate Sponsor: Senators Davis and Campbell

Currently, the Texas State Board of Plumbing Examiners (TSBPE) is responsible for fulfilling and distributing plumbing licenses in the state. Historically, TSBPE has informally accepted hours worked performing plumbing while in the military. In addition, TSBPE has rules in place to assist those individuals whose license expired while deployed. The rule allows an individual to renew his or her license so he or she may gain employment, but allows additional time for him or her to meet all renewal requirements. Interested parties contend that because these processes and rules are not formally required in statute, and with the high unemployment rate among veterans in the state and the country, it is important for the legislature to formalize these instructions to TSBPE to credit military experience requirements for veterans applying for plumbing license in the state. This bill:

Requires the Texas State Board of Plumbing Examiners (TSBPE), notwithstanding any other law, to credit verified military service, training, or education toward the licensing requirements, other than examination requirements, for a license issued under this chapter by TSBPE.

Requires TSBPE to expedite the issuance of a provisional license or a license by endorsement or reciprocity under this chapter to an applicant who has verified military experience and holds a current license issued by another jurisdiction that has license requirements that are substantially equivalent to the license requirements of this state.

Requires TSBPE to adopt rules necessary to implement this legislation.

Provides that Section 1301.3585, Occupations Code, as added by this bill, applies only to an application for a license filed on or after May 1, 2014. Provides that an application for a license filed before May 1, 2014, is governed by the law in effect on the date the application was filed, and that law is continued in effect for that purpose.

Requires TSBPE to adopt rules under Section 1301.3585, Occupations Code, as added by this bill, not later than March 1, 2014.
Eligibility Requirements For Electrician Licenses—H.B. 2029
by Representative Chris Turner et al.—Senate Sponsor: Senator Davis et al.

Currently, in order to obtain an electrician’s license in the State of Texas, an applicant completes a certain number of on-the-job training hours depending upon the type of license being sought. Other types of electrician licenses require education and experience gained working directly with other licensed electricians. Interested parties contend that experience and education obtained, as well as hours worked, doing electrical work in the military should be credited towards an application for an electrician's license in the State of Texas. H.B. 2029 directs the Texas Commission on Licensing and Regulation (TCLR) to credit experience, training, or education in electrical work obtained by a member of the armed forces of the United States, the Texas National Guard, or Texas State Guard while in service toward the requirements needed to obtain an electrician's license in this state. This bill:

Requires the Texas Department of Licensing and Regulation (TDLR), notwithstanding any other law, to credit verified military service, training, or education towards the licensing requirements, other than examination requirements, for a license issued under this chapter by TDLR.

Requires TDLR to expedite the issuance of a temporary license or a license by endorsement or reciprocity under this chapter to an applicant who has verified military experience and holds a current license issued by another jurisdiction that has license requirements that are substantially equivalent to the license requirements of this state.

Requires TCLR to adopt rules necessary to implement this section.

Provides that Section 1305.1645, Occupations Code, as added by this bill, applies only to an application for a license filed on or after May 1, 2014. Provides that an application for a license filed before May 1, 2014, is governed by the law in effect on the date the application was filed, and that law is continued in effect for that purpose.

Requires TCLR to adopt rules under Section 1305.1645, Occupations Code, as added by this bill, not later than March 1, 2014.

Waivers and Credits For the Requirements to Obtain Certain Private Security Licenses—H.B. 2135
by Representative Cortez—Senate Sponsor: Senators Rodriguez and Campbell

Interested parties note that the Texas Private Security Board (PSB) currently has statutory authority to enter into reciprocity agreements with other jurisdictions and to issue licenses under the Private Security Act to individuals with credentials from other states under reciprocity agreements. This bill:

Requires PSB to adopt rules, as soon as practicable after the bill's effective date, under which PSB may waive any prerequisite to obtaining a license for, and credit experience for a license requirement to, an individual who PSB determines has acceptable experience gained during service in a branch of the United States military, including the United States Coast Guard.
Apprenticeships For Licenses Issued to Applicants With Military Experience—H.B. 2254
by Representative Geren et al.—Senate Sponsor: Senators Van de Putte and Davis

Interested parties report that it is difficult for veterans to receive credit for their training and experience during their military career for occupational licensing purposes in Texas for the same work. This bill:

Requires state agencies to adopt rules to provide credit towards occupational licenses that require an apprenticeship in fields relevant to a service member's training and experience in a military occupational specialty.

Application of Certain Contracting Laws to a Defense Base Development Authority—H.B. 2388
by Representative Menéndez—Senate Sponsor: Senators Van de Putte and Campbell

The purpose of defense base development authorities is to take the land and buildings of a former military installation and to repurpose those assets for the economic benefit of the surrounding community. H.B. 2388 amends current law relating to the application of certain contracting laws to a defense base development authority. This bill:

 Defines "qualifying project." Provides that Chapters 2267 (Public and Private Facilities and Infrastructure) and 2269 (Contracting and Delivery Procedures for Construction Projects), Government Code, do not apply to a qualifying project of a defense base development authority.

Mental Health Program For Veterans—H.B. 2392
by Representative Menéndez et al.—Senate Sponsor: Senator Van de Putte et al.

Peer-to-peer mental health services for veterans are based on a model of formal and informal discussions that allow combat veterans to talk to other combat veterans. Interested parties note that these peers can relate to veterans with experience that is rarely found among non-military peers. Such parties assert that legislative action is necessary to enhance the mental health intervention program for veterans administered by the Department of State Health Services (DSHS) as the number of interested peer volunteers increases and the program expands its network across the state. H.B. 2392 seeks to expand the efficacy of the mental health intervention program for veterans administered by DSHS. This bill:

Defines "peer," "veteran," and "volunteer coordinator." Requires DSHS to develop a mental health intervention program for veterans. Requires that the program include peer-to-peer counseling; access to licensed mental health professionals for volunteer coordinators and peers; training approved by DSHS for peers; technical assistance for volunteer coordinators and peers; grants to regional and local organizations providing services under this subchapter; recruitment, retention, and screening of community-based therapists; suicide prevention training for volunteer coordinators and peers; and veteran jail diversion services, including veterans courts.

Requires DSHS to solicit and ensure that specialized training is provided to persons who are peers and who want to provide peer-to-peer counseling or other peer-to-peer services under the program.

Authorizes DSHS to adopt rules necessary to implement this subchapter.
Requires DSHS to establish a grant program through which DSHS is authorized to award grants to regional and local organizations for the delivery of programs or services described by this subchapter.

Requires that a grant awarded under this bill emphasize direct services to veterans provided by peers, leverage additional local resources to provide funding for programs or services for veterans, and increase the capacity of the mental health program for veterans.

Prohibits a grant awarded under this bill from being used to supplant existing expenditures associated with programs or services within DSHS.

Requires DSHS, not later than December 1 of each year, to submit a report to the governor and the legislature that includes the number of veterans who received services through the mental health program for veterans, the number of peers and volunteer coordinators trained, a summary of the grants awarded and services provided through those grants, an evaluation of the services provided under this subchapter, and recommendations for program improvements.

Repeals Section 1001.076 (Mental Health Program for Veterans), Health and Safety Code.

Requires DSHS, not later than January 1, 2014, to modify the mental health intervention program for veterans as required by Subchapter H, Chapter 1001, Health and Safety Code, as added by this bill.

**Annual Report on the Public Assistance Reporting Information System—H.B. 2562**

*by Representative Farias—Senate Sponsor: Senators Van de Putte and Campbell*

The federal Public Assistance Reporting Information System can identify Medicaid beneficiaries who are also low-income veterans, active duty service members, and families of such veterans and members who may qualify for United States Department of Veterans Affairs and military health coverage benefits, including long-term care and prescription drugs. Interested parties assert that state funds could be saved by assisting Medicaid-eligible veterans applying for such benefits because the cost of and responsibility for veterans' health care is transferred to the federal government. This bill:

Requires the Health and Human Services Commission (HHSC), the Texas Veterans Commission (TVC), the Veterans’ Land Board (VLB), and the Department of Aging and Disability Services (DADS) collectively, not later than October 1 of each year, rather than October 1, 2012, to submit to the legislature, the governor, and the Legislative Budget Board a report describing: interagency progress in identifying and obtaining Department of Veterans Affairs (VA) benefits for veterans receiving Medicaid and other public benefit programs, rather than the frequency and success with which state agencies have used the system; the number of veterans benefits claims awarded, the total dollar amount of veterans benefits claims awarded, and the costs to the state that were avoided as a result of state agencies' use of the system; efforts to expand the use of the system and improve the effectiveness of shifting veterans from Medicaid and other public benefits to VA benefits, including any barriers and how state agencies have addressed those barriers; and the extent to which TVC has targeted specific populations of veterans, including populations in rural counties and in specific age and service-connected disability categories, in order to maximize benefits for veterans and savings to the state, rather than recommendations for future use of the system by state agencies.
Repeals Section 531.0998(f) (relating to providing that Subsection (e) (relating to requiring HHSC, TVC, VLB, and DADS to collectively submit a report containing certain information) and this subsection expire September 1, 2013), Government Code.

