

HOUSE JOURNAL

SEVENTY-SIXTH LEGISLATURE, REGULAR SESSION

PROCEEDINGS

SEVENTY-EIGHTH DAY — THURSDAY, MAY 20, 1999

The house met at 10 a.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 388).

Present — Mr. Speaker; Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbraneck.

Absent, Excused — Corte; Ellis.

The invocation was offered by Reverend David William Hunter, pastor, Northwest Assembly of God, San Antonio, as follows:

Heavenly Father we come to you this morning with thanksgiving for all of your blessings upon us. We thank you for the grace that you have so freely shown to us by giving your son, Jesus, as an offering for the sins of all mankind. We acknowledge that we are unworthy of your great love, but we nevertheless thank you for it.

As we approach the start of this legislative process we are aware that you see with great clarity the plan of the ages. We continue to see at best, as the Apostle Paul declared, "Through a glass darkly." With that in mind we ask for your wisdom in dealing with the great matters of this wonderful state.

One month ago today, in Colorado, many precious lives, most of them young were taken by teenagers filled with hate and violence. In our own city of San Antonio this past month over fifteen teenagers were arrested for making threats to commit similar acts of violence in their schools. This has been the inevitable result of filling their minds with hate, racism, and violence. We would ask you today to bring a revival of morality to our

state, even to our nation, that would cause the youth of this generation to turn to God and righteousness. Give parents and teachers the courage to teach fundamental things like manners and caring for one another. Thank you Lord for George Stewart Hunter and for him demanding that every day the world should be a better place because of what we could do. Thank you for Opal Hunter and the love that she taught me from her kitchen window as she sang the "Songs of Zion". Give the children of the State of Texas such wonderful examples to follow.

We pray this morning for those suffering from all types of physical illness. Thank you Lord because it was in a session such as this that the State of Texas decided to have a cancer hospital that would be available to every person in this great state for the treatment of that dreaded disease. We thank you for The University of Texas M. D. Anderson Cancer Hospital. I stand here today by your healing power and because of its great staff and doctors like Maria Rodriguez who have dedicated their lives to seeing this killer of so many defeated. Let such great things come from this group of legislators.

Dear Lord, we pray today for our president, for the honorable governor of the state, George Bush, for Mayor Peak in San Antonio, for the law enforcement personnel, for the fire fighters, and for paramedics who serve this state faithfully. Keep your hand upon them all.

Thank you Lord for my wonderful wife, Sherri, for my two sons, David and Chris, my daughter-in-law, Jaime, and for my grandchildren, Kaitlin, Autumn, and Hannah. Continue to bless their lives today.

Our hope and our trust is in you dear Lord. Help us to live the type of lives that we should live, remembering the sacrifice of those who have gone before us. We ask you to do these things in that name that is above all names, the name of Jesus Christ. Amen.

LEAVES OF ABSENCE GRANTED

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

Corte on motion of Keel.

The following member was granted leave of absence temporarily for today because of illness in the family:

Ellis on motion of Keel.

CAPITOL PHYSICIAN

The speaker recognized Representative Driver who presented Dr. Jimmy Randles and two residents, Dr. Chris Witherspoon, and Dr. Greg Ennis, all of Garland as the "Doctors for the Day."

The house welcomed Dr. Randles, Dr. Witherspoon, and Dr. Ennis and thanked them for their participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

HR 1012 - ADOPTED (by Wohlgemuth)

Representative Wohlgemuth moved to suspend all necessary rules to take up and consider at this time **HR 1012**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1012, Honoring Ms. Diana Adamson for her service at the City of Burleson Police Department.

HR 1012 was read and was adopted without objection.

INTRODUCTION OF GUESTS

The speaker recognized Representative Wohlgemuth, who introduced Diana Adamson, the 1999 Telecommunicator of the Year and employee of the Burleson Police Department, and her family.

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

Public Education, on noon recess today, E2.036, for a public hearing, to consider **SB 4**.

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, House List No. 56).

(Edwards in the chair)

HR 1011 - ADOPTED (by Uher)

Representative Uher moved to suspend all necessary rules to take up and consider at this time **HR 1011**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1011, In memory of Patricia "Pat" Ann Ladewig.

(Speaker in the chair)

HR 1011 was read and was unanimously adopted by a rising vote.

HR 1008 - ADOPTED (by Goolsby)

Representatives Goolsby and C. Jones moved to suspend all necessary rules to take up and consider at this time **HR 1008**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1008, Honoring Blue Bell Creameries, Inc., for its achievements.

HR 1008 was read and was adopted without objection.

On motion of Representative C. Jones, the names of all the members of the house were added to **HR 1008** as signers thereof.

INTRODUCTION OF GUEST

The speaker recognized Representatives Goolsby and C. Jones, who introduced Darrell Schulte, Austin branch manager of Blue Bell Creameries, Inc.

**HCR 282 - ADOPTED
(by Lengefeld)**

Representative Lengefeld moved to suspend all necessary rules to take up and consider at this time **HCR 282**.

The motion prevailed without objection.

The following resolution was laid before the house:

HCR 282, Recognizing May 20, 1999, as Gatesville Day at the Capitol.

HCR 282 was read and was adopted without objection.

**HCR 283 - ADOPTED
(by Isett)**

Representative Isett moved to suspend all necessary rules to take up and consider at this time **HCR 283**.

The motion prevailed without objection.

The following resolution was laid before the house:

HCR 283, Congratulating Sue Bounds on her retirement from the Lubbock Independent School District.

HCR 283 was read and was adopted without objection.

INTRODUCTION OF GUEST

The speaker recognized Representative Isett, who introduced Sue Bounds.

**SCR 82 - ADOPTED
(Isett and D. Jones - House Sponsors)**

Representative Isett moved to suspend all necessary rules to take up and consider at this time **SCR 82**.

The motion prevailed without objection.

The following resolution was laid before the house:

SCR 82, In memory of Sara Anne English, Margaret Nell Flynn, Sarah N. Johnson, Talitha Denita Beeman, Astyn Lee Qubty, and Heather Nicole Bauman.

SCR 82 was unanimously adopted by a rising vote.

**HR 1018 - ADOPTED
(by Yarbrough)**

Representative Yarbrough moved to suspend all necessary rules to take up and consider at this time **HR 1018**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1018, Celebrating the birth of Katherine "Kate" Johnston Mumey.

HR 1018 was adopted without objection.

HR 1017 - ADOPTED
(by Eiland)

Representative Eiland moved to suspend all necessary rules to take up and consider at this time **HR 1017**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1017, Congratulating Dr. Thelma J. White on receiving a Distinguished Alumnus Award from The University of Texas at Austin.

HR 1017 was adopted without objection.

HR 1014 - ADOPTED
(by Pickett)

The following privileged resolution was laid before the house:

HR 1014

BE IT RESOLVED by the House of Representatives of the State of Texas, 76th Legislature, Regular Session, 1999, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on House Bill No. 2025, relating to the establishment and operation of the Border Health Institute, to consider and take action on the following matters:

(1) House Rule 13, Sections 9(a)(1), (3), and (4), are suspended to permit the committee to amend text that is not in disagreement and to add additional text not included in either the house or senate version of the bill, in Section 1 of the bill, in added Section 151.004(a), Education Code, to read as follows:

(a) The governing board of the institute is composed of the chief executive officer or president of each entity that is a member of the institute or that officer's or president's designee.

Explanation: This change allows entities that participate in the Border Health Institute that do not have a chief executive officer but that do have a president to have the entity's president be a member of the governing board of the institute or to appoint a designee to the board.

(2) House Rule 13, Sections 9(a)(1), (3), and (4), are suspended to permit the committee to amend text that is not in disagreement and to add additional text not included in either the house or senate version of the bill, in Section 1 of the bill, in added Section 151.008, Education Code, to read as follows:

Sec. 151.008. ANNUAL REPORTING. Each year, the institute shall provide to each member of the governing board of the institute and to each member of the legislature whose district includes any portion of a county where the Border Health Institute is established or operating an annual

audited financial statement and a status report of each project undertaken by the institute.

Explanation: This change allows each member of the legislature whose district includes any portion of a county in which the Border Health Institute is established or operating to receive an annual audited financial statement and status report on each project the institute has undertaken.

HR 1014 was adopted without objection.

INTRODUCTION OF GUEST

The speaker recognized Representative Allen, who introduced Pete Baldwin.

HR 944, honoring Pete Baldwin for his many professional achievements and civic contributions, having been previously adopted, was read.

BILLS AND JOINT RESOLUTIONS ON FIRST READING AND REFERRAL TO COMMITTEES RESOLUTIONS REFERRED TO COMMITTEES

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 1.)

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

SB 374 ON SECOND READING (Gray and Naishtat - House Sponsors)

SB 374, A bill to be entitled An Act relating to the provision of certain long-term care services, to the continuation and functions of the Texas Department on Aging, and to the eventual consolidation of the Texas Department of Human Services and the Texas Department on Aging into a new agency on aging and disability services.

SB 374 was read second time on May 19 and was postponed until 10 a.m. today.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Naishtat, Representative Gray offered the following committee amendment to **SB 374**:

Amend the Engrossed version of **SB 374** on page 25, line 8, by inserting the following:

(3) "Family Support Services" means support, resources, or other assistance provided to the family of a child or adult with disabilities or the family of an elderly person.

(4) "Independent living philosophy" means control over one's life based on the choice of acceptable options that minimize reliance on others in making decisions and in performing everyday activities. This includes managing one's affairs, participating in day to day life in the community, fulfilling a range of social roles, and making decisions that lead to self-

determination and the minimization of physical and psychological dependence upon others.

(5) "Long term care services" means the provision of personal care and assistance related to health and social services, given episodically or over a sustained period of time, to assist people of all ages and their families to achieve the highest level of functioning possible, regardless of the setting in which the assistance is given.

(6) "Person with a disability" means a person whose ability to care for himself or herself, perform manual tasks, learn, work, walk, see, hear, speak, or breathe is substantially limited. For the purposes of this chapter, this definition does not include persons with a mental illness or mental retardation.

Representative Gray moved to table Amendment No. 1.

The motion to table prevailed.

Amendment No. 2 (Committee Amendment No. 2)

On behalf of Representative Naishtat, Representative Gray offered the following committee amendment to **SB 374**:

1. Amend the Engrossed version of **SB 374** on page 18, line 16, before "Not" insert the following:

The Texas Planning Council for Developmental Disabilities will serve as the lead agency in convening working meetings, coordinating and completing the report.

2. On page 18, line 19, insert the following:

(b) The report will include recommendations addressing the following:

(1) fiscal and program barriers to consumer friendly services;

(2) progress toward a service delivery system individualized to each consumer based on functional needs;

(3) progress on the development of local cross-disability access structures;

(4) projections of future long-term care services needs and availability; and

(5) consumer satisfaction, consumer preferences and desired outcomes.

3. Renumber subsequent sections appropriately.

Amendment No. 2 was adopted without objection.

Amendment No. 3 (Committee Amendment No. 3)

On behalf of Representative Naishtat, Representative Gray offered the following committee amendment to **SB 374**:

Amend the Engrossed version of **SB 374** on page 1, line 22, (new Section 531.02481, Government Code) by striking subsection (2) and replacing with the following:

(2) develop a system of blended funds, consistent with the requirements of federal law and the General Appropriations Act, to allow the community to customize services to fit individual community needs; and

Amendment No. 3 was adopted without objection.

Amendment No. 4 (Committee Amendment No. 4)

On behalf of Representative Naishtat, Representative Gray offered the following committee amendment to **SB 374**:

Amend **SB 374** as follows:

(1) In the recital to SECTION 1.02 of the bill (Senate Engrossment, page 3, line 3), strike "Section 22.034" and substitute "Sections 22.034 and 22.035".

(2) In SECTION 1.02 of the bill (Senate Engrossment, page 5, between lines 20 and 21), add a new Section 22.035, Human Resources Code, to read as follows:

Sec. 22.035. WORK GROUP ON CHILDREN'S LONG-TERM CARE AND HEALTH PROGRAMS. (a) A work group is created to assist the commissioner of health and human services, the department, and the Texas Department of Health in the creation of a system for families and children to administer long-term care and health programs for children.

(b) The commissioner of health and human services shall appoint the members of the work group, which must include the following:

(1) a consumer of long-term care and health programs for children;

(2) a relative of a consumer of long-term care and health programs for children;

(3) a representative from an organization that is an advocate for consumers of long-term care and health programs for children;

(4) a representative from a state agency that provides long-term care and health programs for children;

(5) a person from a private entity that provides long-term care and health programs for children; and

(6) a person with expertise in the availability of funding and the application of funding formulas for children's long-term care and health services.

(c) The department and the Texas Department of Health shall equally provide administrative support, including staff, to the work group.

(d) A member of the work group serves at the will of the commissioner of health and human services.

(e) The commissioner of health and human services shall appoint a member of the work group to serve as a presiding officer.

(f) The work group shall meet at the call of the presiding officer.

(g) A member of the work group receives no additional compensation for serving on the work group. Persons serving on the work group shall be reimbursed for travel and other expenses necessary for participation as provided in the General Appropriations Act.

(h) The work group shall study and make recommendations in the following areas:

(1) access of a child or a child's family to services with a single case manager;

(2) the transition needs of children who reach an age at which they are no longer eligible for services at the Texas Department of Health;

(3) the blending of funds, including case management funding, for children needing long-term care and health services; and

(4) collaboration and coordination of children's services between the department, the Texas Department of Health, and any other agency determined to be applicable by the work group.

(i) Not later than September 1 of each even-numbered year, the work group shall report on its findings and recommendations to the commissioner of health and human services.

(j) After evaluating and considering recommendations reported under Subsection (e), the Health and Human Services Commission shall adopt rules to implement guidelines for providing long-term care and health services to children.

(k) The work group is not subject to Chapter 2110, Government Code.

(3) After SECTION 1.18 of the bill (Senate Engrossment, page 22, between lines 7 and 8), insert two new SECTIONS to the bill to be numbered appropriately to read as follows and renumber the subsequent sections of Article 1 of the bill appropriately:

SECTION _____. Not later than December 1, 1999, the commissioner of health and human services shall appoint the members of the work group created by Section 22.035, Human Resources Code, as added by this Act.