**Military Leave Time Accounts For Police and Fire Departments—H.B. 2924**
*by Representatives Sanford Sheets and Sanford—Senate Sponsor: Senators Davis and Campbell*

Interested parties contend that the circumstances surrounding the active duty service of firefighters and police officers who are deployed as Texas National Guardsmen or as United States military reservists have changed significantly over recent years and that current military deployments of reservists typically are for periods of up to three months and rarely last as long as 12 months. This bill:

Requires that a military leave time account benefit a firefighter or police officer who is a member of the Texas National Guard or the armed forces reserves of the United States, was called to active federal military duty while serving as a firefighter or police officer for the municipality, and has served on active duty for a period of three continuous months or longer, rather than require that a military leave time account benefit a firefighter or police officer who is a member of the Texas National Guard or the armed forces reserves of the United States, was called to active federal military duty while serving as a firefighter or police officer for the municipality, has served on active duty for a period of 12 continuous months or longer, and has exhausted the balance of the person's vacation, holiday, and compensatory leave time accumulations.

**Defense Base Development Authorities—H.B. 3063 [VETOED]**
*by Representative Menendez—Senate Sponsor: Senators Van de Putte and Campbell*

Current law requires that a defense base development authority undergo a process of establishing reinvestment zones within its boundaries. Until recently, a provision in Section 2303.101 (Qualification for Enterprise Zone Designation), Government Code, automatically qualified a defense base as an enterprise zone by reference to federal laws designating federal empowerment zones and federal enterprise communities. The federal law has expired. H.B. 3063 updates this reference to federal law with a direct reference to authorities created under state law to redevelop these closed bases. This bill:

Provides that an area is automatically qualified for designation as an enterprise zone if the area is an area inside the boundaries of a defense base development authority established under Chapter 379B, Local Government Code, that is immediately adjacent to five or more block groups described by Subdivision (1).

Provides that an area inside the boundaries of a defense base development authority established under this chapter that is immediately adjacent to five or more block groups, as defined by the most recent federal decennial census, in which at least 20 percent of the residents of the block group have an income at or below 100 percent of the federal poverty level, automatically qualifies as an enterprise zone as provided by Section 2303.101 (Qualification for Enterprise Zone Designation), Government Code.

Provides that a commercial aircraft to be used as an instrumentality of commerce that is under construction inside that authority is presumed to be in interstate, international, or foreign commerce and not located in...
this state for longer than a temporary period for purposes of Sections 11.01 (Real and Tangible Personal Property) and 21.02 (Tangible Personal Property Generally), Tax Code.

Provides that tangible property located inside the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, Tax Code, if the owner demonstrates to the chief appraiser for the appraisal district in which the authority is located that the owner intends to incorporate the property into or attach the property to a commercial aircraft described by this bill.

Defines “commercial aircraft.”

Provides that the change in law made by Section 3 of this Act applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2014.

Disposition of Unclaimed Cremated Remains of Certain Veterans—H.B. 3064
by Representatives Menéndez and Moody—Senate Sponsor: Senators Campbell and Schwertner

Interested parties report that there are unclaimed remains of United States military veterans held in various funeral homes, coroner’s facilities, or other locations around the state that are cremated, frozen, or otherwise preserved but are not interred in a suitable location because, despite passage of a reasonable amount of time, next-of-kin or other authorized individuals have not claimed the remains. The parties assert that as the veterans of World War II and the Korean War continue to age, the number of incidents of such unclaimed remains is certain to increase. The parties note that there are a number of veterans’ organizations and other 501(c)3 nonprofit organizations willing to assume the responsibility of interring those remains with suitable military honors at either state or national cemeteries in Texas; however, there are prohibitive restrictions on those entities currently storing the remains. H.B. 3064 seeks to remove applicable restrictions and clarify the authority of funeral homes and other entities that are in possession of military veterans’ remains to transfer those remains to non-family or next-of-kin organizations for the purpose of military burial. This bill:

Defines “verification information” and “veterans’ service organization.” Provides that this chapter applies to any person who possesses unclaimed cremated remains, including a funeral establishment or funeral director licensed under Chapter 651 (Cemetery and Cremator Services, Funeral Directing, and Embalming), Occupations Code, a coroner, or a crematory. Authorizes a person who possesses unclaimed cremated remains to release to the United States Department of Veterans Affairs or a veterans’ service organization verification information associated with the remains to verify whether the remains are the remains of a person who was a veteran or a veteran's dependent eligible to be interred in a veterans cemetery if: the person has possessed the cremated remains for at least five years; the person authorized to dispose of the decedent's remains under Section 711.002 (Disposition of Remains; Duty to Inter) has not claimed the cremated remains; and the person made a reasonable effort to locate a relative of the decedent to claim the remains, including publishing notice in a newspaper of general circulation in the county in which the person is located, and more than 30 days have passed since the person first made an effort to locate a relative of the decedent.

Authorizes a person who receives notice from the United States Department of Veterans Affairs or a veterans’ service organization that the unclaimed cremated remains are the remains of a veteran or
veteran's dependent eligible to be interred in a veterans cemetery to transport the cremated remains to the veterans cemetery for burial or transfer the cremated remains to a veterans' service organization that will ensure that the cremated remains are interred in a veterans cemetery. Provides that a person who releases verification information as authorized by this chapter or who transfers cremated remains to a veterans' service organization or a veterans cemetery as authorized by this chapter is immune from civil liability for damages resulting from the release or transfer. Provides that a veterans' service organization that inters cremated remains in a veterans cemetery as authorized by this chapter is immune from civil liability for damages arising from the interment. Provides that nothing in this chapter prohibits a funeral director or establishment from releasing information under Chapter 696, Health and Safety Code.

Qualification of an Area Inside a Base Defense Authority as an Enterprise Zone—H.B. 3066

by Representative Menéndez—Senate Sponsor: Senators Van de Putte and Campbell

Current law requires that a defense base development authority undergo a process of establishing reinvestment zones within its boundaries. H.B. 3066 makes changes to Chapter 2303 (Enterprise Zones), Government Code, to add the land within the boundaries of a defense base development authority to the list of areas that automatically qualify as an enterprise zone. Until recently, a provision in Section 2303.101 (Qualifications for Enterprise Zone Designation), Government Code, automatically qualified a defense base as an enterprise zone by reference to federal laws designating federal empowerment zones and federal enterprise communities but the federal law has expired. H.B. 3066 updates this reference to federal law with a direct reference to authorities created under state law to redevelop these closed bases. This bill:

Provides that an area automatically qualifies for designation as an enterprise zone if the area is an area inside the boundaries of a defense base development authority established under Chapter 379B (Defense Base Development Authorities), Local Government Code.

Composition of Administrative Authority For a Defense Economic Readjustment Zone—H.B. 3067

by Representative Menéndez—Senate Sponsor: Senators Van de Putte and Campbell

A Texas aerospace complex located in a defense economic readjustment zone recently rehabilitated some of its apartments, which now house several United States Air Force personnel. The apartments fall under certain defense economic readjustment zone program regulations that require some of those personnel to serve on the administrative authority for the readjustment zone. However, such parties contend that none of the personnel inhabiting the apartments is interested in being a representative on the authority and that this requirement serves no current purpose and is currently impeding a project at the complex. H.B. 3067 amends the Defense Economic Readjustment Zone program, Chapter 2310 (Defense Economic Readjustment Zone), Government Code, to remove the requirement that a base with residential housing have two residents or an elected official serve on its administrative authority that regulates the zone. This bill:

Requires an administrative authority to be composed of three, five, seven, nine, 11, or 15 members; and be a viable and responsive body generally representative of all public or private entities that have a stake in the development of the zone. Deletes existing text requiring an administrative authority to, if the readjustment zone includes private residences, include an elected official representing readjustment zone residents and businesses or at least two readjustment zone residents.
Occupational Licensing of Spouses of Members of the Military—S.B. 162

by Senator Van de Putte et al.—House Sponsor: Representative Flynn

Interested parties contend that there is need for military members and their spouses to have a process for receiving reasonable credit toward an occupational license in Texas based on licenses received from other jurisdictions, including the United States Department of Defense. S.B. 162 seeks to ease the transition of service members and their families to civilian life by recognizing professional occupational licenses issued by other jurisdictions. This bill:

Defines "military service member," "military spouse," and "military veteran." Requires a state agency that issues a license, as soon as practicable after a military spouse files an application for a license, to process the application and issue a license to a qualified military spouse applicant who holds a current license issued by another jurisdiction that has substantially equivalent licensing requirements to those in Texas. Prohibits a license issued under these provisions relating to expedited licensure of military spouses from being a provisional license and requires the license to confer the same rights, privileges, and responsibilities as a license issued under other statutory provisions.

Requires a state agency that issues an expedited license under the bill's provisions to determine the requirements for license renewal as soon as practicable after an expedited license is issued. Requires the state agency to notify the license holder of the renewal requirements in writing or by electronic means and specifies that an expedited license issued under these provisions has the term established by law or state agency rule, or a term of 12 months from the date the license is issued, whichever term is longer.

Requires a state agency that issues a license to credit the verified military service, training, or education of an applicant who is a military service member or military veteran toward the licensing requirements, other than an examination requirement, for a license issued by the state agency. Requires the state agency to adopt rules necessary to implement this requirement. Prohibits application of such rules to an applicant who holds a restricted license issued by another jurisdiction or who has an unacceptable criminal history according to the law applicable to the state agency. Defines "special forces."

Requires a state agency that issues a license to adopt rules to implement the bill's provisions relating to expedited licensing procedures not later than January 1, 2014. The bill's provisions relating to expedited licensing procedures for state licensing agencies apply only to an application for a license filed with a state agency on or after March 1, 2014.

Requires the Commission on Law Enforcement Officer Standards and Education (TCLEOSE) to adopt rules not later than January 1, 2014, allowing an applicant to qualify to take certain law enforcement officer licensing examinations if the applicant has served in the special forces as specified in the bill; has successfully completed a special forces training course and provides to TCLEOSE documentation verifying completion of the course; completes a supplemental peace officer training course; and completes any other training required by TCLEOSE after TCLEOSE has reviewed the applicant's military training. Requires such rules to include rules to determine acceptable forms of documentation verifying completion of a special forces training course, rules under which TCLEOSE may waive any other license requirement for such an applicant based on other relevant military training the applicant has received, and rules establishing an expedited application process for such an applicant. Requires TCLEOSE to review the content of the training course for each special forces component and, in adopting such rules, to specify the training requirements that an applicant who has completed that training course must complete and the training
requirements from which an applicant who has completed that training course is exempt. The bill's provisions relating to licensing persons with military special forces training apply only to an application for a license filed with TCLEOSE on or after March 1, 2014.

**Specially Marked Concealed Handgun Licenses and Personal Identification Certificates—S.B. 164**  
*by Senator Van de Putte—House Sponsor: Representatives Isaac and Sheets*

H.B. 1514 was enacted by the 82nd Legislature, Regular Session, 2011, authorizing a specialized marking to be printed on a veteran's driver's license to provide the veteran with more expedient and convenient access to certain benefits that various businesses, organizations, and events may provide to veterans. With the marking, the driver's license could be used to prove a veteran's status in lieu of printed discharge papers (DD-214) or various other cumbersome documents. S.B. 164 provides for a special marking of "VETERAN" to be printed upon request on a concealed handgun license or personal identification card to expand the variety of methods through which veterans could prove their status. A veteran would be required to provide proof of the veteran's military service and honorable discharge. This bill:

- Requires that the application provide space for the applicant to list any military service that may qualify the applicant to receive a license with a veteran's designation under Section 411.179(e) and include proof required by the Department of Public Safety of the State of Texas (DPS) to determine the applicant's eligibility to receive that designation. Adds the designation "VETERAN," if required under Subsection (e), to the list of information required to be included on a license. Defines "veteran." Requires DPS to include the designation "VETERAN" on the face of any original, duplicate, modified, or renewed license under this subchapter or on the reverse side of the license, as determined by DPS, if the license is issued to a veteran who requests the designation, and provides proof sufficient to DPS of the veteran's military service and honorable discharge. Requires that the application for the personal identification certificate provide space for the applicant to voluntarily list any military service that may qualify the applicant to receive a personal identification certificate with a veteran's designation under added Section 521.102 (Designator on Personal Identification Certificate Issued to Veteran), and to include proof required by DPS to determine the applicant's eligibility to receive that designation.

**Eligibility Requirements For Commercial Driver's Licenses—S.B. 229**  
*by Senator Davis et al.—House Sponsor: Representative Chris Turner et al.*

Interested parties suggest that there are thousands of unfilled trucking jobs in the United States. In response to this demand, the Military Commercial Driver's License Act was passed by Congress and signed into law last fall. That legislation allows states to waive residency requirements for commercial driver's licenses issued to service members who are active duty or reservists. The intent of the law is to make it easier for service members to find employment after leaving the military. S.B. 229 seeks to allow commercial driver's licenses to be issued to active or reserve service members, whose temporary or permanent duty station is located in Texas, by waiving the current residency requirement. This bill:

- Authorizes the Department of Public Safety of the State of Texas to issue a commercial driver's license to a member of the U.S. military, including a member of the National Guard or a reserve or auxiliary unit of any branch of the U.S. military, who has a domicile in another state, whose temporary or permanent duty station is located in Texas, and who has met the other requirements for a license, including having passed
knowledge and skills tests for driving a commercial motor vehicle that comply with minimal federal standards established by certain federal regulations and having satisfied the requirements imposed by an applicable federal act, federal regulation, or state law.

**Eligibility Requirements For Certain Occupational Licenses—S.B. 242**

*by Senators Carona and Uresti—House Sponsor: Representative Farias*

Recently enacted legislation requires the Texas Department of Licensing and Regulation (TDLR) to credit verified military air conditioning and refrigeration experience toward applicable licensing eligibility requirements. Interested parties report that, since this requirement was implemented, at least five applicants have claimed the military service credit. These parties assert that a similar program could provide benefits to veterans who seek to utilize their military experience in other civilian careers. S.B. 242 seeks to expand the practice of crediting military service to occupational licensing requirements by requiring TDLR to credit verified military service, training, or education toward the occupational licenses that TDLR oversees. This bill:

Requires TDLR to credit verified military service, training, or education toward the licensing requirements, other than examination requirements, for a license issued by TDLR. Provides that the bill's provisions apply only to an application for a license filed with TDLR on or after May 1, 2014. Requires the Texas Commission of Licensing and Regulation to adopt rules necessary to implement the bill's provisions not later than March 1, 2014.

**Authority Granted to U.S. Department of Veterans Affairs Law Enforcement Officers—S.B. 284**

*by Senator West—House Sponsor: Representative Fletcher*

The Code of Criminal Procedure authorizes numerous law enforcement officials as peace officers in this state; however, this authorization does not extend to many federal agency officials such as Department of Veterans Affairs police. This limitation inhibits their ability to perform security and law enforcement duties, including arrests, on Veterans Administration (VA) properties without the presence or assistance of officers properly authorized under Texas law. There are numerous VA facilities located in this state that would be under the jurisdiction of the Department of Veterans Affairs' Office of Security and Law Enforcement police officers. This bill:

Provides that a police officer with the Office of Security and Law Enforcement of the United States Department of Veterans Affairs is included as a criminal investigator of the United States who is not deemed a peace officer by the State of Texas, but shall have the powers of arrest, search, and seizure under laws of this state relating to felony offenses only.

**Improving Veteran County Service Officers’ Suicide Prevention Skills—S.B. 846**

*by Senators Van de Putte and Rodriguez—House Sponsor: Representatives Menéndez and Moody*

Interested parties report that the suicide rate among veterans, active duty service members, and members of the Texas National Guard is very high. S.B. 846 seeks to assist the Texas Veterans Commission in improving veteran county service officers' suicide prevention skills. This bill:
VETERAN AND MILITARY AFFAIRS

Removes a requirement that the members of the Texas Veterans Commission approve the course materials, training curriculum, and examinations for veterans county service officer certification and United States Department of Veterans Affairs accreditation before the commission is authorized to distribute the materials and administer examinations. Requires the commission to coordinate with the Department of State Health Services to incorporate a suicide prevention component as part of the accreditation training and examination for a veterans county service officer.

TMPC and Strategic Planning Regarding Military Bases and Defense Installations—S.B. 1200

by Senator Van de Putte—House Sponsor: Representative Menendez

A legislative committee, in its interim report to the 83rd Texas Legislature, made a number of recommendations regarding the Texas Military Preparedness Commission (TMPC), including that the commission serve as a conduit for increased coordination between the Texas Commanders Council and state agencies, that the commission meet with the Texas Commanders Council at least once a year, and that eligibility for access to defense economic adjustment assistance grants be expanded to allow communities to respond to either formal or informal actions at the federal level that may result in the gain or loss of military or defense-related industry. S.B. 1200 seeks to address each of these recommendations by updating current law relating to TMPC and strategic planning regarding military bases and defense installations. This bill:


Provides that TMPC is composed of, in addition to 13 public members appointed by the governor, certain ex officio members, including the chair of the committee of the Texas House of Representatives that has primary jurisdiction of matters concerning defense affairs and military affairs and the chair of the committee of the Texas Senate that has primary jurisdiction of matters concerning defense affairs and military affairs.

Requires TMPC to advise the governor and the legislature on defense and military issues.

Requires TMPC to meet not less than once each year with the Texas Commanders Council to discuss the goals and challenges facing military installations and develop recommendations for improvements; discuss ways the state can enhance and complement the mission of the military installations in this state; and discuss services available to assist transitioning military service members and their families.

Requires TMPC to act as the liaison to improve coordination among the Texas Commanders Council and relevant state agencies including the Texas Veterans Commission; the Veterans’ Land Board; the Public Utility Commission of Texas; the Office of Public Utility Counsel; and the Texas Commission on Environmental Quality.

Requires TMPC to fulfill certain obligations, including to administer and monitor the implementation of this chapter and establish criteria and procedures and award grants equitably based on evaluations, giving preference to defense communities that may be adversely affected over positively affected defense communities. Deletes existing text requiring TMPC to advise the governor and the legislature on military issues and economic and industrial development related to military issues.
Authorizes TMPC to use an amount equal to not more than two percent of the total amount of grants authorized during each biennium to administer this chapter and other law relating to readjustment of defense communities.

Requires TMPC to adopt rules necessary to implement this chapter.

Requires the report prepared by TMPC and submitted to the governor and the legislature to include certain information, including a summary of TMPC's meetings with the Texas Commanders Council under Section 436.101(b), including recommendations, goals, and challenges based on those meetings.

Authorizes a defense community to submit the community's military base or defense facility value enhancement statement prepared under Chapter 397 (Strategic Planning Relating to Military Installations), Local Government Code, to TMPC.

Authorizes TMPC to establish a task force to seek advice to prepare for possible action by the United States (U.S.) Department of Defense related to the realignment or closure of military installations in Texas. Requires the task force to consist of not more than seven members who have demonstrated experience or expertise in the U.S. Department of Defense's base realignment and closure process. Requires the task force to confer with defense communities and military installations located in Texas to identify strategies, policies, plans, projects, and other ways to improve base realignment scores and to advise and make recommendations to TMPC and the legislature on any strategy, policy, plan, project, or action the task force believes will strengthen the defense communities and military installations in the state and prevent the closure or a significant reduction of the operations of the military installations.