SECTION _____. (a) On September 1, 2000, all powers, duties, functions, and activities relating to the Medically Dependent Children's Waiver Program assigned to or performed by the Texas Department of Health immediately before that date are transferred to the Texas Department of Human Services.

(b) All employees of the Texas Department of Health who primarily perform duties related to the program listed in Subsection (a) of this section become employees of the Texas Department of Human Services, to be assigned duties by the commissioner of human services.

(c) A rule or form adopted by the Texas Department of Health that relates to the program listed in Subsection (a) of this section is a rule or form of the Texas Department of Human Services and remains in effect until altered by the agency.

(d) A reference in law or an administrative rule to the Texas Department of Health that relates to the program listed in Subsection (a) of this section means the Texas Department of Human Services.

(e) A license, permit, or certification in effect that was issued by the Texas Department of Health for the program listed in Subsection (a) of this section is continued in effect as a license, permit, or certification of the Texas Department of Human Services.

(f) A complaint, investigation, or other proceeding pending before the Texas Department of Health that is related to the program listed in Subsection (a) of this section is transferred without change in status to the Texas Department of Human Services.

(g) On October 1, 1999:

(1) all funds, obligations, and contracts of the Texas Department of Health related to the program listed in Subsection (a) of this section are transferred to the Texas Department of Human Services; and

(2) all property and records in the custody of the Texas Department of Health related to the program listed in Subsection (a) of this section and all funds appropriated by the legislature for the program listed in Subsection (a) of this section are transferred to the Texas Department of Human Services.

Amendment No. 5

Representative Gray offered the following amendment to Amendment No. 4:

Amend Committee Amendment No. 4 to **SB 374** as follows:

(1) In Item (2), amending SECTION 1.02 of the bill, in added Section 22.035(h), Human Resources Code (House Committee Printing, page 38, line 6), strike "and" at the end of Subdivision (3).

(2) In Item (2), amending SECTION 1.02 of the bill, in added Section 22.035(h), Human Resources Code (House Committee Printing, page 38, line 9), between "group" and the period at the end of Subdivision (4), insert:

: and

(5) budgeting and the use of funds appropriated for children's long-term care services and children's health services from the Comprehensive Settlement Agreement and Release filed in the case styled The State of Texas v. The American Tobacco Co., et al., No. 5-96CV-91, in the United States District Court, Eastern District of Texas

Amendment No. 5 was adopted without objection.

Amendment No. 6

Representative Gray offered the following amendment to Amendment No. 4:

Amend Committee Amendment No. 4 to **SB 374** as follows:

(1) In Item (3), in Subsection (a) of the second added unnumbered SECTION after SECTION 1.18 of the bill (House Committee Printing, page 39, line 1), strike "2000" and substitute "2001."

(2) In Item (3), in subsection (g) of the second added unnumbered SECTION after SECTION 1.18 of the bill (House Committee Printing, page 40, line 1), strike "1999" and substitute "2001."

(3) Amending SECTION 1.02 of the bill, in added section 22.035 (j), Human Resources Code (House Committee Printing, page 39, line 14), by striking "(e)" and substituting "(i)".

Amendment No. 6 was adopted without objection.

Amendment No. 4, as amended, was adopted without objection.

Amendment No. 7

Representative Gray offered the following amendment to **SB 374**:

Amend **SB 374** as follows:

(1) After SECTION 1.01 of the bill (House Committee Printing, page 3, between lines 1 and 2), insert a new SECTION 1.02 to the bill to read as follows and renumber the subsequent sections of Article 1 of the bill appropriately:

SECTION 1.02. Chapter 22, Human Resources Code, is amended by adding Section 22.011, to read as follows:

Sec. 22.011. DEFINITION. In this chapter, except in Section 22.032, "long-term care services" means the provision of personal care and assistance related to health and social services given episodically or over a sustained period to assist individuals of all ages and their families to achieve the highest level of functioning possible, regardless of the setting in which the assistance is given.

(2) In the recital to SECTION 1.03 of the bill (House Committee Printing, page 5, line 23), strike "22.035" and substitute "22.036".

(3) In SECTION 1.03 of the bill (House Committee Printing, page 6, line 3), in redesignated Section 22.035, Human Resources Code, strike "22.035" and substitute "22.036".

(4) In SECTION 1.06 of the bill, in added Section 101.0012, Human Resources Code (House Committee Printing, page 11, between lines 12 and 13), insert a new subsection (d) to read as follows:

(d) In this section, "independent living philosophy" means control over one's life based on the choice of acceptable options that minimize reliance on others in making a decision or in performing every day activities. The term includes:

(1) managing one's affairs;

(2) participating in day to day life in the community;

(3) fulfilling a range of social roles; and

(4) making decisions that lead to self-determination and the minimization of physical and psychological dependence upon others.

(5) In SECTION 2.06 of the bill, in added Section 21.0033, Human Resources Code (House Committee Printing, page 29, between lines 12 and 13), insert a new Subsection (d) to read as follows:

(d) In this section, "independent living philosophy" means control over one's life based on the choice of acceptable options that minimize reliance on others in making a decision or in performing everyday activities. The term includes:

(1) managing one's affairs;

(2) participating in day to day life in the community;

(3) fulfilling a range of social roles; and

(4) making decisions that lead to self-determination and the minimization of physical and psychological dependence upon others.

Amendment No. 7 was adopted without objection.

Amendment No. 8

Representative Gray offered the following amendment to **SB 374**:

Amend **SB 374**, in Article 1 of the bill, by inserting the following sections, appropriately numbered, and renumbering the subsequent sections of the article accordingly:

SECTION _____. Section 242.309, Health and Safety Code, as added by Section 1.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997 (effective until federal determination of failure to comply with federal regulations), is amended to read as follows:

Sec. 242.309. PROVISIONAL LICENSE. (a) ~~The board shall issue [On application, the department shall grant]~~ a provisional license to an applicant currently licensed in another jurisdiction who seeks a license in this state and who [under this subchapter. An applicant for a provisional license under this section must]:

(1) ~~has been [be]~~ licensed in good standing as a nursing facility administrator for at least two years in another jurisdiction, including a foreign country, ~~[in another state, the District of Columbia, or a territory of the United States]~~ that has licensing requirements that are substantially equivalent to the requirements of this subchapter;

(2) ~~has [have]~~ passed a national or other examination recognized by the board relating to the practice of nursing facility administration; and

(3) ~~is [be]~~ sponsored by a person licensed by the board under this subchapter with whom the provisional license holder will [may] practice during the time the person holds a provisional license [under this section].

(b) ~~The board may waive [An applicant for a provisional license may be excused from]~~ the requirement of Subsection (a)(3) for an applicant if the ~~board [department]~~ determines that compliance with that subsection would be [constitutes] a hardship to the applicant.

(c) A provisional license is valid until the date the ~~board [department]~~ approves or denies the provisional license holder's application for a license. The ~~board [department]~~ shall issue a license under this subchapter to the provisional license holder [of a provisional license under this section] if:

(1) the provisional license holder is eligible to be licensed under [passes the examination required by] Section 242.306 [242.306(e)]; or

(2) the provisional license holder passes the part of the examination under Section 242.307 that relates to the applicant's knowledge and understanding of the laws and rules relating to the practice of nursing facility administration in this state and:

(A) the ~~board [department]~~ verifies that the provisional license holder meets [has] the academic and experience requirements for a license under this subchapter; and

(B) ~~(3)~~ the provisional license holder satisfies all other license requirements under this subchapter.

(d) ~~The board must approve or deny [department shall complete the processing of]~~ a provisional license holder's application for a license not later than the 180th day after the date the provisional license is issued. The ~~board [department]~~ may extend the 180-day period if the results of an examination have not been received by the board before the end of that period [this time in order to receive the results of a national examination or other examination administered or graded by an outside organization recognized by the department].

(e) The board may establish a fee for provisional licenses in an amount reasonable and necessary to cover the cost of issuing the license.

SECTION _____. Section 242.310, Health and Safety Code, as added by Section 1.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997 (effective until federal determination of failure to comply with federal regulations), is amended to read as follows:

Sec. 242.310. LICENSE RENEWAL. (a) A person who is otherwise eligible to renew a license may renew an unexpired license by paying [to the department before the expiration of the license] the required renewal fee to the department before the expiration date of the license. A person whose license has expired may not engage in activities that require a license until the license has been renewed.

(b) A person whose [If a person's] license has been expired for 90 days or less[, the person] may renew the license by paying to the department a [the required] renewal fee [and a fee] that is equal to 1-1/2 times the normally required renewal fee [one-half of the examination fee for the license].

(c) A person whose [If a person's] license has been expired for more [longer] than 90 days but less than one year[, the person] may renew the license by paying to the department a renewal fee that is equal to two times the normally required renewal fee [all unpaid renewal fees and a fee that is equal to the examination fee for the license].

(d) A person whose [If a person's] license has been expired for one year or more [longer, the person] may not renew the license. The person may obtain a new license by complying with the requirements and procedures, including the examination requirements, for obtaining an original license.

(e) A [However, the department may renew without reexamination an expired license of a] person who was licensed in this state, moved to another state, and is currently licensed and has been in practice in the other state for the two years preceding the date of application may obtain a new license without reexamination. The [Such] person must pay to the department a fee that is equal to two times the normally required renewal [the examination] fee for the license.

(f) Not later than the 31st day [(e) At least 30 days] before the date [expiration of] a person's license is scheduled to expire, the department shall send written notice of the impending [license] expiration to the person at the person's [license holder's] last known address according to the records of the department.

SECTION _____. Section 242.314, Health and Safety Code, as added by Section 2.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997 (effective upon federal determination of failure to comply with federal regulations), is amended to read as follows:

Sec. 242.314. PROVISIONAL LICENSE. (a) The [On application, the] board shall issue [grant] a provisional license to an applicant currently licensed in another jurisdiction who seeks a license in this state and who [under this subchapter. An applicant for a provisional license under this section must]:

(1) has been [be] licensed in good standing as a nursing facility administrator for at least two years in another jurisdiction, including a foreign country, [state, the District of Columbia, or a territory of the United States] that has licensing requirements that are substantially equivalent to the requirements of this subchapter;

(2) has [have] passed a national or other examination recognized by the board relating to the practice of nursing facility administration; and

(3) ~~is [be]~~ sponsored by a person licensed ~~by the board~~ under this subchapter with whom the provisional license holder ~~will [may]~~ practice ~~during the time the person holds a provisional license [under this section].~~

(b) ~~The board may waive [An applicant for a provisional license may be excused from]~~ the requirement of Subsection (a)(3) ~~for an applicant~~ if the board determines that compliance with that subsection ~~would be [constitutes]~~ a hardship to the applicant.

(c) A provisional license is valid until the date the board approves or denies the provisional license holder's application for a license. The board shall issue a license under this subchapter to the provisional license holder ~~[of a provisional license under this section]~~ if:

(1) the provisional license holder is eligible to be licensed under ~~[passes the examination required by]~~ Section 242.311 ~~[242.311(c)]; or~~

(2) the provisional license holder passes the part of the examination under Section 242.312 that relates to the applicant's knowledge and understanding of the laws and rules relating to the practice of nursing facility administration in this state and:

(A) ~~the board verifies that the provisional license holder meets [has]~~ the academic and experience requirements for a license under this subchapter; and

(B) ~~[the]~~ the provisional license holder satisfies any other license requirements under this subchapter.

(d) The board must approve or deny ~~[shall complete the processing of]~~ a provisional license holder's application for a license not later than the 180th day after the date the provisional license is issued. The board may extend the 180-day period if the results of an examination have not been received by the board before the end of that period ~~[this time in order to receive the results of a national examination or other examination administered or graded by an outside organization recognized by the board].~~

(e) The board may establish a fee for provisional licenses in an amount reasonable and necessary to cover the cost of issuing the license.

SECTION _____. Section 242.315, Health and Safety Code, as added by Section 2.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997 (effective upon federal determination of failure to comply with federal regulations), is amended to read as follows:

Sec. 242.315. LICENSE RENEWAL. (a) A person who is otherwise eligible to renew a license may renew an unexpired license by paying to the board before the expiration date of the license ~~[to the board before the expiration of the license]~~ the required renewal fee to the board before the expiration date of the license. A person whose license has expired may not engage in activities that require a license until the license has been renewed.

(b) A person whose ~~[If a person's]~~ license has been expired for 90 days or less ~~[, the person]~~ may renew the license by paying to the board a [the required] renewal fee that is equal to 1-1/2 times the normally required fee ~~[and a fee that is one-half of the examination fee for the license].~~

(c) A person whose ~~[If a person's]~~ license has been expired for more ~~[longer]~~ than 90 days but less than one year ~~[, the person]~~ may renew the license by paying to the board a [an unpaid] renewal [fees and a] fee that

is equal to two times the normally required renewal fee [~~the examination fee for the license~~].

(d) A person whose [~~If a person's~~] license has been expired for one year or more [~~longer, the person~~] may not renew the license. The person may obtain a new license by complying with the requirements and procedures, including the examination requirements, for obtaining an original license.

(e) A [~~However, the board may renew without reexamination an expired license of a~~] person who was licensed in this state, moved to another state, and is currently licensed and has been in practice in the other state for the two years preceding the date of application may obtain a new license without reexamination. The person must pay to the board a fee that is equal to two times the normally required renewal [~~the examination~~] fee for the license.

(f) Not later than the 31st day [~~(e) At least 30 days~~] before the date [~~expiration of~~] a person's license is scheduled to expire, the board shall send written notice of the impending [~~license~~] expiration to the person at the person's [~~license holder's~~] last known address according to the records of the board.

SECTION _____. The changes in law made by this article to Section 242.309, Health and Safety Code, as added by Section 1.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997, Section 242.310, Health and Safety Code, as added by Section 1.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997, Section 242.314, Health and Safety Code, as added by Section 2.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997, and Section 242.315, Health and Safety Code, as added by Section 2.01, Chapter 1280, Acts of the 75th Legislature, Regular Session, 1997, relating to the qualifications for a license issued by the Texas Department of Human Services apply only to an application for a license made on or after the effective date of this article. An application made for a license issued by the Texas Department of Human Services before the effective date of this article is governed by the law in effect on the date the application was made, and the former law is continued in effect for that purpose.