Requires TMPC, on receiving a defense community's military base or defense facility value enhancement statement, to analyze the projects included in the statement using the criteria it has developed. Requires TMPC to develop project analysis criteria based on the criteria the U.S. Department of Defense uses for evaluating military bases or defense facilities in the department's realignment and closure process.

Requires TMPC to determine whether each project identified in the defense community's military base or defense facility value enhancement statement will enhance the military or defense value of the military base or defense facility. Requires TMPC to assist the community in prioritizing the projects that enhance the military or defense value of a military base or defense facility, giving the highest priority to projects that add the most value.

Requires TMPC to refer the defense community to the appropriate state agency that has an existing program to provide financing for each project identified in the community's military base or defense facility value enhancement statement that adds military or defense value to a military base or defense facility. Authorizes the Texas Economic Development and Tourism Office (office), if there is no existing program to finance a project, to provide a loan of financial assistance to the defense community for the project.

Authorizes the office to provide a loan of financial assistance to a defense community for a project that will enhance the military or defense value of a military base or defense facility located in, near, or adjacent to the defense community. Requires the loan to be made from the Texas military value revolving loan account established under Section 436.156 (Texas Military Value Revolving Loan Account).
Authorizes the executive director of the Texas Economic Development and Tourism Office in the Office of the Governor (office), if TMPC confirms that the funds will be used to enhance the military or defense value of the military base or defense facility based on the base realignment and closure criteria, to overcome an action of the U.S. Department of Defense that will negatively impact the military base or defense facility, or for the recruitment or retention of a defense facility and the office determines that the project is financially feasible, to award a loan to the defense community for the project.

Authorizes the office to provide a loan of financial assistance to a defense community for an infrastructure project to accommodate new or expanded military missions assigned to a military base or defense facility located in, near, or adjacent to the defense community as a result of a U.S. Department of Defense base realignment process that occurs during 2005 or later. Requires that the loan be made from the Texas military value revolving loan account established under Section 436.156.

Authorizes a defense community in this state to borrow money from the state, including by direct loan, based on the credit of the defense community to finance a project included in the community's military base or defense facility value enhancement statement.

Provides that the following local governmental entities are eligible for a grant under this subchapter: a municipality or county that is a defense community; a regional planning commission that has a defense community within its boundaries; a public junior college district that is wholly or partly located in a defense community; a campus or education extension center of the Texas State Technical College System that is located in a defense community; a defense base development authority created under Chapter 379B (Defense Base Development Authorities), Local Government Code; and a political subdivision that has the power of a defense base development authority created under Chapter 379B, Local Government Code.

Authorizes an eligible local governmental entity to be awarded a grant if TMPC determines that the entity will be adversely or positively affected by an anticipated, planned, announced, or implemented action of the U.S. Department of Defense to close, reduce, increase, or otherwise realign defense worker jobs or facilities.

Authorizes TMPC, from money appropriated for this purpose, to make a grant to an eligible local governmental entity to enable the entity to match money or meet an investment requirement necessary to receive federal assistance provided to the local governmental entity for responding to or recovering from an event described by Section 436.201(b); match the entity's contribution for a purpose described by Section 436.203 at a closed or realigned defense facility; or construct infrastructure and other projects necessary to accommodate a new or expanded military mission at a military base or to reduce the impact of an action of the U.S. Department of Defense that will negatively impact a defense facility located in or near the entity.

Prohibits TMPC from making a grant for an amount less than $50,000 or an amount more than the lesser of 50 percent of the amount of matching money or investment that the local governmental entity is required to provide 50 percent of the local governmental entity's investment for purposes described by Section 436.203 if federal assistance is unavailable or $2 million.

Authorizes TMPC, if the local governmental entity demonstrates to TMPC that, because of a limited budget, the entity lacks the resources necessary to provide 50 percent of the amount of matching money or investment that the entity is required to provide, to make a grant in an amount of not more than 80 percent
of the amount of that matching money or investment requirement but prohibits TMPC from making a grant in an amount that exceeds $2 million.

Authorizes TMPC to make a grant to an eligible local governmental entity without regard to the availability or acquisition of matching money.

Authorizes a local governmental entity to use the proceeds of a grant awarded under this subchapter for the purchase of property, including the purchase of property from the U.S. Department of Defense or its designated agent, new construction, rehabilitation or renovation of facilities or infrastructure, or purchase of capital equipment or facilities insurance.

Authorizes the local governmental entity to deliver the money to a special district, development corporation, or other instrumentality of this state or the local governmental entity for use as provided by this chapter and other applicable law.

Authorizes an eligible local governmental entity described by Section 436.201(a)(3) or (4) to use the proceeds of the grant to purchase or lease equipment to train defense workers whose jobs have been threatened or lost because of an event described by Section 436.201(b).

Authorizes a local governmental entity to apply for a grant under this subchapter to TMPC on a form prescribed by TMPC. Requires TMPC to establish periodic application cycles to enable the evaluation of groups of applicants.

Authorizes the office to assist a local governmental entity in applying for a grant under this chapter.

Requires TMPC to establish a defense economic adjustment assistance panel composed of at least three and not more than five professional full-time employees of the Office of the Governor appointed by the director of TMPC.

Requires the panel to evaluate each grant application and assign the applicant a score based on the significance of the adverse or positive effect within the local governmental entity, including the number of jobs that may be lost or gained in relation to the workforce in the local governmental entity's jurisdiction and the effect on the entity's and surrounding area's economy and tax revenue; the extent to which the local governmental entity is authorized to have used its existing resources to promote local economic development; the amount of any grant that the local governmental entity has previously received under this subchapter; the anticipated number of jobs that may be created or retained in relation to the amount of the grant sought; and the extent to which the grant will affect the region in which the local governmental entity is located.

Requires the panel to submit its scores to TMPC. Requires TMPC to use the scores to determine whether to make a grant to an applicant. Prohibits TMPC from making a grant unless the legislature has appropriated the money for the grant.

Provides that, for purposes of the preference for adversely affected defense communities, a defense community that contains or is in proximity to more than one military base is considered an adversely affected defense community if the local governmental entity is applying for a grant under this subchapter for a project relating to the military base that is closed or whose operations are significantly reduced.
Redefines “defense community” and defines “defense facility” and “military base.”

Requires a defense community that applies for financial assistance from the Texas military value revolving loan account under Section 436.153, Government Code, to prepare, in consultation with the authorities from each military base or defense facility associated with the community, a military base or defense facility value enhancement statement that illustrates specific ways the funds will enhance the military or defense value of the military base or defense facility. A statement on how the project will enhance the military or defense value of the military base or defense facility, rather than the military value of the installation and a description of how the project will address future base realignment or closure or a negative U.S. Department of Defense decision.

Authorizes two or more defense communities near the same military base or defense facility that apply for financial assistance from the Texas military value revolving loan account to prepare a joint statement.

Requires a copy of the military base or defense facility value enhancement statement to be distributed to the authorities of each military base or defense facility included in the statement and TMPC.

Provides that this bill does not prohibit a defense community that is not applying for financial assistance from preparing a military base or defense facility value enhancement statement under this bill.

Requires a defense community that is adjacent to a closed military base or defense facility, rather than to a closed military installation, and applies for financial assistance from the Texas military value revolving loan account to prepare an economic redevelopment value statement that illustrates specific ways the funds will be used to promote economic development in the community and include certain information for each project whether any portion of the project is to occur on a closed military base or defense facility, rather than on a closed military installation; and whether any approval has been obtained from those authorities retaining or receiving title to that portion of the closed military base or defense facility, rather than closed installation, to be affected by the project.

Authorizes two or more defense communities near the same military base or defense facility that apply for financial assistance from the Texas military value revolving loan account to prepare a joint statement.

Authorizes a defense community to request financial assistance from the Texas military value revolving loan account to prepare a comprehensive defense community strategic impact plan, that states the defense community’s long-range goals and development proposals relating to the following purposes: controlling negative effects of future growth of the defense community on the military base or defense facility and minimizing encroachment on military exercises or training activities connected to the military base or defense facility; enhancing the military or defense value of the military base or defense facility while reducing operating costs; and identifying which, if any, property and services in a region can be shared by the military base or defense facility and the defense community.

Provides that the comprehensive defense community strategic impact plan, rather than the comprehensive defense installation and community strategic impact plan, should include, if appropriate, maps, diagrams, and text to support its proposals and is required to include the following elements as they relate to each military base or defense facility included in the plan: a land use element that identifies proposed distribution, location, and extent of land uses such as housing, business, industry, agriculture, recreation, public buildings and grounds, and other categories of public and private land uses as those uses may
impact the base, rather than defense base, or facility and existing and proposed regulations of land uses, including zoning, annexation, or planning regulations as those regulations may impact the base, rather than defense base, or facility and a water resources element that addresses currently available surface water and groundwater supplies and addresses future growth projections and ways in which the water supply needs of the defense community and the base or facility or if such a need is anticipated, plans for securing additional water supplies; an open-space area element that includes a list of existing open-space land areas, an analysis of the base’s or facility’s, rather than the defense base’s, forecasted needs for open-space areas to conduct its military training activities, and suggested strategies under which land on which some level of development has occurred can make a transition to an open-space area, if needed; a restricted airspace element that creates buffer zones, if needed, between the base or facility.

Authorizes two or more defense communities near the same military base or defense facility to prepare a joint plan.

Provides that a defense community that has prepared a comprehensive defense community strategic impact plan, rather than a comprehensive defense installation and community strategic impact plan, described by Section 397.003 is encouraged to develop, in coordination with the authorities of each military base or defense facility associated with the community, a planning manual based on the proposals contained in the plan. Provides that the manual should adopt guidelines for community planning and development to further the purposes described under Section 397.002. Provides that the defense community should, from time to time, consult with military base or defense facility authorities regarding any changes needed in the planning manual guidelines adopted under this bill.

Provides that this bill applies to a defense community other than a defense community described by this bill. Requires the defense community, if a defense community determines that an ordinance, rule, or plan proposed by the community may impact a military base or defense facility or the military exercise or training activities connected to the base or facility, to seek comments and analysis from the base or facility authorities concerning the compatibility of the proposed ordinance, rule, or plan with base operations. Requires the defense community to consider and analyze the comments and analysis before making a final determination relating to the proposed ordinance, rule, or plan.

Provides that this bill applies only to a defense community that includes a municipality with a population of more than 110,000 located in a county with a population of less than 135,000 and that has not adopted airport zoning regulations under Chapter 241 (Municipal and County Zoning Authority Around Airports). Requires a defense community that proposes to adopt or amend an ordinance, rule, or plan in an area located within eight miles of the boundary line of a military base or defense facility to notify the base or facility authorities concerning the compatibility of the proposed ordinance, rule, or plan with base operations.

Requires the defense community reviewing the application, on receipt of an application for a permit as described by Section 245.001 (Definitions) for a proposed structure in an area located within eight miles of the boundary line of a military base or defense facility, to notify the base or facility authorities concerning the compatibility of the proposed structure with base operations.

Repeals Section 436.151 (Definitions), Government Code, and Chapter 486 (Assistance for Local Area Affected by Defense Restructuring), Government Code.
Display of the Honor and Remember Flag—S.B. 1373  
by Senator Hinojosa—House Sponsor: Representative Rick Miller

S.B. 1373 establishes and promotes a nationally recognized flag that would fly as a visible reminder to all Americans of the lives lost in defense of our national freedoms. The Honor and Remember Flag recognizes the ultimate sacrifice made by members of the United States (U.S.) military in service to our nation. This bill:

 Defines the "Honor and Remember flag." Requires the Honor and Remember flag to be displayed at each state office building, at the State Cemetery, and at each veterans cemetery managed by the Veterans' Land Board on certain days as specified by the bill and on any date on which a Texas resident is killed while serving on active duty in the U.S. military.

 Provides that the Honor and Remember flag is designated as the symbol of our state's concern and commitment to honoring and remembering the lives of all members of the United States armed forces who have lost their lives while serving or as a result of service and the symbol of our state's commitment to honoring their families.

 Provides that the Honor and Remember flag's red field represents the blood shed by the brave men and women who sacrificed their lives for freedom, and the flag's white field is in recognition of the purity of that sacrifice. Provides that the flag's blue star is a symbol of active service in military conflict that dates back to World War I. Provides that the flag's gold star signifies the ultimate sacrifice of a warrior in active service who is not returning home and reflects the value of the life given. Provides that the folded flag element highlights this nation's final tribute to a fallen service member and a family's sacrifice. Provides that the flag's flame symbolizes the eternal spirit of the departed.

Creation of the Veteran Entrepreneur Program by the Texas Veterans Commission—S.B.1476  
by Senator West et al.—House Sponsor: Representative Ralph Sheffield et al.

Interested parties assert that a veteran entrepreneur program should be established to perform outreach functions aimed at improving veteran entrepreneurs' and business owners' awareness of federal and state benefits and services. S.B. 1476 seeks to establish a program to provide guidance to veteran entrepreneurs and business owners through conferences, seminars, and training workshops with federal and state agencies, among other activities. This bill:

 Defines "veteran." Requires the Texas Veterans Commission (TVC) by rule, as soon as practicable after the bill's effective date but not later than January 1, 2014, to establish and implement the veteran entrepreneur program to foster and promote veteran entrepreneurship and business ownership. Requires the program to provide assistance to veteran entrepreneurs and business owners by performing outreach functions to improve veteran entrepreneurs' and business owners' awareness of available federal and state benefits and services; by assessing the need for benefits and services among veteran entrepreneurs and business owners; by reviewing and researching programs, projects, and initiatives designed to address the needs of veteran entrepreneurs and business owners; by periodically evaluating the effectiveness of TVC's efforts to assist veteran entrepreneurs and business owners and making appropriate recommendations to the executive director of TVC to improve services and assistance provided to those veterans; by incorporating issues concerning veteran entrepreneurs and business owners into TVC's plans for assisting
veterans in securing benefits and services; by advocating for veteran entrepreneurs and working to increase public awareness about the needs of veteran entrepreneurs and business owners; by recommending legislative initiatives and policies at the local, state, and national levels to address the issues affecting veteran entrepreneurship and business ownership; by collaborating with federal, state, and private agencies that provide services to veteran entrepreneurs and business owners to allow the veterans to make use of those services; by monitoring and researching issues affecting the interests of veteran entrepreneurs and business owners; by providing information about opportunities for veteran entrepreneurs and business owners in TVC's collaborative network of businesses and organizations; by providing guidance to veteran entrepreneurs and business owners through conferences, seminars, and training workshops with federal, state, and private agencies; and by promoting events and activities that recognize or honor veteran entrepreneurs and business owners.

Requires the executive director of TVC to appoint a program coordinator to administer the program. Requires TVC to provide facilities as appropriate in support of the program to the extent funding is available for that purpose.

**Homes For Texas Heroes Home Loan Program—S.B.1553**

*by Senator Lucio et al.—House Sponsor: Representatives Farias and Guillen*

The Texas State Affordable Housing Corporation (TSAHC) is a nonprofit corporation that was created by the 74th Legislature in 1995 to help meet the housing needs of low-income residents in Texas. TSAHC operates to provide single and multifamily home loans to low-income individuals in the state. This bill:

Provides that Subsection (a) (relating to certain provisions if a type of bond listed in Section 1372.022(a) does not qualify on January 2 of any year for treatment as a tax-exempt obligation under the Internal Revenue Code) 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 (Dedication of Portions of State Ceiling to Texas Department of Housing and Community Affairs) or TSAHC under Section 1372.0223(1) (relating to providing that out of that portion of the state ceiling that is available for certain issuers, 10 percent is available exclusively to TSAHC for the purpose of issuing qualified mortgage bonds).

Provides that the public purpose of TSAHC is to perform activities and services that TSAHC'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 provided by Section 2306.5621 (Home for Texas Heroes Home Loan Program).

Defines "home," "program," "veteran," "allied health program faculty member," "graduate allied health program," "graduate professional nursing program," "professional educator," "professional nursing program faculty member," and "undergraduate allied health program."

Requires TSAHC to establish a program to provide professional educators and veterans, among other eligible persons, with low-interest home mortgage loans.
Requires the person, to be eligible for a loan under this section, to be a veteran or professional educator who is employed by a school district or is an allied health or professional nursing program faculty member in this state, at the time a person files an application for the loan.

Authorizes TSAHC to contract with the Texas Veterans Commission to provide other housing assistance to veterans receiving loans under this bill.

Requires the board of directors of TSAHC to adopt rules governing the verification of occupancy of the home by certain professionals, including professional educators and veterans, defined as emergency medical services personnel as the borrower's principle residence.

Authorizes TSAHC, in addition to funds set aside for the program under Section 1372.0223(1) to solicit and accept funding for the program from certain sources.

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

Repeals Sections 1372.0221 (Dedication of Portion of State Ceiling for Professional Educators Home Loan Program), 1372.0222 (Dedication of Portion of State Ceiling for Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program), and 2306.5621(i) (relating to providing that this section expires September 1, 2013), Government Code.

Texas Coordinating Council For Veterans Services and Coordinating Workgroups—S.B. 1892
by Senator Garcia—House Sponsor: Representative Menendez

The Texas Coordinating Council for Veterans Services coordinates the activities of state agencies assisting veterans, service members, and their families, coordinates outreach efforts to make such individuals aware of veterans services, and facilitates collaborative relationships among state, federal, and local agencies and private organizations to identify and address issues affecting veterans, service members, and their families. Interested parties report that after the council's first year of meeting, it was evident that some agencies that play an important role in providing veterans' services were not included in the council's original composition. S.B. 1892 seeks to expand state agency representation on the council and to clarify and simplify the structure of the workgroups to allow more flexibility. This bill:

Provides that the Texas Coordinating Council for Veterans Services is composed of the director or the executive head, as applicable, or that person's designated representative, of the following: the office of acquired brain injury of the Health and Human Services Commission, the Department of State Health Services, the Department of Aging and Disability Services, the Department of Assistive and Rehabilitative Services, the Department of Family and Protective Services, the Texas Workforce Commission, the Texas Workforce Investment Council, the Texas Higher Education Coordinating Board, the Texas Department of Licensing and Regulation, the Department of Public Safety of the State of Texas, the Texas Department of Criminal Justice, the Commission on Jail Standards, the Commission on Law Enforcement Officer

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Standards and Education, the Texas Department of Housing and Community Affairs, the Texas Department of Transportation, the Texas Department of Motor Vehicles, and the Office of Public Utility Counsel.

Provides that the bill expands the specific issues addressed by the coordinating workgroups established by the council to focus on specific issues affecting veterans, service members, and their families to include transportation and women veterans. Authorizes each member of the council to invite multiple organizations or agencies, rather than only one organization or agency, that provide services to veterans, service members, and their families, but that are not otherwise members of the council, to each designate a representative to participate in a coordinating workgroup through procedures established by the council. Repeals Subsections (b), (c), (d), (e), and (f) of Section 434.154, Government Code.