Amendment No. 8 was adopted without objection.

Amendment No. 9

Representative Gray offered the following amendment to **SB 374**:

Amend **SB 374**, in Article 1 of the bill, by inserting the following sections, appropriately numbered, and renumbering the subsequent sections of the article accordingly:

SECTION _____. Section 22.018, Human Resources Code, is amended to read as follows:

Sec. 22.018. COOPERATION WITH STATE OFFICE OF ADMINISTRATIVE HEARINGS [~~DIVISION~~]. (a) The department and the chief administrative law judge of the State Office of Administrative Hearings shall adopt a memorandum of understanding under which the State Office of Administrative Hearings, on behalf of the department, conducts all contested case hearings authorized or required by law to be conducted by the

~~department under the administrative procedure law, [shall establish and maintain a hearings division that is separate from the legal division to administer each hearing held under] Chapter 2001, Government Code.~~

~~(b) The memorandum of understanding shall require the chief administrative law judge, the department, and the commissioner to cooperate in connection with a contested case hearing and may authorize the State Office of Administrative Hearings to perform any administrative act, including giving of notice, that is required to be performed by the department or commissioner [Neither the department nor the department's legal division may directly or indirectly influence a decision or the decision-making process of the hearings division].~~

~~(c) The memorandum of understanding shall address whether the administrative law judge who conducts a contested case hearing for the State Office of Administrative Hearings on behalf of the department shall:~~

~~(1) enter the final decision in the case after completion of the hearing; or~~

~~(2) propose a decision to the department or the commissioner for final consideration.~~

~~(d) The department by interagency contract shall reimburse the State Office of Administrative Hearings for the costs incurred in conducting contested case hearings for the department. The department may pay an hourly fee for the costs of conducting those hearings or a fixed annual fee negotiated biennially by the department and the State Office of Administrative Hearings to coincide with the department's legislative appropriations request.~~

~~(e) A reference in law to the hearings division of the department is considered to be a reference to the State Office of Administrative Hearings when used in relation to a contested case hearing under the administrative procedure law, Chapter 2001, Government Code.~~

SECTION _____. (a) The change in law made to Section 22.018, Human Resources Code, by this article relating to a contested case hearing conducted by the State Office of Administrative Hearings on behalf of the Texas Department of Human Services applies only to a hearing that begins on or after January 1, 2000. Notwithstanding any other provision of this article, a hearing that begins before that date is governed by the law in effect at the time the hearing begins, and that law is continued in effect for that purpose.

(b) The Commissioner of Human Services and the chief administrative law judge of the State Office of Administrative Hearings may agree to transfer contested cases pending before the Texas Department of Human Services to the State Office of Administrative Hearings before January 1, 2000.

Amendment No. 9 was adopted without objection.

Amendment No. 10

Representative Gray offered the following amendment to **SB 374**:

Amend **SB 374** by striking SECTION 1.20 of the bill (House Committee Printing, page 22, line 20, through page 23, line 13) and substituting the following:

SECTION 1.20. (a) The Health and Human Services Commission shall study the feasibility of a subacute care pilot project. The Texas Department of Human Services and the Texas Department of Health shall cooperate with and assist the commission in this study. In conducting the study, the commission shall consider:

(1) estimates of the potential fiscal impact, including the potential to save money;

(2) the impact of subacute care on quality of care;

(3) reimbursement under the state's reimbursement and regulatory policies;

(4) the capacity of facilities in this state to provide subacute care; and

(5) the impact of subacute care reimbursement on Medicaid, including managed care initiatives.

(b) Not later than September 1, 2000, the Health and Human Services Commission shall submit a report on the feasibility of a subacute care pilot project to the governor, lieutenant governor, speaker of the house of representatives, and chair of each legislative committee with jurisdiction over long-term care.

(c) This section expires September 1, 2001.

Amendment No. 10 was adopted without objection.

Amendment No. 11

Representatives Maxey, Luna, Wohlgemuth, Naishtat, Hilderbran, Delisi, Chavez, Noriega, Coleman, McClendon, Glaze, Uresti, J. Davis, and Lengefeld offered the following amendment to **SB 374**:

Amend **SB 374** by inserting the following appropriately numbered ARTICLE and renumbering existing ARTICLES and SECTIONS of the bill appropriately:

ARTICLE ____.

CHILDREN WITH SPECIAL HEALTH CARE NEEDS

SECTION _____. Section 35.001, Health and Safety Code, is amended to read as follows:

Sec. 35.001. SHORT TITLE. This chapter may be cited as the Children with Special Health Care Needs [~~Chronically Ill and Disabled Children's~~] Services Act.

SECTION _____. Chapter 35, Health and Safety Code, is amended by adding Sections 35.0021 and 35.0022 to read as follows:

Sec. 35.0021. DEFINITIONS. In this chapter:

(1) "Case management services" includes:

(A) coordinating medical services, marshaling available assistance, serving as a liaison between the child and the child's family and caregivers, insurance services, and other services needed to improve the well-being of the child and the child's family; and

(B) counseling for the child and the child's family about measures to prevent the transmission of AIDS or HIV and the availability in the geographic area of any appropriate health care services, such as mental

health care, psychological health care, and social and support services.

(2) "Child with special health care needs" has the meaning assigned by Section 35.0022.

(3) "Dentist" means a person licensed by the State Board of Dental Examiners to practice dentistry in this state.

(4) "Facility" includes a hospital, an ambulatory surgical center, and an outpatient clinic.

(5) "Family support services" means support, resources, or other assistance provided to the family of a child with special health care needs. The term may include services described by Part A of the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), as amended, and permanency planning, as that term is defined by Section 531.151, Government Code.

(6) "Other benefit" means a benefit, other than a benefit provided under this chapter, to which a person is entitled for payment of the costs of services provided under the program, including benefits available from:

(A) an insurance policy, group health plan, health maintenance organization, or prepaid medical or dental care plan;

(B) Title XVIII, Title XIX, or Title XXI of the Social Security Act (42 U.S.C. Sections 1395 et seq., 1396 et seq., and 1397aa et seq.), as amended;

(C) the Department of Veterans Affairs;

(D) the Civilian Health and Medical Program of the Uniformed Services;

(E) workers' compensation or any other compulsory employers' insurance program;

(F) a public program created by federal or state law or the ordinances or rules of a municipality or other political subdivision of the state, excluding benefits created by the establishment of a municipal or county hospital, a joint municipal-county hospital, a county hospital authority, a hospital district, or the facilities of a publicly supported medical school; or

(G) a cause of action for the cost of care, including medical care, dental care, facility care, and medical supplies, required for a person applying for or receiving services from the department, or a settlement or judgment based on the cause of action, if the expenses are related to the need for services provided under this chapter.

(7) "Physician" means a person licensed by the Texas State Board of Medical Examiners to practice medicine in this state.

(8) "Program" means the services program for children with special health care needs.

(9) "Provider" means a person who delivers services purchased by the department for the purposes of this chapter.

(10) "Rehabilitation services" means the process of the physical restoration, improvement, or maintenance of a body function destroyed or impaired by congenital defect, disease, or injury and includes:

(A) facility care, medical and dental care, and occupational, speech, and physical therapy;

(B) the provision of braces, artificial appliances, durable medical equipment, and other medical supplies; and

(C) other types of care specified by the board in the program rules.

(11) "Services" means the care, activities, and supplies provided under this chapter or program rules, including medical care, dental care, facility care, medical supplies, occupational, physical, and speech therapy, and other care specified by program rules.

(12) "Specialty center" means a facility and staff that meet minimum standards established under the program and are designated by the board for program use in the comprehensive diagnostic and treatment services for a specific medical condition.

(13) "Support" means to contribute money or services necessary for a person's maintenance, including food, clothing, shelter, transportation, and health care.

Sec. 35.0022. CHILD WITH SPECIAL HEALTH CARE NEEDS. (a) In this chapter, "child with special health care needs" means a person who:

(1) is younger than 21 years of age and who has a chronic physical or developmental condition; or

(2) has cystic fibrosis, regardless of the person's age.

(b) The term "child with special health care needs" may include a person who has a behavioral or emotional condition that accompanies the person's physical or developmental condition. The term does not include a person who has a behavioral or emotional condition without having an accompanying physical or developmental condition.

SECTION _____. Section 35.003, Health and Safety Code, is amended to read as follows:

~~Sec. 35.003. [CHRONICALLY ILL AND DISABLED CHILDREN'S] SERVICES PROGRAM FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS.~~ (a) The program is in the department to provide services to eligible ~~[chronically ill and disabled]~~ children with special health care needs. The program shall provide:

~~(1) early identification of [chronically ill and disabled] children with special health care needs;~~

~~(2) diagnosis and evaluation of [chronically ill and disabled] children with special health care needs;~~

~~(3) rehabilitation services to [chronically ill and disabled] children with special health care needs;~~

~~(4) development and improvement of standards and services for [chronically ill and disabled] children with special health care needs; [and]~~

~~(5) case management services;~~

~~(6) other family support services; and~~

~~(7) access to health benefits plan coverage under Section 35.0031.~~

(b) The board by rule shall:

(1) specify the type, amount, and duration of services to be provided under this chapter;

~~[(2) specify the diseases and conditions covered by the program;]~~ and

(2) ~~[(3)]~~ permit the payment of insurance premiums for eligible children.

(c) If budgetary limitations exist, the board by rule shall establish a system of priorities relating to the types of services or the classes of persons eligible for the services. A waiting list of eligible persons may be established if necessary for the program to remain within the budgetary limitations. The department shall collect from each applicant for services who is placed on a waiting list appropriate information to facilitate contacting the applicant when services become available and to allow efficient enrollment of the applicant in those services. The information collected must include:

- (1) the applicant's name, address, and phone number;
- (2) the name, address, and phone number of a contact person other than the applicant;
- (3) the date of the applicant's earliest application for services;
- (4) the applicant's functional needs;
- (5) the range of services needed by the applicant; and
- (6) a date on which the applicant is scheduled for reassessment.

(d) The program may provide:

(1) transportation and subsistence for an eligible [~~chronically ill and disabled~~] child with special health care needs and the child's parent, managing conservator, guardian, or other adult caretaker approved by the program to obtain services provided by the program; and

(2) the following services to an eligible child with special health care needs [~~chronically ill and disabled children~~] who dies [die] in an approved facility outside the child's municipality of residence while receiving program services [~~for a condition covered by the program~~]:

(A) the transportation of the child's remains, and the transportation of a parent or other person accompanying the remains, from the facility to the place of burial in this state that is designated by the parent or other person legally responsible for interment;

(B) the expense of embalming, if required for transportation;

(C) the cost of a coffin purchased at a minimum price, if a coffin is required for transportation; and

(D) any other necessary expenses directly related to the care and return of the child's remains to the place of burial in this state.

(e) The department may:

(1) develop methods to improve the efficiency and effectiveness of the program; and

(2) conduct pilot studies[~~;~~ and

~~(3) provide services only for conditions specified by this chapter or by the board].~~

(f) The program is separate from the financial or medical assistance program established by Chapters 31 and 32, Human Resources Code.

SECTION _____. Chapter 35, Health and Safety Code, is amended by adding Sections 35.0031, 35.0032, 35.0033, 35.0034, and 35.0035 to read as follows:

Sec. 35.0031. HEALTH BENEFITS PLAN COVERAGE FOR CERTAIN ELIGIBLE CHILDREN. The department shall obtain coverage under a health benefits plan for a child who:

- (1) is eligible for services under this chapter; and

(2) is not eligible for assistance under:

(A) a program established under Title XXI of the Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended; or

(B) the medical assistance program under Chapter 32, Human Resources Code.

Sec. 35.0032. BENEFITS COVERAGE REQUIRED. To the extent possible, the health benefits plan required by Section 35.0031 must provide benefits comparable to the benefits provided under the state child health plan established by this state to implement Title XXI of the Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended.

Sec. 35.0033. HEALTH BENEFITS PLAN PROVIDER. (a) A health benefits plan provider who provides coverage for benefits under Section 35.0031 must:

(1) hold a certificate of authority or other appropriate license issued by the Texas Department of Insurance that authorizes the health benefits plan provider to provide the type of coverage to be offered under Section 35.0031; and

(2) satisfy, except as provided by Subsection (b), any other applicable requirement of the Insurance Code or another insurance law of this state.

(b) Except as required by the department, a health benefits plan provider under this chapter is not subject to a law that requires coverage or the offer of coverage of a health care service or benefit.

Sec. 35.0034. COST-SHARING PAYMENTS. (a) Except as provided by Subsection (b), the department may not require a child who is provided health benefits plan coverage under Section 35.0031 and who meets the income eligibility requirement of the medical assistance program under Chapter 32, Human Resources Code, to pay a premium, deductible, coinsurance, or other cost-sharing payment as a condition of health benefits plan coverage under this chapter.

(b) The department may require a child described by Subsection (a) to pay a co-payment as a condition of health benefits plan coverage under Section 35.0031 that is equal to any co-payment required under the state child health plan established by this state to implement Title XXI of the Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended.

(c) The department may require a child who is provided health benefits plan coverage under Section 35.0031 and who meets the income eligibility requirement of a program established under Title XXI of the Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended, to pay a premium, deductible, coinsurance, or other cost-sharing payment as a condition of health benefits plan coverage. The payment must be equal to any premium, deductible, coinsurance, or other cost-sharing payment required under the state child health plan established by this state to implement Title XXI of the Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended.

Sec. 35.0035. DISALLOWANCE OF MATCHING FUNDS FROM FEDERAL GOVERNMENT. Expenditures made to provide health benefits plan coverage under Section 35.0031 may not be included for the purpose of determining the state children's health insurance expenditures, as that term is defined by 42 U.S.C. Section 1397ee(d)(2)(B), as amended.

SECTION _____. Section 35.004, Health and Safety Code, is amended by adding Subsection (j) to read as follows:

(j) This section does not apply to services for which coverage is provided under the health benefits plan established under Section 35.0031.