**Agent Orange Exposure—S.C.R. 17**

*by Senator Hinojosa—House Sponsor: Representative Smith*

During the Vietnam War, the United States military sprayed millions of gallons of Agent Orange and other herbicides over Vietnam to reduce forest cover and crops used by the enemy. These herbicides contained dioxin, which has since been identified as carcinogenic and has been linked with a number of serious and disabling illnesses now affecting thousands of veterans. The United States Congress passed the Agent Orange Act of 1991 to address the plight of veterans exposed to herbicides while serving in the Republic of Vietnam. The Act amended Title 38 of the United States Code to presumptively recognize as service-connected certain diseases among military personnel who served in Vietnam between 1962 and 1975. The Act reaffirms the nation's commitment to the well-being of all of its veterans and directs the United States Department of Veterans Affairs to administer the Agent Orange Act under the presumption that herbicide exposure in the Republic of Vietnam includes the country's inland waterways, offshore waters, and airspace. This resolution:

Urges the Congress of the United States to restore the presumption of a service connection for Agent Orange exposure to United States Navy and United States Air Force veterans who served on the inland waterways, in the territorial waters, and in the airspace of the Republic of Vietnam and to institute a presumption of connection to employment for civilians exposed to Agent Orange in their workplaces.

Requires that the Texas secretary of state forward official copies of this resolution to the president of the United States, to the president of the Senate and speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.
The Voting Rights Act of 1965 (VRA) prohibits the states from engaging in practices which result in a denial or abridgement of the right to vote based on race, color, or membership in a language minority group. Under Section 5, changes in certain jurisdictions' voting standards or practices must be approved by the attorney general or the United States District Court of the District of Columbia (D.C. Circuit) before such changes may take effect to ensure that the changes would not have the purpose or effect of denying protected persons the right to vote. This approval process is known as "preclearance." Texas is one of the jurisdictions covered under Section 5.

Following the 2010 United States census, the Texas Legislature redrew the district maps for the Texas House of Representatives, the Texas Senate, and the United States House of Representatives (congressional plan). The plans were challenged under VRA and while the plans were being reviewed for preclearance in the D.C. Circuit, the United States District Court for the Western District of Texas (Western District), on February 28, 2012, in Davis, et al. v. Perry, et al. (No. SA-11-CV-788) drew interim redistricting plans used to elect members of the Texas Senate, the Texas House of Representatives, and the congressional delegation for 2012. This bill:

Ratifies and adopts the interim plans as the permanent plan for Senate districts.

The Voting Rights Act of 1965 (VRA) prohibits the states from engaging in practices which result in a denial or abridgement of the right to vote based on race, color, or membership in a language minority group. Under Section 5, changes in certain jurisdictions' voting standards or practices must be approved by the attorney general or the United States District Court of the District of Columbia (D.C. Circuit) before such changes may take effect to ensure that the changes would not have the purpose or effect of denying protected persons the right to vote. This approval process is known as "preclearance." Texas is one of the jurisdictions covered under Section 5.

Following the 2010 United States census, the Texas Legislature redrew the district maps for the Texas House of Representatives, the Texas Senate, and the United States House of Representatives (congressional plan). The plans were challenged under VRA and while the plans were being reviewed for preclearance in the D.C. Circuit, the United States District Court for the Western District of Texas (Western District), on February 28, 2012, in Davis, et al. v. Perry, et al. (No. SA-11-CV-788) drew interim redistricting plans used to elect members of the Texas Senate, the Texas House of Representatives, and the congressional delegation for 2012. This bill:

Ratifies and adopts the interim plans as the permanent plan for House districts.
The Voting Rights Act of 1965 (VRA) prohibits the states from engaging in practices which result in a denial or abridgement of the right to vote based on race, color, or membership in a language minority group. Under Section 5, changes in certain jurisdictions' voting standards or practices must be approved by the attorney general or the United States District Court of the District of Columbia (D.C. Circuit) before such changes may take effect to ensure that the changes would not have the purpose or effect of denying protected persons the right to vote. This approval process is known as "preclearance." Texas is one of the jurisdictions covered under Section 5.

Following the 2010 United States census, the Texas Legislature redrew the district maps for the Texas House of Representatives, the Texas Senate, and the United States House of Representatives (congressional plan). The plans were challenged under VRA and while the plans were being reviewed for preclearance in the D.C. Circuit, the United States District Court for the Western District of Texas (Western District), on February 28, 2012, in Davis, et al. v. Perry, et al. (No. SA-11-CV-788) drew interim redistricting plans used to elect members of the Texas Senate, the Texas House of Representatives, and the congressional delegation for 2012. This bill:

Ratifies and adopts the interim plans as the permanent plan for the congressional delegation.
Capital Felony Committed by an Individual Younger Than 18 Years of Age—S.B. 2
by Senator Huffman et al.—House Sponsor: Representative Kolkhorst et al.

In June 2012, the Supreme Court of the United States ruled in *Miller v. Alabama* that life without the possibility of parole is unconstitutional as applied to juvenile defendants. In Texas, the age of majority is 17 years of age. However, the Supreme Court’s ruling contemplated juveniles as being under the age of 18.

Prior to the ruling in *Miller v. Alabama*, Texas policymakers had established the toughest sentence available for juvenile defendants under Texas law to be life with the possibility of parole in 40 years.

Because the current sentencing structure only applies to defendants under 17 years of age, Texas law must be amended to apply the sentence of life with the possibility of parole in 40 years to defendants under the age of 18 in accordance with the Supreme Court's recent ruling. This bill:

Requires that an individual adjudged guilty of a capital felony in a case in which the state does not seek the death penalty be punished by imprisonment in the Texas Department of Criminal Justice for life, if the individual committed the offense when younger than 18 years of age and for life without parole, if the individual committed the offense when 18 years of age or older.

Requires that prospective jurors, in a capital felony trial in which the state does not seek the death penalty, be informed that the state is not seeking the death penalty and that a sentence of life imprisonment is mandatory on conviction of the capital felony if the individual committed the offense when younger than 18 years of age, or that a sentence of life imprisonment without parole is mandatory on conviction of the capital felony if the individual committed the offense when 18 years of age or older.

Requires the judge, if a defendant is found guilty in a capital felony case in which the state does not seek the death penalty, to sentence the defendant to life imprisonment or to life imprisonment without parole as required by Section 12.31 (Capital Felony), Penal Code.

Regulation of Abortion Procedures, Providers, and Facilities—H.B. 2
by Representative Laubenberg et al.—Senate Sponsor: Senator Hegar et al.

Interested parties note that certain scientific evidence suggests that, at 20 weeks post-fertilization, preborn children are capable of feeling pain. Mifeprex (RU-486) was approved by the United States Food and Drug Administration (FDA) for use by pregnant women wishing to terminate a pregnancy up to a certain time period and interested persons express concern that administration protocols are not being followed. Interested persons express concern with abortion facility standards and potential complications resulting from abortions. This bill:

Sets forth legislative findings.

Provides that the legislature intends that every application of this statute to every individual woman be severable from each other; and requires that the application of the statute to those women, in the unexpected event that the application of this statute is found to impose an impermissible undue burden on any pregnant woman or group of pregnant women, be severed from the remaining applications of the
statute that do not impose an undue burden, and that those remaining applications remain in force and unaffected, consistent with Section 10 of the Act.

Requires a physician performing or inducing an abortion to, on the date the abortion is performed or induced, have active admitting privileges at a hospital that is located not further than 30 miles from the location at which the abortion is performed or induced and provides obstetrical or gynecological health care services; provide the pregnant woman with a telephone number by which the pregnant woman may reach the physician, or other health care personnel employed by the physician or by the facility at which the abortion was performed or induced with access to the woman's relevant medical records, 24 hours a day to request assistance for any complications that arise from the performance or induction of the abortion or ask health-related questions regarding the abortion; and the name and telephone number of the nearest hospital to the home of the pregnant woman at which an emergency arising from the abortion would be treated; and provides that a physician who violates these requirements commits an Class A misdemeanor offense punishable by a fine only, not to exceed $4,000.

Authorizes the added Subchapter C (Abortion Prohibited at or After 20 Weeks Post-Fertilization), Chapter 171 (Abortion), Health and Safety Code, to be cited as the Preborn Pain Act, and defines "post-fertilization age" and "severe fetal abnormality" in the subchapter.

Prohibits a physician, except as otherwise provided, from performing or inducing or attempting to perform or induce an abortion without, prior to the procedure, making a determination of the probable post-fertilization age of the unborn child or possessing and relying on a determination of the probable post-fertilization age of the unborn child made by another physician.

Prohibits a person, except as otherwise provided, from performing or inducing or attempting to perform or induce an abortion on a woman if it has been determined, by the physician performing, inducing, or attempting to perform or induce the abortion or by another physician on whose determination that physician relies, that the probable post-fertilization age of the unborn child is 20 or more weeks.

Provides that Section 171.045 (Method of Abortion), Health and Safety Code, applies only to an abortion authorized under Section 171.046(a)(1) (relating to providing that certain prohibitions and requirements do not apply to an abortion performed if there exists a condition that, in the physician's reasonable medical judgment, so complicates the medical condition of the woman that, to avert the woman's death or a serious risk of substantial and irreversible physical impairment of a major bodily function, other than a psychological condition, it necessitates the immediate abortion of her pregnancy without the delay necessary to determine the probable post-fertilization age of the unborn child) or Section 171.046(2) (relating to providing that certain prohibitions and requirements do not apply to an abortion performed if there exists a condition that, in the physician's reasonable medical judgment, so complicates the medical condition of the woman that, to avert the woman's death or a serious risk of substantial and irreversible physical impairment of a major bodily function, other than a psychological condition, it necessitates the abortion of her pregnancy even though the post-fertilization age of the unborn child is 20 or more weeks) in which the probable post-fertilization age of the unborn child is 20 or more weeks or the probable post-fertilization age of the unborn child has not been determined but could reasonably be 20 or more weeks; and requires a physician performing such an abortion, except as otherwise provided, to terminate the pregnancy in the manner that, in the physician's reasonable medical judgment, provides the best opportunity for the unborn child to survive.
Provides that the prohibitions and requirements related to the required determination of post-fertilization age, the prohibition of an abortion of unborn child of 20 or more weeks post-fertilization age, and the required manner of abortion do not apply to an abortion performed if there exists a condition that, in the physician's reasonable medical judgment, so complicates the medical condition of the woman that, to avert the woman's death or a serious risk of substantial and irreversible physical impairment of a major bodily function, other than a psychological condition, it necessitates, as applicable, the immediate abortion of her pregnancy without the delay necessary to determine the probable post-fertilization age of the unborn child; the abortion of her pregnancy even though the post-fertilization age of the unborn child is 20 or more weeks; or the use of a method of abortion other than a method described by Section 171.045(b) (relating to requiring a certain manner of terminating a pregnancy that provides for the best opportunity for the unborn child to survive); and prohibits a physician from taking such an authorized action if the risk of death or a substantial and irreversible physical impairment of a major bodily function arises from a claim or diagnosis that the woman will engage in conduct that may result in her death or in substantial and irreversible physical impairment of a major bodily function.

Provides that the prohibitions and requirements related to the required determination of post-fertilization age, the prohibition of an abortion of unborn child of 20 or more weeks post-fertilization age, and the required manner of abortion do not apply to an abortion performed on an unborn child who has a severe fetal abnormality.

Sets forth provisions regarding the protection of privacy and disclosure of the identity of the woman on whom an abortion has been performed or induced or attempted to be performed or induced in court proceedings.

Requires that the Preborn Pain Act be construed, as a matter of state law, to be enforceable up to but no further than the maximum possible extent consistent with federal constitutional requirements, even if that construction is not readily apparent, as such constructions are authorized only to the extent necessary to save the Preborn Pain Act from judicial invalidation; and provides that judicial reformation of statutory language is explicitly authorized only to the extent necessary to save the statutory provision from invalidity.

Requires the court to interpret the provision, as a matter of state law, to avoid the vagueness problem and to enforce the provision to the maximum possible extent if any court determines that a provision of the Preborn Pain Act is unconstitutionally vague; and requires the Supreme Court of Texas to provide an authoritative construction of the objectionable statutory provisions that avoids the constitutional problems while enforcing the statute's restrictions to the maximum possible extent, and to agree to answer any question certified from a federal appellate court regarding the statute if a federal court finds any provision of the Preborn Pain Act or its application to any person, group of persons, or circumstances to be unconstitutionally vague and declines to impose the saving construction described.

Prohibits a state executive or administrative official from declining to enforce the Preborn Pain Act, or adopting a construction of the Preborn Pain Act in a way that narrows its applicability, based on the official's own beliefs about what the state or federal constitution requires, unless the official is enjoined by a state or federal court from enforcing the Preborn Pain Act.

Prohibits the Preborn Pain Act from being construed to authorize the prosecution of or a cause of action to be brought against a woman on whom an abortion is performed or induced or attempted to be performed or induced in violation of the Preborn Pain Act.

Requires the Texas Medical Board (TMB), notwithstanding Section 171.005 (Department to Enforce), Health and Safety Code, to enforce Subchapter D, Chapter 171, Health and Safety Code.

Prohibits a person from knowingly giving, selling, dispensing, administering, providing, or prescribing an abortion-inducing drug to a pregnant woman for the purpose of inducing an abortion in the pregnant woman or enabling another person to induce an abortion in the pregnant woman unless the person who gives, sells, dispenses, administers, provides, or prescribes the abortion-inducing drug is a physician; and except as otherwise provided, the provision, prescription, or administration of the abortion-inducing drug satisfies the protocol tested and authorized by the FDA as outlined in the final printed label of the abortion-inducing drug.

Authorizes a person to provide, prescribe, or administer the abortion-inducing drug in the dosage amount prescribed by the clinical management guidelines defined by the American Congress of Obstetricians and Gynecologists Practice Bulletin as those guidelines existed on January 1, 2013.

Requires the physician, before the physician gives, sells, dispenses, administers, provides, or prescribes an abortion-inducing drug, to examine the pregnant woman and document, in the woman's medical record, the gestational age and intrauterine location of the pregnancy.

Requires such a physician to provide the pregnant woman with a copy of the final printed label of that abortion-inducing drug and a telephone number by which the pregnant woman may reach the physician, or other health care personnel employed by the physician or by the facility at which the abortion was performed with access to the woman's relevant medical records, 24 hours a day to request assistance for any complications that arise from the administration or use of the drug or ask health-related questions regarding the administration or use of the drug.

Requires such a physician, or the physician's agent, to schedule a follow-up visit for the woman to occur not more than 14 days after the administration or use of the drug; and requires the physician, at the follow-up visit, to confirm that the pregnancy is completely terminated and assess the degree of bleeding; and sets forth provisions regarding making a reasonable effort to ensure that the woman returns for the follow-up.

Sets forth a provision regarding the reporting of a serious adverse event that a woman experiences during or after the administration of the abortion-inducing drug to the United States Food and Drug Administration through the MedWatch Reporting System.

Authorizes TMB to take disciplinary action under Chapter 164 (Disciplinary Actions and Procedures), Occupations Code, or assess an administrative penalty under Subchapter A (Administrative Penalties), Chapter 165 (Penalties), Occupations Code, against a person who violates Section 171.063 (Distribution of Abortion-Inducing Drugs), Health and Safety Code.
SECOND CALLED SESSION

Prohibits a penalty from being assessed under Section 171.064 (Administrative Penalty), Health and Safety Code, against a pregnant woman who receives a medical abortion.

Requires that the minimum standards for an abortion facility, on and after September 1, 2014, be equivalent to the minimum standards adopted for ambulatory surgical centers; requires the executive commissioner of the Health and Human Services Commission to adopt the required standards, not later than January 1, 2014; and provides that a facility licensed under Chapter 245 (Abortion Facilities), Health and Safety Code, is not required to comply with the standards adopted before September 1, 2014.

Requires that the annual report each abortion facility is required to submit on each abortion include certain information, including the probable post-fertilization age of the unborn child, rather than the period of gestation, based on the best medical judgment of the attending physician at the time of the procedure.

Provides that a physician or an applicant for a license to practice medicine commits a prohibited practice if that person commits certain actions, including performing or inducing or attempting to perform or induce an abortion in violation of the Preborn Pain Act.

Provides that the annual report each abortion facility is required to submit on each abortion include certain information, including the probable post-fertilization age of the unborn child, rather than the period of gestation, based on the best medical judgment of the attending physician at the time of the procedure.

Requires that the criminal penalties provided by Section 165.152 (Practicing Medicine in Violation of Subtitle), Occupations Code, do not apply to a violation of certain statute, including the Preborn Pain Act.

Repeals Section 245.010(c) (relating to prohibiting certain standards from being more stringent than Medicare certification standards), Health and Safety Code, effective September 1, 2014.

Prohibits this Act from being construed to repeal, by implication or otherwise, Section 164.052(a)(18) (relating to providing that a physician or an applicant for a license to practice medicine commits a prohibited practice if that person performs an abortion on a woman who is pregnant with a viable unborn child during the third trimester of the pregnancy under certain conditions), Occupations Code, Section 170.002 (Prohibited Acts Regarding Abortion), Health and Safety Code, or any other provision of Texas law regulating or restricting abortion not specifically addressed by this Act; provides that an abortion that complies with this Act but violates any other law is unlawful; and provides that an abortion that complies with another state law but violates this Act is unlawful as provided in this Act.

Requires that all other provisions of Texas law regulating or restricting abortion be enforced as though the restrained or enjoined provisions had not been adopted if some or all of the provisions of this Act are ever temporarily or permanently restrained or enjoined by judicial order; provided, however, that whenever the temporary or permanent restraining order or injunction is stayed or dissolved, or otherwise ceases to have effect, the provisions are required to have full force and effect.

Provides that, mindful of Leavitt v. Jane L., 518 U.S. 137 (1996), in which in the context of determining the severability of a state statute regulating abortion the United States Supreme Court held that an explicit statement of legislative intent is controlling, it is the intent of the legislature that every provision, section, subsection, sentence, clause, phrase, or word in this Act, and every application of the provisions in this Act, are severable from each other. Requires that the remaining applications of that provision to all other persons and circumstances be severed and are prohibited from being affected if any application of any provision in this Act to any person, group of persons, or circumstances is found by a court to be invalid. Requires that all constitutionally valid applications of this Act be severed from any applications that a court finds to be invalid, leaving the valid applications in force, because it is the legislature's intent and priority.
that the valid applications be allowed to stand alone. Requires that the applications that do not present an undue burden be severed from the remaining provisions and remain in force, and be treated as if the legislature had enacted a statute limited to the persons, group of persons, or circumstances for which the statute's application does not present an undue burden even if a reviewing court finds a provision of this Act to impose an undue burden in a large or substantial fraction of relevant cases. Provides that the legislature further declares that it would have passed this Act, and each provision, section, subsection, sentence, clause, phrase, or word, and all constitutional applications of this Act, irrespective of the fact that any provision, section, subsection, sentence, clause, phrase, or word, or applications of this Act, were to be declared unconstitutional or to represent an undue burden.