SECTION _____. Section 35.005, Health and Safety Code, is amended to read as follows:

Sec. 35.005. ELIGIBILITY FOR SERVICES. (a) The board by rule shall:

(1) define medical, financial, and other criteria for eligibility to receive services; and

(2) establish a system for verifying eligibility information submitted by an applicant for or recipient of services.

(b) In defining medical and financial criteria for eligibility under Subsection (a), the board may not:

(1) establish an exclusive list of coverable medical conditions; or

(2) consider as a source of support to provide services assets legally owned or available to a child's household.

(c) [(b)] A child is not eligible to receive rehabilitation services unless:

(1) the child is a resident of this state;

(2) at least one physician or dentist certifies to the department that the physician or dentist has examined the child and finds the child to be a [chronically ill and disabled] child with special health care needs whose disability meets the medical criteria established by the board;

(3) [the certifying physician or dentist has reason to expect that services will improve the child's condition or will extend the child's ability to function independently];

[(4)] the department determines that the persons who have any legal obligation to provide services for the child are unable to pay for the entire cost of the services;

(4) the child has a family income that is less than or equal to 200 percent of the federal poverty level; and

(5) the child meets all other eligibility criteria established by board rules.

(d) [(e)] A child is not eligible to receive services, other than rehabilitation services, unless the child:

(1) is a resident of this state; and

(2) meets all other eligibility criteria established by board rules.

(e) Notwithstanding Subsection (c)(4), a child with special health care needs who has a family income that is greater than 200 percent of the federal poverty level and who meets all other eligibility criteria established by this section and by board rules is eligible for services if the department determines that the child's family is or will be responsible for medical expenses that are equal to or greater than the amount by which the family's income exceeds 200 percent of the federal poverty level.

SECTION _____. Chapter 35, Health and Safety Code, is amended by adding Section 35.0061 to read as follows:

Sec. 35.0061. REFERRAL FOR BEHAVIORAL OR EMOTIONAL CONDITIONS. If a child with special health care needs who is eligible for

services under this chapter has a behavioral or emotional condition and the child is eligible for services from another provider of services that would address the behavioral or emotional condition, the department shall refer the child to that provider for those services.

SECTION _____. Section 35.007(e), Health and Safety Code, is amended to read as follows:

(e) The department may collect the cost of services provided under this chapter directly:

(1) in accordance with [from] Title XVIII, [or] Title XIX, or Title XXI of the Social Security Act (42 U.S.C. Sections 1395 et seq., [and] 1396 et seq., and 1397aa et seq.), as amended; or

(2) from any personal insurance, a health maintenance organization, or any other third party who has a legal obligation to pay other benefits.

SECTION _____. Sections 35.012(a) and (b), Health and Safety Code, are amended to read as follows:

(a) The department may take a census, make surveys, and establish permanent records of ~~[chronically ill and disabled]~~ children with special health care needs.

(b) The department shall maintain a record of orthotic and prosthetic devices, durable medical equipment, and medical supplies purchased by the department for ~~[chronically ill and disabled]~~ children with special health care needs. Those items are not state-owned personal property and are exempt from the personal property inventory requirements of Subtitle D, Title 10, Government Code.

SECTION _____. The heading of Chapter 35, Health and Safety Code, is amended to read as follows:

CHAPTER 35. CHILDREN WITH SPECIAL HEALTH CARE NEEDS
~~[CHRONICALLY ILL AND DISABLED CHILDREN'S SERVICES]~~

SECTION _____. Section 33.031, Health and Safety Code, is amended to read as follows:

Sec. 33.031. COORDINATION WITH CHILDREN WITH SPECIAL HEALTH CARE NEEDS ~~[CHRONICALLY ILL AND DISABLED CHILDREN'S]~~ SERVICES. (a) All newborn children and other individuals under 21 years of age who have been screened, have been found to be presumptively positive through the newborn screening program, and may be financially eligible may be referred to the department's ~~[chronically ill and disabled children's]~~ services program for children with special health care needs.

(b) An individual who is determined to be eligible for services under the ~~[chronically ill and disabled children's]~~ services program for children with special health care needs shall be given approved services through that program. An individual who does not meet that eligibility criteria shall be referred to the newborn screening program for a determination of eligibility for newborn screening program services.

SECTION _____. Section 109.066, Health and Safety Code, is amended to read as follows:

Sec. 109.066. TEXAS DEPARTMENT OF HEALTH PROGRAMS. (a) The department may use appropriated funds, in accordance with the General Appropriations Act, to purchase coverage under a health benefit plan

provided through the program for children who are eligible for coverage for the program if:

(1) the children receive health care benefits under the services [chronically ill and disabled children's] program for children with special health care needs or another federally funded or state-funded program, other than the state Medicaid program, that is administered by the department;

(2) provision of the benefits through a health benefit plan provided through the program is a more cost-effective means of providing some or all of the benefits described by Subdivision (1); and

(3) no benefit or service provided to the children is eliminated or adversely affected as a result of the provision of the benefits through the program.

(b) Services provided to children under a federally funded or state-funded program administered by the department, including the [chronically ill and disabled children's] program for children with special health care needs, may not be reduced or eliminated because some or all of the services are provided through the program or otherwise provided because of the establishment of the corporation or the program.

SECTION _____. Section 14(b)(2), Article 21.58A, Insurance Code, is amended to read as follows:

(2) Except as provided by Subsection (g) of this section, this article shall not apply to the Texas Medicaid Program, the [chronically ill and disabled children's] services program for children with special health care needs created pursuant to Chapter 35, Health and Safety Code, any program administered under Title 2, Human Resources Code, any program of the Texas Department of Mental Health and Mental Retardation, or any program of the Texas Department of Criminal Justice.

SECTION _____. Section 35.002, Health and Safety Code, is repealed.

SECTION _____. (a) The change in law made by this article to Chapter 35, Health and Safety Code, applies only to delivery of services under that chapter on or after July 1, 2001.

(b) The Texas Department of Health shall implement the health benefits plan required by Section 35.0031, Health and Safety Code, as added by this article, not later than July 1, 2001.

(c) The Texas Board of Health shall adopt all rules necessary to implement the changes in law made by this article not later than July 1, 2001.

Amendment No. 12

Representative Junell offered the following amendment to Amendment No. 11:

Amend the Maxey amendment to **SB 374** by adding an appropriately numbered SECTION to the article related to children with special health care needs added by the amendment to read as follows and by renumbering the existing SECTIONS of the article appropriately:

SECTION _____. A state agency is required to implement the article related

to children with special health care needs only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, an agency may, but it is not required to, implement that article using other appropriations available for the purpose.

Amendment No. 12 was adopted without objection.

Amendment No. 11, as amended, was adopted without objection.

Amendment No. 13

Representative Farabee offered the following amendment to **SB 374**:

Amend **SB 374** as follows:

(1) In SECTION 1.01 of the bill, in added Section 531.02481(f), Government Code (House Committee Printing, page 2, line 26), strike "or".

(2) In SECTION 1.01 of the bill, in added Section 531.02481(f), Government Code (House Committee Printing, page 2, line 26), between "organization" and the period, insert:

;

(5) a community mental health and mental retardation center

Amendment No. 13 was adopted without objection.

Amendment No. 14

Representative Hilderbran offered the following amendment to **SB 374**:

On page 3, line 1 (new Section 531.02481, Government Code) of the House Committee printing of **SB 374**, insert or for-profit after "nonprofit."

Amendment No. 14 was adopted without objection.

Amendment No. 15

Representative Hilderbran offered the following amendment to **SB 374**:

On page 3, line 14 of the House Committee printing of **SB 374**, strike out "18" and substitute in its place "20".

On page 4, line 9 of the House Committee printing of **SB 374**, strike out subsection (9) and replace with the following:

(9) 4 long term care services providers, jointly appointed by the commissioner and the commissioner of mental health and mental retardation, representative of the broadest array of settings listed in subsection (a) above.

Amendment No. 15 was adopted without objection.

Amendment No. 16

Representative Siebert offered the following amendment to **SB 374**:

Amend **SB 374** by inserting the following SECTIONS, appropriately numbered, and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 32.024(t), Human Resources Code, is amended to read as follows:

(t) The department by rule shall require a physician, nursing facility,

health care provider, or other responsible party to obtain authorization from the department or a person authorized to act on behalf of the department before an ambulance is used to transport a recipient of medical assistance under this chapter in circumstances not involving an emergency. The rules must provide that:

(1) except as provided by Subdivision (3), a request for authorization must be evaluated based on the recipient's medical needs and may be granted for a length of time appropriate to the recipient's medical condition;

(2) except as provided by Subdivision (3), a response to a request for authorization must be made not later than 48 hours after receipt of the request; ~~and~~

(3) a request for authorization must be immediately granted and must be effective for a period of 180 days from the date of issuance if the request includes a written statement from a physician that:

(A) states that alternative means of transporting the recipient are contraindicated; and

(B) is dated not earlier than the 60th day before the date on which the request for authorization is made; and

(4) a person denied payment for services rendered because of failure to obtain prior authorization or because a request for prior authorization was denied is entitled to appeal the denial of payment to the department.

SECTION _____. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

Amendment No. 16 was adopted without objection.

SB 374 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE CLARK: Ms. Gray as I understand it, under the bill as presented and as amended, the commission will be providing resources and assistance to communities requesting help to develop a local system of access and assistance for people seeking long term care services?

REPRESENTATIVE GRAY: That is correct.

CLARK: And so under that bill again, as amended, I think specifically by Mr. Farabee, a local agency, such as an are agency on aging, either by itself or working with other community service groups or representatives could submit to the commissioner a proposal for local system of access and assistance for people seeking long-term health care?

GRAY: That is correct. We are trying to build this as a bottom up system and not a direction from the top down.

CLARK: And then if the commission receives and reviews such an initiative or proposal by an area agency on aging, either by itself or in conjunction with those other groups listed, and they find it is consistent with other similar programs offered, and finds that it doesn't duplicate other services of-- then the intent would be that that would be approved from implementation in that particular area?

GRAY: I don't want to restrict them to a specific agency, but yes, conceptually, that is correct.

CLARK: In other words, it could be one agency or it could be a group of agencies in that list that we have there?

GRAY: That is absolutely correct.

CLARK: And as you and I have discussed, in some areas it might be the area agency on aging is doing very well and in another part of this state it might be one of the other agencies or a combination of those agencies?

GRAY: That is correct.

REMARKS ORDERED PRINTED

Representative Clark moved to print remarks by Representative Gray and Representative Clark.

The motion prevailed without objection.

SB 374, as amended, was passed to third reading.

MAJOR STATE CALENDAR SENATE BILLS THIRD READING

The following bills were laid before the house and read third time:

SB 1421 ON THIRD READING

(Cuellar, Hinojosa, Gutierrez, Flores, and Pickett - House Sponsors)

SB 1421, A bill to be entitled An Act relating to the regulation of the subdivision or development of land in certain economically distressed areas, including colonias, and certain other areas; providing penalties.

Amendment No. 1

Representative Greenberg offered the following amendment to **SB 1421**:

Amend **SB 1421** by adding the following appropriately numbered section to the bill and by renumbering the remaining sections of the bill as appropriate:

SECTION _____. Chapter 232, Local Government Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. OPTIONAL SUBDIVISION PLATTING REQUIREMENTS IN CERTAIN COUNTIES

Sec. 232.101. APPLICABILITY. This subchapter applies only in the unincorporated area located outside the extraterritorial jurisdiction of a municipality and in a county:

(1) with a population of 500,000 or more or in a county adjacent to a county in this state with a population of 500,000 or more; and

(2) in which Subchapters B and C do not apply.

Sec. 232.102. ADOPTION BY COMMISSIONERS COURT. The commissioners court by order may adopt Subchapter C for the subdivision of

land in the county, including the use of the model rules adopted under Section 16.343, Water Code, except that:

(1) venue for an action to recover a civil penalty is only in a district court in the county in which the defendant resides or in a district court in the county in which the violation occurs;

(2) the attorney general does not have the power of enforcement in the county as provided by Section 232.080;

(3) the operation of a county under this subchapter does not affect the county's eligibility for financial assistance under Subchapter K, Chapter 17, Water Code; and

(4) other than the model rules adopted under Section 16.343, Water Code, Subchapter J, Chapter 16, Water Code, does not apply in the county.

Amendment No. 1 was withdrawn.

Amendment No. 2

Representative Cuellar offered the following amendment to **SB 1421**:

Amend **SB 1421**, on third reading, as follows:

(1) In SECTION 2 of the bill, in Sections 212.012(c)(4)(B)(i) and (ii), Local Government Code, strike "1,000" and substitute "750".

(2) In SECTION 9 of the bill, in Sections 232.029(c)(2)(A) and (B), Local Government Code, strike "1,000" and substitute "750".

Amendment No. 2 was adopted without objection.

SB 1421, as amended, was passed.

SB 928 ON THIRD READING (Junell - House Sponsor)

SB 928, A bill to be entitled An Act relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act; making appropriations.

SB 928 was passed.

SB 368 ON THIRD READING (Bosse, Goodman, and A. Reyna - House Sponsors)

SB 368, A bill to be entitled An Act relating to court-ordered child support, including the child support enforcement functions of the office of the attorney general and the sunset review of those functions and the implementation of the child support enforcement provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996; providing civil and criminal penalties.

Amendment No. 1

Representative Goodman offered the following amendment to **SB 368**:

Amend **SB 368**, on third reading, as follows:

(1) Strike the SECTION of the bill amending Section 521.044(f), Transportation Code, and substitute the following appropriately numbered section:

SECTION _____. (a) Section 521.044, Transportation Code, is amended by adding Subsection (f) to read as follows:

(f) This section does not prohibit the department from requiring an applicant for a driver's license to provide the applicant's social security number.

(b) If Senate Bill No. 370, Acts of the 76th Legislature, Regular Session, 1999, is enacted and becomes law, and that bill contains a provision that amends Section 521.044, Transportation Code, to prohibit that section from authorizing the Texas Department of Public Safety to require an applicant for a driver's license to provide the applicant's social security number, that provision shall have no effect.

(2) Strike the SECTION of the bill amending Section 521.142(g), Transportation Code, and substitute the following appropriately numbered section:

SECTION _____. (a) Section 521.142, Transportation Code, is amended by adding Subsection (g) to read as follows:

(g) The department may require an applicant to provide the applicant's social security number only for a purpose permitted by Section 521.044.

(b) If Senate Bill No. 370, Acts of the 76th Legislature, Regular Session, 1999, is enacted and becomes law, and that bill contains a provision that amends Section 521.142, Transportation Code, to prohibit the Texas Department of Public Safety from requiring an applicant for a driver's license to provide the applicant's social security number, that provision shall have no effect.

(3) Renumber the sections of the bill as appropriate.

Amendment No. 1 was adopted without objection. (Hartnett and Heflin recorded voting no)

Amendment No. 2

Representative Van de Putte offered the following amendment to **SB 368**:

Amend **SB 368** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 203.005(a), Family Code, is amended to read as follows:

(a) The administering entity may authorize a domestic relations office to assess and collect:

(1) an initial operations fee not to exceed \$15 to be paid to the domestic relations office on the filing of a suit;

(2) in a county that has a child support enforcement cooperative agreement with the Title IV-D agency, an initial child support service fee not to exceed \$36 to be paid to the domestic relations office on the filing of a suit;

(3) a reasonable application fee to be paid by an applicant requesting services from the office;

(4) [~~3~~] a reasonable attorney's fee and court costs incurred or ordered by the court;

(5) [~~4~~] a monthly child support service fee not to exceed \$3 to be

paid by a managing conservator and possessory conservator for whom the domestic relations office acts as a local child support registry;

~~(6) [(5)]~~ community supervision fees as provided by Chapter 157 if community supervision officers are employed by the domestic relations office; and

~~(7) [(6)]~~ a reasonable fee for preparation of a court-ordered social study.

SECTION _____. Section 110.006, Family Code, is amended to read as follows:

Sec. 110.006. DOMESTIC RELATIONS OFFICE FEES [~~OPERATIONS FEE~~]. If an administering entity of a domestic relations office adopts an initial operations fee under Section 203.005(a)(1) or an initial child support service fee under Section 203.005(a)(2), the clerk of the court shall collect the fee at the time the suit is filed and send the fee to the domestic relations office.

Amendment No. 2 was adopted without objection.

SB 368, as amended, was passed.

MAJOR STATE CALENDAR SENATE BILLS SECOND READING

The following bills were laid before the house and read second time:

CSSB 7 ON SECOND READING (Wolens - House Sponsor)

CSSB 7, A bill to be entitled An Act relating to electric utility restructuring and to the powers and duties of the Public Utility Commission of Texas, Office of Public Utility Counsel, and Texas Natural Resource Conservation Commission; providing penalties.

RULES SUSPENDED

Representative Alexander moved to suspend the 5-day posting rule to allow the Committee on Transportation to consider **SB 514**, **SB 1598**, and **SB 1751**.

The motion prevailed without objection.

Representative Hunter moved to suspend the 5-day posting rule to allow the Committee on State, Federal, and International Relations to consider **SB 313**. The committee will meet at Desk 128 on noon recess today.

The motion prevailed without objection.

COMMITTEE MEETING ANNOUNCEMENTS

The following committee meetings were announced:

Higher Education, on recess today, Desk 118, for a formal meeting, to consider **SB 1780** and **SB 1819**.

Transportation, on recess today, Desk 25, for a formal meeting.

Agriculture and Livestock, on recess today, Desk 108, for a formal meeting, to consider **SB 1901**.

Ways and Means, on recess today, Desk 61, for a formal meeting, to consider pending business.

Juvenile Justice and Family Issues, on recess today, Desk 45, for a formal meeting, to consider **SB 644** and **SB 1816**.

Corrections, on recess today, Desk 2, for a formal meeting, to consider **SB 22** and **SB 447**.

Pensions and Investments, on recess today, Desk 111, for a formal meeting, to consider **SB 1130**.

Public Education, on recess today, E2.036, for a public hearing, to consider **SB 4**.

State, Federal, and International Relations, on recess today, Desk 128, for a formal meeting, to consider **SB 313**.

Criminal Jurisprudence, on recess today, Desk 12, for a formal meeting, to consider pending bills.

RECESS

Representative Edwards moved that the house recess until 2 p.m. today.

The motion prevailed without objection.

The house accordingly, at 12:45 p.m., recessed until 2 p.m. today.

AFTERNOON SESSION

The house met at 2 p.m. and was called to order by the speaker.

CSSB 7 - (pending business)

Amendment No. 1

Representative Puente offered the following amendment to **CSSB 7**:
Floor Packet Page No. 1

Amend **CSSB 7**, page 11, line 18, by inserting after "action" and ";", "unless acting on his or her own behalf and without remuneration"

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 2

Amend **CSSB 7** as follows:

(1) In section 31.002(3) (A), Utilities Code, as added by SECTION 11 of the bill (House committee report page 14, line 3), by strike "locations:" and substitute "locations, provided that an electric customer may not avoid any nonbypassable charges or fees as a result of aggregating its load;".

(2) In Section 31.002(3) (B), Utilities Code, as added by SECTION 11 of the bill (House committee report page 14, line 6), by strike "customers." and substitute "customers, provided that an electric customer may not avoid any nonbypassable charges or fees as a result of aggregating its load.".

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 3

Amend **CSSB 7** as follows:

Amend Subsection 31.002(20) on page 19, line 9, by striking the word "and" before "reactive" and after the comma;

On page 19, line 9, by inserting the word "support" after the word "power" and before the comma; and

On page 19, line 10, by inserting the word "ancillary" after the word "other" and before the word "services".

MESSAGES FROM THE SENATE

Messages from the senate were received at this time (see the addendum to the daily journal, Messages from the Senate, Message Nos. 1, 2, and 3).

CSSB 7 - (consideration continued)

Amendment No. 4

Representative Wolens offered the following amendment to Amendment No. 3:

Amend the Wolens amendment to **CSSB 7** to read as follows

Amend **CSSB 7** as follows:

On page 19, line 9, by inserting the word "support" after the word "power" and before the comma; and

Amendment No. 4 was adopted without objection.

Amendment No. 3, as amended, was adopted without objection.

Amendment No. 5

Representative Marchant offered the following amendment to **CSSB 7**:
Floor Packet Page No. 4

Amend **CSSB 7** by striking SECTION 22 of the bill (page 28, line 18 through page 29, line 4) and renumbering the SECTIONS of the bill appropriately.

Representative Averitt moved to table Amendment No. 5.

The motion to table was lost.

Amendment No. 5 was adopted without objection.

Amendment No. 6

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 5

Amend **CSSB 7** in Section 35.101 (2), Utilities Code, as added by SECTION 23 of the bill (House committee report page 29, line 12), by striking "an institution of" and substituting "a state institution of".

Amendment No. 6 was adopted without objection.

Amendment No. 7

Representative Brimer offered the following amendment to **CSSB 7**:

Floor Packet Page No. 6

Amend **CSSB 7** (House committee report) as follows:

(1) Strike Section 35.102, Utilities Code, as added by SECTION 23 of the bill (page 29, lines 15-19), and substitute a new Section 35.102 to read as follows:

Sec. 35.102. STATE AUTHORITY TO SELL OR CONVEY POWER. The commissioner, acting on behalf of the state, may sell or otherwise convey power generated from royalties taken in kind as provided by Sections 52.133(d), 53.026, and 53.077, Natural Resources Code, directly to a public retail customer regardless of whether the public retail customer is also classified as a wholesale customer under other provisions of this title. To ensure that the state receives the maximum benefit from the sale of power generated from royalties taken in kind, the commissioner shall use all feasible means to sell that power first to public retail customers that are agencies of this state, institutions of higher education, or public school districts. The remainder of the power, if any, may be sold to public retail customers that are political subdivisions of this state.

(2) Strike Subsection (b), Section 35.103, Utilities Code, as added by SECTION 23 of the bill (page 29, line 26 through page 30, line 3), and substitute a new Subsection (b) to read as follows:

(b) An entity described by Subsection (a) shall provide any utility service, including transmission, distribution, and other services, which must include any stranded costs associated with providing service, to the state at the lowest applicable rate charged for similar service to other customers.

(3) At the end of SECTION 23 of the bill (page 30, between lines 15 and 16), insert a new Section 35.106, Utilities Code, to read as follows:

Sec. 35.106. ACCESS TO POWER GENERATION. If pipeline capacity is available on an existing facility of a gas utility or municipally owned utility, a gas utility or a municipally owned utility may not refuse to provide gas service to an electric utility generating facility, if the purpose of the service is to generate power for public retail customers by the state or an agency of this state.

(4) In the introduction to SECTION 49 of the bill (page 201, lines 24 and 25), strike "Subsections (a), (c), and (d), Section 52.133, Natural Resources Code, are amended" and substitute "Section 52.133, Natural Resources Code, is amended by amending Subsections (a), (c), and (d) and by adding Subsection (f)".

(5) In Section 52.133(c), Natural Resources Code, as amended by SECTION 49 of the bill (page 202, lines 16 and 17), strike "sale, purchase, transportation, and storage" and substitute "sale, marketing, purchase, transportation, including purchase and exchange agreements necessary to transport gas, and storage".

(6) In Section 52.133, Natural Resources Code, as amended by SECTION 49 of the bill (page 202, between lines 24 and 25), insert a new Subsection (f) to read as follows:

(f) For the purposes of this section, royalty taken in kind includes oil or gas sold or marketed by the commissioner that has been produced on state mineral lands or from the first three miles of federal waters adjacent to the state boundaries, also known as the 8g zone.

Amendment No. 8

Representative Brimer offered the following amendment to Amendment No. 7:

Amend the Brimer amendment to **CSSB 7** (on page 6 of the packet) as follows:

On page 1, line 8, after 52.133, strike "(d)" and substitute "(f)".

Amendment No. 8 was adopted without objection.

Amendment No. 7, as amended, was adopted without objection.

Amendment No. 9

Representative McCall offered the following amendment to **CSSB 7**:

Floor Packet Page No. 8

Amend the **CSSB 7** by striking the first sentence of Subsection (h), Section 37.060, Utilities Code, as added by SECTION 33 of the bill (page 36, line 14, through line 20), and substituting therefore the following:

The commission may not grant an additional retail electric utility certificate to serve an area if the effect of the grant would cause the area to be multiply certificated unless the commission finds that the certificate holders are not providing substantial service to the area for which a certificate is sought or are not capable of providing adequate service to the area in accordance with applicable standards and that the retail electric utility that is seeking a certificate plans to install and use its own distribution facilities to provide retail service to new customers. In granting an additional certificate under this subsection, the commission shall ensure that the customers of the retail electric utility that is seeking a certificate are responsible for paying their share of stranded costs that would otherwise be payable under this section.

Representative Longoria moved to table Amendment No. 9.

The motion to table prevailed.

Amendment No. 10

Representative Garcia offered the following amendment to **CSSB 7**:

Floor Packet Page No. 12

Amend **CSSB 7** (House committee report) as follows:

(1) In Section 39.101 (a) (1), Utilities Code, as added by SECTION 40 of the bill (page 50, line 4), strike "extreme weather or in" and substitute "an extreme weather emergency as provided by Subsection (h) or in".

(2) In Section 39.101, Utilities Code, as added by SECTION 40 of the bill (page 53, between lines 14 and 15), insert a new Subsection (h) to read as follows:

(h) A retail electric provider, power generation company, aggregator, or other entity that provides retail electric service may not disconnect service to a residential customer during an extreme weather emergency or on a weekend day. The entity providing service shall defer payment of bills that are due during an extreme weather emergency until after the emergency is over and shall work with customers to establish a pay schedule for deferred bills. For purposes of this subsection, "extreme weather emergency" means a period of at least two weeks in which the average temperatures are more than 90 degrees or less than 32 degrees.

(Flores in the chair)

Amendment No. 11

Representative Wolens offered the following amendment to Amendment No. 10:

Amend the Garcia amendment (page 12) to **CSSB 7** as follows:

(1) In Subsection (h) on line 13, strike "payment" and substitute "collection of the full payment".

(2) In Subsection (h), strike lines 17-19 and substitute the following: emergency" means a period when:

(1) the previous day's highest temperature did not exceed 32 degrees fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service (NWS) reports; or

(2) the NWS issues a heat advisory for any county in the relevant service territory, or when such an advisory has been issued on any one of the previous two calendar days.

Amendment No. 11 was adopted without objection.

Amendment No. 10, as amended, was adopted without objection.

Amendment No. 12

Representative Chisum offered the following amendment to **CSSB 7**:
Floor Packet Page No. 13

Amend **CSSB 7** on page 50 by striking lines 16 through 20 and inserting the following to read as follows:

(7) to information available upon request by the customer in print, electronically, and by toll free telephone access, each in English and Spanish and any other language as necessary concerning rates, key terms and conditions, in a standard format that will permit comparisons between price and service offerings and the basis for any claim of environmental benefits, and the emissions of production facilities by fuel type.

Representative Wolens moved to table Amendment No. 12.

The motion to table prevailed.

Amendment No. 13

Representative Wolens offered the following amendment to **CSSB 7**:

Floor Packet Page No. 15

Amend **CSSB 7** in Section 39.107(b), Utilities Code, as added by SECTION 40 of the bill (House Committee Report, page 58, line 7), by striking "Metering and billing services provided to residential" and substituting "Metering services provided to residential".

Amendment No. 13 was adopted without objection.

HR 1026 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 1026**, suspending the limitations on the conferees for **SB 445**.

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, Senate List No. 28).

CSSB 7 - (consideration continued)

(Speaker in the chair)

Amendment No. 14

Representative Wolens offered the following amendment to **CSSB 7**:

Floor Packet Page No. 17

Amend **CSSB 7** by striking Subsection (f), Section 39.152, Utilities Code, as added by SECTION 40 of the bill (House Committee Report page 66, line 15, through page 67, line 1).

Amendment No. 14 was adopted without objection.

Amendment No. 15

Representative Wolens offered the following amendment to **CSSB 7**:

Floor Packet Page No. 19

Amend **CSSB 7** in Subsection (e), Section 39.154, Utilities Code, as added by SECTION 40 of the bill (house committee report page 70, line 26), by adding after the last sentence:

This subsection applies only to a power generation company that is affiliated with an electric utility that owned and controlled more than 27 percent of the installed generation capacity in the power region on January 1, 1999.