Requires that the prohibition apply to a person or group of persons or circumstances on the earliest date on which the Preborn Pain Act can be constitutionally applied if the Preborn Pain Act, prohibiting abortions performed on an unborn child 20 or more weeks after fertilization is found by any court to be invalid or to impose an undue burden as applied to any person, group of persons, or circumstances.

Requires that the applications of a provision that do not present constitutional vagueness problems be severed and remain in force if any provision of this Act is found by any court to be unconstitutionally vague.
There is a perceived need to create certain select committees on transportation funding, expenditures, and finance and to address the issue of preserving a sufficient balance in the economic stabilization fund (ESF). This bill:

Authorizes the Texas Transportation Commission (TTC) to use money from the Texas Mobility Fund to provide funding, including through a loan, for a port security project, a port transportation project, or certain other projects. Requires the Texas Department of Transportation (TxDOT), on or before August 31, 2015, to identify and implement savings and efficiencies that result in a total savings of at least $100 million in funds appropriated to TxDOT for the state fiscal biennium ending August 31, 2015. Provides that the amount saved is appropriated for the state fiscal biennium ending August 31, 2015, to TxDOT from the source from which the money was originally appropriated for the purpose of reducing the principal of and interest on bonds and other public securities issued, and bond enhancement agreements entered into, by TTC as authorized by Section 49-n, Article III, Texas Constitution, as proposed by H.J.R. 28, 78th Legislature, Regular Session, 2003. Provides that to make payments required under Section 222.0031(Required Repayment of Bonds), Transportation Code, TxDOT is required to maximize the use of all amounts appropriated to TxDOT; is authorized to use savings realized through operational efficiencies, cost reductions, and cost savings; and is prohibited from reducing the amount of funding available for transportation projects. Requires TxDOT, not later than August 31, 2015, to report in writing to the legislature on the implementation of Section 222.0031, Transportation Code. Provides that Section 222.0031, Transportation Code, expires September 1, 2015.

Requires the speaker of the house of representatives and the lieutenant governor to appoint a select committee to determine and adopt for the next state fiscal biennium a sufficient balance of the fund in an amount that the committee estimates will ensure an appropriate amount of revenue available in the fund. Requires the committee, in determining the sufficient balance for that fiscal biennium, to consider certain factors. Sets forth certain requirements regarding the membership of the select committee. Requires the comptroller of public accounts of the State of Texas (comptroller), on or before October 1 of each even-numbered year, to provide to the select committee the comptroller's projection of the amounts to be transferred to the fund during the next state fiscal biennium. Provides that when the select committee has adopted the amount of the sufficient balance of the ESF for a state fiscal biennium, the matter of approving that amount is required to be presented to each house of the legislature in a concurrent resolution during the next succeeding regular legislative session. Requires that the resolution be presented for a vote in each house of the legislature not later than the 30th day of that legislative session, be approved by a vote of a majority of the members of each house, and be finally approved by each house not later than the 45th day of that legislative session. Provides that if a resolution finally approved is amended during the legislative process to provide for a different sufficient balance of the fund than that adopted, that different balance is the sufficient balance adopted for purposes of Section 316.093 (Adjustment of Constitutional Allocations to Fund and State Highway Fund), Government Code. Sets forth requirements regarding the adjustment of constitutional allocations to ESF and state highway fund made by the comptroller. Prohibits the comptroller from making the transfers required under Section 49-g, Article III, Texas Constitution, for the state fiscal year beginning September 1, 2014, until the select committee has adopted a sufficient balance. Requires the comptroller, if the select committee has not adopted the ESF balance before the 30th day after the effective date of Section 316.093, Government Code, to make that transfer on the 30th day after the effective date.
Requires that amounts transferred to the state highway fund under Section 49-g(c), Article III, Texas Constitution, when appropriated, be used and allocated throughout the state by TxDOT consistent with existing formulas adopted by TTC.

Requires the speaker of the house of representatives to appoint nine members to a House Select Committee on Transportation Funding, Expenditures, and Finance and designate one member as chair. Requires the lieutenant governor to appoint nine members to a Senate Select Committee on Transportation Funding, Expenditures, and Finance and designate one member as chair. Requires the speaker and lieutenant governor to make the appointments not later than November 30, 2013. Sets forth the duties of the select committees and certain requirements regarding the appointment of select committee members. Requires the select committees to, meeting separately or jointly, review, study, and evaluate certain information during its deliberations.

**Constitutional Amendment to Provide for the Transfer of Certain General Revenue to the Economic Stabilization Fund and State Highway Fund—S.J.R. 1**

by Senator Nichols et al.—House Sponsor: Representative Pickett et al.

Congestion is a growing problem on Texas' highway system. Additionally, the existing system is in continued need of maintenance. Without adequate resources, the Texas Department of Transportation (TxDOT) will continue to face challenges in constructing and maintaining Texas' highway infrastructure. Texas is also paying millions of dollars a year in debt service for transportation-related debt. This resolution proposes a constitutional amendment to:

Require the comptroller of public accounts of the State of Texas (comptroller), not later than the 90th day of each fiscal year, to transfer from the general revenue fund to the economic stabilization fund (ESF) and the state highway fund the sum of the amounts described by Section 49-g(d) (relating to transferring and allocating up to 75 percent of the difference between the amount of oil production tax revenue received by the state and the August 3, 1987 level of collections) and Section 49-g(e) (relating to the transferring and allocating up to 75 percent of the difference between the amount of gas production tax revenue received by the state and the August 3, 1987 level of collections), Article III, Texas Constitution, to be allocated as provided by Section 49-g(c-1) (relating to requiring the comptroller to allocate one-half of the sum of the amounts described by Section 49-g(d) and Section 49-g(e), Article III, Texas Constitution, to ESF and the remainder to the state highway fund) and Section 49-g(c-2) (relating to requiring the legislature to provide for a procedure by which the allocation of the sum of the amounts described by Section 49-g(d) and Section 49-g(e), Article III, Texas Constitution, may be adjusted). Requires the comptroller, if necessary and notwithstanding the allocations prescribed by Sections 49-g, Article III, Texas Constitution, to reduce proportionately the amounts described by Section 49-g(d) and Section 49-g(e), Article III, Texas Constitution, to prevent the amount in that fund from exceeding the limit in effect for that biennium. Authorizes revenue transferred to the state highway fund to be used only for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.

Require the comptroller, of the sum of the amounts described by Section 49-g(d) and Section 49-g(e), Article III, Texas Constitution, and required to be transferred from the general revenue fund under Section 49-g(c) (relating to requiring the comptroller to transfer from general revenue to ESF certain oil production tax revenue), Article III, Texas Constitution, to allocate one-half to ESF and the remainder to the state highway fund, except as provided by Section 49-g(c-2), Article III, Texas Constitution. Requires the
legislature by general law to provide for a procedure by which the allocation of the sum of the amounts described by Section 49-g(d) and Section 49-g(e), Article III, Texas Constitution, may be adjusted to provide for a transfer to ESF of an amount greater than the allocation provided for under Section 49-g(c-1), Article III, Texas Constitution, with the remainder of that sum, if any, allocated for transfer to the state highway fund. Provides that the allocation made as provided by that general law is binding on the comptroller for the purposes of the transfers required by Section 49-g(c), Article III, Texas Constitution. Requires the comptroller, if in the preceding year the state received from oil production taxes a net amount greater than the net amount of oil production taxes received by the state in the fiscal year ending August 3, 1987, to transfer under Section 49-g(c), Article III, Texas Constitution, and allocate in accordance with Section 49-g(c-1) and Section 49-g(c-2), Article III, Texas Constitution, an amount equal to 75 percent of the difference between those amounts. Requires the comptroller, if in the preceding year the state received from gas production taxes a net amount greater than the net amount of gas production taxes received by the state in the fiscal year ending August 31, 1987, to transfer under Section 49-g(c), Article III, Texas Constitution, and allocate in accordance with Section 49-g(c-1) and Section 49-g(c-2), Article III, Texas Constitution, an amount equal to 75 percent of the difference between those amounts.

Provide that the amendment to Section 49-g (Economic Stabilization Fund), Article III, Texas Constitution, takes effect immediately on the final canvass of the election on the amendment. Requires the comptroller, if, between September 1, 2014, and the effective date of that constitutional amendment, the comptroller has transferred from general revenue to ESF amounts in accordance with Section 49-g(c), Section 49-g(d), and Section 49-g(e), Article III, Texas Constitution, as those subsections existed at the time of the transfer, as soon as practicable after the effective date of the amendment, to return the transferred amounts from ESF to general revenue and transfer from general revenue to ESF and the state highway fund amounts in accordance with the amended provisions and in accordance with general law, notwithstanding the requirement of Section 49-g(c), Article III, Texas Constitution, that the transfers for that fiscal year be made before the 90th day of the fiscal year beginning September 1, 2014. Requires that this proposed constitutional amendment be submitted to the voters at an election to be held November 4, 2014. Sets forth the required language of the ballot.
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First Called Session

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S.B. 3 (First Called Session) .................... 1256
S.B. 4 (First Called Session) .................... 1257

Second Called Session

H.B. 2 (Second Called Session) .................. 1258
S.B. 2 (Second Called Session) .................... 1258

Third Called Session

H.B. 1 (Third Called Session) .................... 1264
S.J.R. 1 (Third Called Session) .................. 1265