Amendment No. 15 was adopted without objection.

Amendment No. 16

Representative Chisum offered the following amendment to **CSSB 7**:

Floor Packet Page No. 21

Amend **CSSB 7** on page 83, by inserting a new Subsection (d) between lines 14 and 15 to read as follows:

(d) Notwithstanding any other provision of this title, an electric utility which, before the effective date of this Act, entered into a stipulation or agreement which was approved by the commission on or after January 1, 1996 requiring the utility to pass through to ratepayers the savings resulting from the merger of that utility with another utility shall continue to be bound by the terms of that stipulation or agreement. The commission shall ensure that the pass through of all merger savings required under any such stipulation or agreement shall be fully implemented during the freeze period and shall be reflected in setting the price to beat for that utility.

Amendment No. 17

Representative Chisum offered the following amendment to Amendment No. 16:

Amend the Chisum amendment to **CSSB 7** (page 21 of packet) on line 5, after the word "agreement" by inserting "in support of approval of a merger".

Amendment No. 17 was adopted without objection.

Amendment No. 16, as amended, was adopted without objection.

Amendment No. 18

Representative Greenberg offered the following amendment to **CSSB 7**:
Floor Packet Page No. 22

Amend **CSSB 7** as follows:

(1) In Section 39.201(i)(1), Utilities Code, as added by SECTION 40 of the bill (page 85, lines 6 and 7), strike "100 percent of its regulatory assets as defined by Section 39.302 and up to 75" and substitute "50 percent of its regulatory assets as defined by Section 39.302 and up to 25".

(2) In Section 39.201(i)(2), Utilities Code, as added by SECTION 40 of the bill (page 85, line 12), strike "up to 100 percent of its estimated stranded costs" and substitute "up to 100 percent of its estimated stranded costs, subject to the limitation provided by Subdivision (1)".

(3) In Section 39.301, Utilities Code, as added by SECTION 40 of the bill (page 120, line 25), strike "The savings associated" and substitute "The commission shall ensure that the savings associated".

(4) In Section 39.302(4), Utilities Code, as added by SECTION 40 of the bill (page 121, lines 17 and 18), strike "means 100 percent of an electric utility's regulatory assets and 75 percent" and substitute "means 50 percent of an electric utility's regulatory assets and 25 percent".

Amendment No. 19

Representative Greenberg offered the following amendment to Amendment No. 18:

Amend the proposed Greenberg amendment on page 22 of the packet to **CSSB 7** as follows:

(1) Strike items (1) and (2) of the amendment (amendment page 1, lines 2-11).

(2) Strike the text of item (3) of the amendment (amendment page 1, lines 12-15), and substitute: Strike the second sentence of the section (page 120, lines 25 and 26) and substitute: "The proceeds of the transition bonds shall be used solely for the purposes of reducing the amount of recoverable regulatory assets and stranded costs, as determined by the commission in accordance this chapter, through the refinancing or retirement of utility debt or equity. The commission shall ensure that securitization provides tangible and quantifiable benefits to ratepayers, greater than would have been achieved absent the issuance of transition bonds. The commission shall ensure that the structuring and pricing of the transition bonds result in the lowest transition bond charges consistent with market conditions and the terms of the financing order."

(3) Strike item (4) of the amendment (amendment page 1, lines 16-20).

Amendment No. 19 was adopted without objection.

Amendment No. 18, as amended, was adopted without objection.

Amendment No. 20

Representatives Williams and Isett offered the following amendment to **CSSB 7**:

Floor Packet Page No. 23

Amend Sec. 39.201 of the House Committee Substitute to **SB 7** by adding a new subsection (m), page 86, line 27:

(m) In implementing the provisions of this Act, the commission shall ensure that no retail customer's rates customer's rates in place on January 1, 1999 will increase as a result of this Act. This protection shall expire on January 1, 2007.

Amendment No. 21

Representative Williams offered the following amendment to Amendment No. 20:

Amend the proposed Williams amendment (page 23) to **CSSB 7** by striking Subsection (m) and substituting:

(m) In implementing this chapter, the commission shall ensure that the rates paid by any retail customer to the affiliated retail electric provider that are being charged on January 1, 1999, by the affiliated electric company will not increase as a result of this chapter. The commission may adjust these rates consistent with Section 39.202(1). This subsection expires January 1, 2007.

(Sadler in the chair)

Amendment No. 21 was adopted without objection.

Representative Wolens moved to table Amendment No. 20.

A record vote was requested.

The motion to table prevailed by (Record 389): 108 Yeas, 32 Nays, 3 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, F.; Burnam; Capelo; Chavez; Chisum; Coleman; Cook; Counts; Cuellar; Danburg; Davis, J.; Davis, Y.; Delisi; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hawley; Hilbert; Hinojosa; Hochberg; Hodge; Homer; Hunter; Hupp; Jones, D.; Jones, J.; Junell; King, P.; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Maxey; McCall; McClendon; Merritt; Moreno, J.; Moreno, P.; Morrison; Naishtat; Najera; Oliveira; Olivo; Pickett; Puente; Ramsay; Rangel; Reyna, A.; Ritter; Salinas; Shields; Siebert; Smith; Solis, J.; Solis, J. F.; Solomons; Staples; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Wilson; Wise; Wolens; Woolley; Yarbrough; Zbraneck.

Nays — Brown, B.; Carter; Christian; Clark; Crabb; Craddick; Crownover; Culberson; Denny; Elkins; Farabee; Green; Hartnett; Heflin; Hilderbran; Hill; Hope; Isett; Jones, C.; Keel; Keffer; Krusee; Marchant; Mowery; Nixon; Reyna, E.; Seaman; Smithee; Swinford; Talton; Williams; Wohlgemuth.

Present, not voting — Mr. Speaker; Noriega; Sadler(C).

Absent, Excused — Corte; Ellis.

Absent — Howard; King, T.; McReynolds; Palmer; Pitts.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 389. I intended to vote no.

Cook

I was shown voting yes on Record No. 389. I intended to vote no.

Counts

I was shown voting no on Record No. 389. I intended to vote yes.

Ramsay

I was shown voting yes on Record No. 389. I intended to vote no.

B. Turner

Amendment No. 22

Representative Wolens offered the following amendment to **CSSB 7**:

Floor Packet Page No. 24

Amend **CSSB 7** as follows:

1. In SECTION 40 of the bill, at page 94 immediately after line 2, add a new subsection (h) to Utilities Code Section 39.203 as follows:

(h) A customer in a multiply certificated service area may switch its retail distribution service provider among certificated retail electric utilities only by disconnecting from the facilities of one retail electric utility and connecting to the facilities of another retail electric utility.

2. In SECTION 40 of the bill, delete Utilities Code Sections 40.061 and 41.064.

Amendment No. 22 was adopted without objection.

Amendment No. 23

Representative S. Turner offered the following amendment to Amendment No. 22:

Floor Packet Page No. 25

Amend **CSSB 7**, Section 40, Sec. 39.252, subsection (b) to read as follows:

(b) Recovery of retail stranded costs by an electric utility shall be from all existing or future retail customers, including the facilities, premises, and loads of those retail customers, within the utility's geographical certificated service area as it existed on May 1, 1999. A retail customer may not avoid stranded cost recovery charges by switching to new on-site generation except as provided by Section 39.262(k). For purposes of this subchapter, "new on-site generation" means electric generation capacity capable of being lawfully delivered to the site without use of utility distribution or transmission facilities and which was not, on or before May 1, 1999, either:

(1) a fully operational facility, or

(2) a project supported by substantially complete filings for all necessary site-specific environmental permits under the rules of the Texas Natural Resource Conservation Commission in effect at the time of filing.

If a customer commences taking energy from new on-site generation which materially reduces the customer's use of energy delivered through the utility's facilities, the customer shall pay an amount each month computed by multiplying the output of the new sum of competition transition charges under Section 39.201 and transition charges under subchapter G which are in effect during that month. Payment shall be made to the utility, its successors, an assignee or other collection agent responsible for collecting the competitive transition charges and transition charges and shall be collected in addition to the competition transition charges and transition charges applicable to energy actually delivered to the customer through the utility's facilities.

Amendment No. 24

Representative S. Turner offered the following amendment to Amendment No. 23:

Amend the Turner of Harris amendment to **CSSB 7** (page 25) as follows:

(1) On page 1, line 8, strike "May 1," and substitute "December 31.".

(2) On page 1, line 15, between "output of the " and "new sum", insert "on-site generation by the".

Amendment No. 24 was adopted without objection.

Amendment No. 23, as amended, was adopted.

Amendment No. 25

Representative Chisum offered the following amendment to **CSSB 7**:

Floor Packet Page No. 29

Amend **CSSB 7** on page 94 by adding a new Section 39.206 between lines 13 and 14 to read as follows:

Sec. 39.206. ECONOMIC DEVELOPMENT RATES. (a) Notwithstanding any other provision in this Subchapter, an investor-owned electric utility may, at the utility's option, provide electricity at a price that is less than the utility's retail tariff rate, but not less than the utility's marginal cost, to:

(1) a new industrial or commercial customer; or

(2) a new or expanded facility of an existing industrial or commercial customer.

(b) An economic development rate under Subsection (a) must be provided to a single point of delivery that:

(1) is within the certified service area of the investor-owned electric utility offering the rate; and

(2) has the potential to create new full-time employment positions at least equal to the lesser of:

(A) 500; or

(B) one-tenth of one percent of the population of the county in which the point of delivery is located.

(c) Approval of the regulatory authority is not required for an economic development rate established under this section.

Representative Wolens moved to table Amendment No. 25.

The motion to table prevailed.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 4).

CSSB 7 - (consideration continued)**Amendment No. 26**

Representative Bailey offered the following amendment to **CSSB 7**:

Floor Packet Page No. 31

Amend **CSSB 7** (House committee report) as follows:

(1) Strike Subsection (j), Section 39.201, Utilities Code, as added by SECTION 40 of the bill (page 85, lines 15-24) and substitute a new Subsection (j) to read as follows:

(j) Any competition transition charge shall be allocated among retail customer classes according to Section 39.253.

(2) Strike Section 39.253, Utilities Code, as added by SECTION 40 of the bill (page 97, lines 5-19), and substitute a new Section 39.253 to read as follows:

Sec. 39.253. ALLOCATION OF STRANDED COSTS. (a) Any capital costs incurred by an electric utility to improve air quality under Section 39.263 or

39.264 that are included in a utility's invested capital in accordance with those sections shall be allocated among customer classes as follows:

(1) 50 percent of those costs shall be allocated in accordance with the methodology used to allocate the costs of the underlying assets in the electric utility's most recent commission order addressing rate design; and

(2) the remainder shall be allocated on the basis of the energy consumption of the customer classes.

(b) All other retail stranded costs shall be allocated among retail customer classes in accordance with Subsections (c)-(i).

(c) The allocation to the residential class shall be determined by allocating to all customer classes 50 percent of the stranded costs in accordance with the methodology used to allocate the costs of the underlying assets in the electric utility's most recent commission order addressing rate design, and allocating the remainder of the stranded costs on the basis of the energy consumption of the classes.

(d) After the allocation to the residential class required by Subsection (b) has been calculated, the remaining stranded costs shall be allocated to the remaining customer classes in accordance with the methodology used to allocate the costs of the underlying assets in the electric utility's most recent commission order addressing rate design. Non-firm industrial customers shall be allocated stranded costs equal to 150 percent of the amount allocated to that class.

(e) After the allocation to the residential class required by Subsection (C) and the allocation to the non-firm industrial class required by Subsection (D) have been calculated, the remaining stranded costs shall be allocated to the remaining customer classes in accordance with the methodology used to allocate the costs of the underlying assets in the electric utility's most recent commission order addressing rate design.

(f) Notwithstanding any other provision of this section, to the extent that the total retail stranded costs, including regulatory costs, of investor-owned utilities exceed \$5 billion, any stranded costs in excess of \$5 billion shall be allocated among retail customer classes in accordance with the methodology used to allocate the costs of the underlying assets in the electric utility's most recent commission order addressing rate design.

(g) The energy consumption of the customer classes used in Subsections (a)(2) and (c) shall be based on the relevant class characteristics as of May 1, 1999, adjusted for normal weather conditions.

(h) For purposes of this section, "stranded costs" includes regulatory assets.

(i) Except as provided by Section 39.262(k), no customer or customer class may avoid the obligation to pay the amount of stranded costs allocated to that customer class.

Amendment No. 27

Representative Bailey offered the following amendment to Amendment No. 26:

Amend the Bailey Amendment to **CSSB 7** (page 31-33) proposed amendments) as follows:

(1) In item 2, in added Section 39.253(d), Utilities Code (page 2, line 6), strike "Subsection (b)" and substitute "Subsection (c)"

(2) In item 2, in added Section 39.253(e), Utilities Code (page 2, line 14), strike "Subsection (C)" and substitute "Subsection (c)"

(3) In item 2, in added Section 39.253(e), Utilities Code (page 2, line 15), strike "Subsection (D)" and substitute "Subsection (d)"

(4) In item 2, in added Section 39.253(f), Utilities Code (page 2, lines 21 and 22), strike "the total retail stranded costs, including regulatory costs, of" and substitute "the total retail stranded costs, including regulatory assets but not including costs described by Subsection (a), of"

(5) In item 2, in added Section 39.253(f), Utilities Code (page 2, line 22), after "billion" and before the comma, insert "on a statewide basis"

Amendment No. 27 was adopted without objection.

Amendment No. 26, as amended, was adopted without objection.

Amendment No. 28

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 35

Amend **CSSB 7** in Section 39.254, Utilities Code, as added by SECTION 40 of the bill (page 97, line 25), by striking "competition in 2001" and substituting "competition in 2002".

Amendment No. 28 was adopted without objection.

Amendment No. 29

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 36

Amend **CSSB 7** as follows:

(1) Amend Section 39.262(f) on page 106, line 6, by striking "securitization" and inserting "transition".

(2) Amend Section 39.262(f) on page 106, line 6, by striking "competitive" and inserting "competition".

Amendment No. 29 was adopted without objection.

Amendment No. 30

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 37

Amend **CSSB 7** in the first sentence of Section 39.262(i), Utilities Code, as added by SECTION 40 of the bill (House Committee Report page 111, line 13), by striking "Subsections (g)(2) and (3)" and substituting "Subsections (h)(2) and (3)".

Amendment No. 30 was adopted without objection.

Amendment No. 31

Representative McClendon offered the following amendment to **CSSB 7**:
Floor Packet Page No. 42

Amend **CSSB 7** in Section 39.353, Utilities Code, as added by SECTION

40 of the bill (House committee report page 134, between lines 1 and 2), by inserting a new Subsection (h) to read as follows:

(h) The commission shall work with the Texas Department of Economic Development to communicate information about opportunities for operation as aggregators to potential new aggregators, including small and historically underutilized businesses.

(Speaker in the chair)

Amendment No. 31 was adopted without objection. (Talton recorded voting no)

Amendment No. 32

Representative Danburg offered the following amendment to **CSSB 7**:
Floor Packet Page No. 43

Amend **CSSB 7** as follows:

(1) On page 134, line 9, insert "or aggregation by a municipality under Chapter 303, Local Government Code" between "providers" and the period.

(2) On page 134, line 22, insert "or aggregation by a person or political subdivision under Chapter 303, Local Government Code" between "subdivisions" and the period.

(3) On page 189, line 26, insert "receiving electric service from an entity that has implemented customer choice, as defined in Section 31.002, Utilities Code" between "subdivision" and the period.

Amendment No. 32 was adopted without objection.

Amendment No. 33

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 44

Amend **CSSB 7** as follows:

Amend Section 39.355 on page 134, line 27, by inserting the words "pursuant to Section 35.032" after the word "commission" and before the period.

Amendment No. 33 was adopted without objection.

(Ellis now present)

Amendment No. 34

Representative S. Turner offered the following amendment to **CSSB 7**:
Floor Packet Page No. 45

Amend **CSSB 7** (House committee report) as follows:

(1) In Section 39.901(e), Utilities Code, as added by SECTION 40 of the bill (page 141, line 26 through page 142, line 8), strike the first two sentences of Subsection (e) and substitute the following:

Not later than May 1 of each year, the commission shall transfer from the system benefit fund to the foundation school fund the amounts determined

by the Texas Education Agency under Subsections (b) and (c) to the extent money in the system benefit fund is available. If in any year the system benefit fund is insufficient to make the transfer designated by the Texas Education Agency, the shortfall shall be included in the projected revenue requirement for the system benefit fund the next time the commission sets the fee under Section 39.903, and the shortfall amount shall be transferred to the Foundation School Program the following year if sufficient money in the fund is available.

(2) Strike Section 39.903, Utilities Code, as added by SECTION 40 of the bill (page 143, line 24 through page 146, line 6), and substitute a new Section 39.903 to read as follows:

Sec. 39.903. SYSTEM BENEFIT FUND. (a) The system benefit fund is created as a trust fund with the comptroller and shall be administered by the commission as trustee on behalf of the recipients of money from the fund.

(b) The system benefit fund is financed by a nonbypassable fee set by the commission in an amount not to exceed 50 cents per megawatt hour, except beginning on January 1, 2002, and ending on December 31, 2006, the commission may set the fee in an amount not to exceed 65 cents per megawatt hour to the extent necessary to collect sufficient revenue to fund the 10 percent reduced rate requirements of the program required by Subsection (h). The system benefit fund fee is allocated to customers based on the amount of kilowatt hours used.

(c) The nonbypassable fee may not be imposed on the retail electric customers of a municipally owned utility or electric cooperative before the sixth month preceding the date on which the utility or cooperative implements customer choice. Money distributed from the system benefit fund to a municipally owned utility or an electric cooperative shall be proportional to the nonbypassable fee paid by the municipally owned utility or the electric cooperative, subject to the reimbursement provided by Subsection (i). On request by a municipally owned utility or electric cooperative, the commission shall reduce the nonbypassable fee imposed on retail electric customers served by the municipally owned utility or electric cooperative by an amount equal to the amount provided by the municipally owned utility or electric cooperative or its ratepayers for local low-income programs and local programs that educate customers about the retail electric market in a neutral and nonpromotional manner.

(d) The commission shall annually review and approve system benefit fund accounts, projected revenue requirements, and proposed nonbypassable fees.

(e) The system benefit fund shall provide funding solely for the following regulatory purposes:

(1) programs to assist low-income electric customers provided by Subsections (f)-(1);

(2) customer education programs; and

(3) the school funding loss mechanism provided by Section 39.901.

(f) Notwithstanding Section 39.106(b), the commission shall adopt rules regarding programs to assist low-income electric customers on the introduction of customer choice. The programs may not be targeted to areas

served by municipally owned utilities or electric cooperatives that have not adopted customer choice. The programs shall include:

(1) reduced electric rates as provided by Subsections (h)-(l); and

(2) targeted energy efficiency programs to be administered by the Texas Department of Housing and Community Affairs in coordination with existing weatherization programs.

(g) Until customer choice is introduced in a power region, an electric utility may not reduce, in any manner, programs already offered to assist low-income electric customers.

(h) The commission shall adopt rules for a retail electric provider to determine a reduced rate for eligible customers to be discounted off the standard retail service package as approved by the commission under Section 39.106, or the price to beat established by Section 39.202, whichever is lower. Municipally owned utilities and electric cooperatives shall establish a reduced rate for eligible customers to be discounted off the standard retail service package established under Section 40.053 or 41.053, as appropriate. The reduced rate for a retail electric provider shall result in a total charge that is at least 10 percent, and if sufficient money in the system benefit fund is available, up to 20 percent, lower than the amount the customer would otherwise be charged. For a municipally owned utility or electric cooperative, the reduced rate shall be equal to an amount that can be fully funded by that portion of the nonbypassable fee proceeds paid by the municipally owned utility or electric cooperative that is allocated to the utility or cooperative by the commission under Subsection (e) for programs for low-income customers of the utility or cooperative. The reduced rate for municipally owned utilities and electric cooperatives under this section is in addition to any rate reduction that may result from local programs for low-income customers of the municipally owned utilities or electric cooperatives.

(i) A retail electric provider, municipally owned utility, or electric cooperative seeking reimbursement from the system benefit fund may not charge an eligible low-income customer a rate higher than the appropriate rate determined under Subsection (h). A retail electric provider not subject to the price to beat, or a municipally owned utility or electric cooperative subject to the nonbypassable fee under Subsection (c), shall be reimbursed from the system benefit fund for the difference between the reduced rate and the rate established under Section 39.106, or as appropriate, the rate established under Section 40.053 or 41.053. A retail electric provider who is subject to the price to beat shall be reimbursed from the system benefit fund for the difference between the reduced rate and the price to beat. The commission shall adopt rules providing for the reimbursement.

(j) The commission shall adopt rules providing for methods of enrolling customers eligible to receive reduced rates under Subsection (h). The rules must provide for automatic enrollment as one enrollment option. The Texas Department of Human Services, on request of the commission, shall assist in the adoption and implementation of these rules. The commission and the Texas Department of Human Services shall enter into a memorandum of understanding establishing the respective duties of the commission and the department in relation to the automatic enrollment.

(k) A retail electric provider is prohibited from charging the customer a fee for participation in the reduced rate program.

(l) For the purposes of this section, a "low-income electric customer" is an electric customer:

(1) whose household income is not more than 125 percent of the federal poverty guidelines; or

(2) who receives food stamps from the Texas Department of Human Services or medical assistance from a state agency administering a part of the medical assistance program.

(m) Funding of programs to assist low-income customers under Subsections (f)-(l) and customer education programs shall be given funding priority over the school funding loss mechanism provided by Section 39.901.

Amendment No. 35

Representative S. Turner offered the following amendment to Amendment No. 34:

Amend the Turner amendment to **CSSB 7** (on page 45 of the packet) as follows:

Add the following language after the period on page 2, line 22:

"The commission shall report to the Legislative Oversight Committee if the System Benefit fund fee is insufficient to fund the purposes set forth in subsection (e) to the extent required by this section"

Amendment No. 35 was adopted without objection.

Amendment No. 36

On behalf of Representative Wolens, Representative S. Turner offered the following amendment to Amendment No. 34:

Amend the proposed Turner amendment (page 45) to **CSSB 7** as follows:

(1) Strike item (1) of the amendment (amendment page 1, lines 2-16).

(2) In Section 39.903, Utilities Code, as added by item (2) of the amendment (amendment page 3, line 25) between "charged," and "For", insert: "To the extent the system benefit fund is insufficient to fund the initial 10 percent rate reduction, the commission may increase the fee to an amount not more than 65 cents per megawatt hour, as provided by Subsection (b).".

(3) Strike Section 39.903 (m), Utilities Code, as added by item (2) of the amendment (amendment page 5, lines 6-9).

Amendment No. 36 was adopted without objection.

Amendment No. 34, as amended, was adopted without objection. (Howard recorded voting no)

(Haggerty in the chair)

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 5).

(Speaker in the chair)

SB 1272 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative B. Turner submitted the conference committee report on **SB 1272**.

Representative B. Turner moved to adopt the conference committee report on **SB 1272**.

The motion prevailed without objection.

HB 110 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Maxey called up with senate amendments for consideration at this time,

HB 110, A bill to be entitled An Act relating to public access to certain information regarding medical practitioners.

On motion of Representative Maxey, the house concurred in the senate amendments to **HB 110**.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HB 110** on page 3 by striking lines 25 through 27 and replacing with the following:

(13) a description of the final resolution taken by the Board on medical malpractice claims or complaints required to be opened by the Board under Section 5.05(f) of the Act.

HB 494 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Maxey called up with senate amendments for consideration at this time,

HB 494, A bill to be entitled An Act relating to drug benefits available under certain health care programs administered by the Texas Department of Health.

On motion of Representative Maxey, the house concurred in the senate amendments to **HB 494** by (Record 390): 145 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Clark; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery;

Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Coleman; Dunnam; King, T.

STATEMENT OF VOTE

When Record No. 390 was taken, my vote failed to register. I would have voted yes.

Dunnam

Senate Amendment No. 1

Amend **HB 494** (Senate Committee Printing) as follows:

On page 1, line 23, after "develop a" and before "drug manufacturer rebate program", insert the word "voluntary".

On page 1, line 29, after "for the new" and before "rebate program" insert the word "voluntary".

On page 1, line 62, after "program and the" and before "drug rebate program" insert the word "voluntary".

On page; 2, line 3, after "implementation of the" and before "drug" insert the word "voluntary".

HB 610 - HOUSE REFUSES TO CONCUR IN SENATE AMENDMENTS CONFERENCE COMMITTEE APPOINTED

Representative Janek called up with senate amendments for consideration at this time,

HB 610, A bill to be entitled An Act relating to health care providers under certain health benefit plans.

Representative Janek moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 610**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 610**: Janek, chair, Van de Putte, Culberson, Seaman, and Eiland.

HB 633 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Maxey called up with senate amendments for consideration at this time,

HB 633, A bill to be entitled An Act relating to the transfer of assistive technology devices for students with disabilities who leave certain school districts.

On motion of Representative Maxey, the house concurred in the senate amendments to **HB 633** by (Record 391): 144 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Clark; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Coleman; Hope; Oliveira; Shields.

STATEMENTS OF VOTE

When Record No. 391 was taken, I would have voted yes.

Shields

When Record No. 391 was taken, my vote failed to register. I would have voted yes.

Hope

HB 744 - HOUSE REFUSES TO CONCUR IN SENATE AMENDMENTS CONFERENCE COMMITTEE APPOINTED

Representative Eiland called up with senate amendments for consideration at this time,

HB 744, A bill to be entitled An Act relating to revolving credit accounts.

Representative Eiland moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 744**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 744**: Eiland, chair, Averitt, Marchant, Denny, and Solomons.

**HB 846 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative R. Lewis called up with senate amendments for consideration at this time,

HB 846, A bill to be entitled An Act relating to the administration, management, operation, and authority of water districts and authorities.

Representative R. Lewis moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 846**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 846**: R. Lewis, chair, Counts, Cook, T. King, and Puente.

**HB 1051 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Brimer called up with senate amendments for consideration at this time,

HB 1051, A bill to be entitled An Act relating to the regulation of the practice of therapeutic optometry.

On motion of Representative Brimer, the house concurred in the senate amendments to **HB 1051**.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend engrossed **HB 1051** as follows:

Page 3, line 5, strike subsection (d) and substitute "(d) The board shall adopt rules setting forth the classifications of [specific] pharmaceutical agents therapeutic optometrists may use in the practice of therapeutic optometry as authorized by this Act. Additional classifications of medications as authorized by Section 1.03(c)(3) may only be approved as provided in Section 1.03A. Use by a therapeutic optometrist of pharmaceutical agents not authorized by the board or otherwise authorized by law shall constitute a violation of this Act."

Senate Amendment No. 2 (Senate Committee Amendment No. 2)

Amend **HB 1051** as follows:

(1) On page 2, line 11, strike "topical, oral, or parenteral" and substitute "topical or oral".

(2) On page 2, line 15, insert the following after the period and before

"A": "In addition, a therapeutic optometrist may administer medication by parenteral means for the purposes and in the manner set out in subsection (h) of this section."

**HB 1058 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Craddick called up with senate amendments for consideration at this time,

HB 1058, A bill to be entitled An Act relating to limiting the liability of a municipality for certain recreational activities.

On motion of Representative Craddick, the house concurred in the senate amendments to **HB 1058**.

Senate Committee Substitute

CSHB 1058, A bill to be entitled An Act relating to limiting the liability of a municipality for certain recreational activities.

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

SECTION 1. Section 75.002, Civil Practice and Remedies Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) In this section, "recreation" means, in addition to its meaning under Section 75.001, the following activities only if the activities take place inside a facility owned, operated, or maintained by a municipality:

(1) hockey and in-line hockey; and

(2) skating, in-line skating, roller-skating, skateboarding, and roller-blading.

(f) This section limits the liability of a municipality only for those damages arising directly from a recreational activity described by Subsection (e).

SECTION 2. This Act takes effect September 1, 1999, and applies only to a cause of action that accrues on or after that date. An action that accrued before the effective date of this Act is governed by the law applicable to the action immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Senate Amendment No. 1

Amend **CSHB 1058** as follows:

On page one, lines 22-24, delete subsection (f) in its entirety and replace it with "(f) Subsection (e) limits the liability of a municipality only for those damages arising directly from a recreational activity described in subsection (e) but does not limit the liability of a municipality for gross negligence or acts conducted in bad faith or with malicious intent.

On page one, line 25, add a new subsection (g) which states:

(g) Any municipality which owns, operates or maintains a facility in which the recreational activities described in subsection (e) are conducted shall post and maintain a clearly readable sign in a clearly visible location on or near the building. The sign shall contain the following warning language:

WARNING

TEXAS LAW (CHAPTER 75, CIVIL PRACTICES AND REMEDIES CODE), LIMITS THE LIABILITY OF A MUNICIPALITY WHICH OWNS, OPERATES OR MAINTAINS A FACILITY IN WHICH HOCKEY, IN-LINE HOCKEY, SKATING, IN-LINE SKATING, ROLLER-SKATING, SKATEBOARDING OR ROLLER-BLADING ARE CONDUCTED FOR DAMAGES ARISING DIRECTLY FROM SUCH RECREATIONAL ACTIVITIES.

**HB 1285 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Janek called up with senate amendments for consideration at this time,

HB 1285, A bill to be entitled An Act relating to requiring attendance of a child's parent, guardian, or other authorized adult at well-child examinations under the state Medicaid program.

On motion of Representative Janek, the house concurred in the senate amendments to **HB 1285**.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HB 1285** as follows:

(1) In SECTION 1 of the bill, in the introductory language (House engrossment, page 1, lines 6 and 7), strike "Section 32.024(s), Human Resources Code, is amended" and substitute "Section 32.024, Human Resources Code, is amended by amending Subsection (s) and adding Subsection (s-1)".

(2) In SECTION 1 of the bill, immediately following amended Section 32.024(s), Human Resources Code (House engrossment, page 1, between lines 22 and 23), insert the following:

(s-1) Subsection (s)(2) does not apply to services provided by a school health clinic, Head Start program, or child-care facility, as defined by Section 42.002, if the clinic, program, or facility:

(1) obtains written consent to the services from the child's parent or guardian within the one-year period preceding the date on which the services are provided, and that consent has not been revoked; and

(2) encourages parental involvement in and management of the health care of children receiving services from the clinic, program, or facility.

**HB 1387 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Van de Putte called up with senate amendments for consideration at this time,

HB 1387, A bill to be entitled An Act relating to investigating certain deaths and performing autopsies on certain bodies.

On motion of Representative Van de Putte, the house concurred in the senate amendments to **HB 1387**.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HB 1387** by adding the following (c) on page 1, line 23 and renumber subsequent sections appropriately.

"(c) Reimbursement required by (b) of this section is subject to the availability of funds."

**HB 1516 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Gallego called up with senate amendments for consideration at this time,

HB 1516, A bill to be entitled An Act relating to the representation of applicants for writs of habeas corpus in capital cases.

On motion of Representative Gallego, the house concurred in the senate amendments to **HB 1516**.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HB 1516**, SECTION 2, Article 11.071, Code of Criminal Procedure, by striking Sec. 2A(a) and (b) (page 4, lines 17-page 5, line 1) and replacing it with the following:

Sec. 2A. STATE REIMBURSEMENT; COUNTY OBLIGATION. (a) The state shall reimburse a county for compensation of counsel under Section 2 and payment of expenses under Section 3. The total amount of reimbursement to which a county is entitled under this section for an application under this article may not exceed \$25,000. Compensation and expenses in excess of the \$25,000 reimbursement provided by the state are the obligation of the county.

(b) A convicting court seeking reimbursement for a county shall certify to the comptroller of public accounts the amount of compensation that the county is entitled to receive under this section. The comptroller of public accounts shall issue a warrant to the county in the amount certified by the convicting court, not to exceed \$25,000.

**HB 1622 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Goodman called up with senate amendments for consideration at this time,

HB 1622, A bill to be entitled An Act relating to the clarification of certain procedures in the Family Code.

Representative Goodman moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1622**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1622**: Goodman, chair, A. Reyna, Naishtat, Truitt, and Morrison.

**HB 1777 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Carter called up with senate amendments for consideration at this time,

HB 1777, A bill to be entitled An Act relating to the provision of local exchange telephone service in a municipality and the management by the municipality of public rights-of-way used by providers of that service.

On motion of Representative Carter, the house concurred in the senate amendments to **HB 1777**.

Senate Amendment No. 1

Amend **HB 1777** as follows:

In Sec. 283.053(d)(2) following the word "revenue," delete the words: "excluding any amount received under Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6 Vernon's Texas Civil Statutes), or that imposed for a municipal transit department under Chapter 453, Transportation code, received by the municipality in 1998," and insert the following:

"received by the city pursuant to Chapter 321 of the tax code. The amount does not include sales and use taxes collected under:

A) Chapters 451, 452, 453, or 454 of the Transportation Code for a mass transit authority;

B) Texas Revised Civil Statutes 5190.6, for a 4A or 4B Development Corporation;

C) Chapters 334 and 335 of the Local Government Code; or

D) Chapters 321, 322, and 323 of the Municipal Sales and Use Tax Act for a special district, including health service, crime control, hospital and emergency service districts.

**HB 1837 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Brimer called up with senate amendments for consideration at this time,

HB 1837, A bill to be entitled An Act relating to certain insurance taxes.

On motion of Representative Brimer, the house concurred in the senate amendments to **HB 1837** by (Record 392): 144 Yeas, 1 Nay, 1 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Christian; Clark; Cook; Counts; Crabb; Craddick; Crownover; Cuellar;

Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgenuth; Wolens; Woolley; Yarbrough; Zbranek.

Nay — Jones, C.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Chisum; Coleman; Swinford.

STATEMENTS OF VOTE

I was shown voting no on Record No. 392, I intended to vote yes.

C. Jones

When Record No. 392 was taken, I was in the house but away from my desk. I would have voted yes.

Swinford

Senate Committee Substitute

CSHB 1837, A bill to be entitled An Act relating to certain insurance taxes.

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

SECTION 1. Section 12, Article 1.14-1, Insurance Code, is amended by adding Subsection (f) to read as follows:

(f) In this section, "premium" includes any premium, membership fee, dues, or other consideration for insurance.

SECTION 2. Section 10, Article 4.10, Insurance Code, is amended to read as follows:

Sec. 10. RATE OF TAX. There is imposed on each [~~such~~] insurance carrier ~~subject to this article~~ an annual tax equal to 1.6 percent [~~3.5%~~] of its premium receipts. [~~Any insurance carrier may qualify for a tax rate lower than the 3.5% imposed by this article. Such qualification for a lower rate can be accomplished in the following two ways:~~

~~[(a) If such insurance carrier for the year ending December 31 preceding owns Texas investments in an amount in total value which is not less than 85% nor more than 90% of the amount such insurance carrier owned~~

~~in the comparison state in similar investments as herein defined, the tax imposed shall be equal to 2.4% of its gross premium receipts.~~

~~[(b) If such insurance carrier for the year ending December 31 preceding owns Texas investments in an amount in total value which is in excess of 90% of the amount such insurance carrier owned in the comparison state in similar investments as herein defined, the tax imposed shall be equal to 1.6% of its gross premium receipts.]~~

SECTION 3. Section 4, Article 9.59, Insurance Code, is amended to read as follows:

Sec. 4. RATE OF TAX. There is imposed on all premium on title insurance an annual tax equal to 1.35 [two] percent [~~2.0%~~].

~~[Any title insurance company may remit on a tax rate lower than the two percent (2.0%) imposed by this article. If such title insurance company as of the preceding December 31 owns Texas investments in an amount in total value which is in excess of ninety percent (90%) of the amount such title insurance company owned in the comparison state in similar investments as herein defined, the tax imposed shall be equal to 1.3 percent (1.3%) of premium.]~~

SECTION 4. Article 21.46, Insurance Code, is amended to read as follows:

Art. 21.46. RETALIATORY PROVISIONS; PAYMENT OF TAXES, FINES, PENALTIES, ETC.; CONDITION PRECEDENT TO DOING BUSINESS IN STATE; EXEMPTIONS[-]

Sec. 1. RETALIATORY TAX [~~A. Retaliatory tax~~]. (a) Whenever by the laws of any other state or territory of the United States any taxes, including maintenance or similar regulatory fees, income and corporate franchise, licenses, fees, fines, penalties, deposit requirements or other obligations, prohibitions or restrictions are imposed upon any insurance company that is organized in this State and licensed and is [actually] doing business or that may do business in such other state or territory which, in the aggregate are in excess of the aggregate of the taxes, including maintenance or similar regulatory fees, income and corporate franchise, licenses, fees, fines, penalties, deposit requirements or other obligations, prohibitions or restrictions directly imposed upon a similar insurance company of such other state or territory doing business in this State, the comptroller shall impose upon and collect from any similar company of such state or territory in the same manner and for the same purpose, the same taxes, licenses, fees, fines, penalties, deposit requirements or other obligations, prohibitions or restrictions; provided, however, the aggregate of taxes, licenses, fees, fines, penalties or other obligations imposed by this State pursuant to this Article on an insurance company of another state or territory shall not exceed the aggregate of such charges imposed by such other state or territory on a similar insurance company of this State that may be [actually] licensed and doing business.

(b) Whenever under the law of any state or territory the rate of taxation is reduced or a tax credit is granted to any such company making investments in the state or territory, having maintained offices in the state or territory, or meeting some other similar requirements of the state or territory, those laws shall be applied in the same manner in this state in the determination of the aggregate obligations under this Article.

(b-1) Whenever [~~therein; provided, further, that wherever~~] under any law of this State the basic rate of taxation of any insurance company of another state or territory is reduced if any such insurance company has made investments in Texas securities then in computing the aggregate Texas premium tax burdens of any such insurance company of any other state or territory each shall for purposes of comparison with the premium tax laws of its home state be considered to have assumed and paid an aggregate premium tax burden equal to the basic rate. This subsection expires December 31, 1999.

(c) For[~~; provided, further, that for~~] the purpose of this Section, an alien insurer shall be deemed a company of the State designated by it wherein it:

(1) has [~~(a)~~] established its principal office or agency in the United States;

(2) [~~or (b)~~] maintains the largest amount of its assets held in trust or on deposit for the security of its policyholders or policyholders and creditors in the United States; [;] or

(3) [~~(c) in which it~~] was admitted to do business in the United States.

(d) The tax collected by the comptroller under this Article shall be deposited in the State Treasury to the credit of the general revenue fund. The comptroller shall prescribe the due date for the filing of the report and payment of the tax under this Article. The comptroller may adopt rules concerning the administration and collection of taxes under this Article.

(e) The provisions of this Section shall not apply to ad valorem taxes on real or personal property, [~~or to~~] personal income taxes, sales taxes, or to surcharges that insurers may recoup directly from policyholders.

(f) The provisions of this Act shall not apply to a company of any other state doing business in this State if fifteen per cent (15%) or more of the voting stock of said company is owned by a corporation organized under the laws of this State, and domiciled in this State; however, the prior provisions of this Act shall apply without exception to any and all person or persons, company or companies, firm or firms, association or associations, group or groups, corporation or corporations, or any insurance organization or organizations of any kind, which did not qualify as a matter of fact, under the exception of this paragraph, on or before January 29, 1957.

(g) The provisions of this Section shall not apply to special purpose assessments, such as guaranty association assessments, high risk health pool assessments, joint underwriting association (JUA) assessments, windstorm association assessments, or other similar assessments, both under the laws of this State and under the laws of any other state or territory. Any tax offset or credit related to such assessments that is offset or credited in computing aggregate taxes under this Section for this State and any other state or territory, shall, for purposes of this Section, be treated as a tax paid both under the laws of this State and under the laws of any other state or territory.

Sec. 2. OTHER RETALIATORY PROVISIONS [B]. Should the insurance department, commissioner, director, or other similar insurance regulatory official of any other state or territory of the United States impose any sanctions, fines, penalties, financial or deposit requirements, prohibitions, restrictions, regulatory requirements, or other obligations of any kind upon

any insurance company organized or chartered in this state and licensed to transact business in such other state or territory, because of the failure of the Texas Department of Insurance to obtain, maintain, or receive accreditation certification or any similar form of approval, compliance, or acceptance from, by, or as a member of the National Association of Insurance Commissioners, or any committee, task force, working group, or advisory committee thereof, or because of the failure of the Texas Department of Insurance to comply with any directive, financial annual statement requirement, model act or regulation, market conduct or financial examination report or requirement, or any report of any kind of the National Association of Insurance Commissioners, or any committee, task force, working group, or advisory committee thereof, the Texas Department of Insurance shall, without exception or exclusion, impose upon any and all insurance companies organized or chartered in such other state or territory and licensed to do business in this state the same sanctions, fines, penalties, deposit requirements, prohibitions, restrictions, or other obligations imposed upon the insurance company of this state.

SECTION 5. The following laws are repealed:

- (1) Sections 7, 8, and 9, Article 4.10, Insurance Code; and
- (2) Sections 13 and 14, Article 9.59, Insurance Code.

SECTION 6. Section 12(f), Article 1.14-1, Insurance Code, as added by this Act, and Section 1(a), Article 21.46, Insurance Code, as amended and redesignated by this Act, clarify the law as it existed immediately before the effective date of this Act and may not be interpreted to imply that the law as it existed immediately before the effective date of this Act is inconsistent with the law as amended by this Act.

SECTION 7. (a) The change in law made by Sections 2, 3, and 5 of this Act applies only to a premium tax imposed under Articles 4.10 and 9.59, Insurance Code, as amended by this Act, beginning with the tax year that begins January 1, 2000. Taxes imposed under those articles for tax years that begin before January 1, 2000, are governed by the law that existed in the tax year in which those taxes were imposed and that law is continued in effect for that purpose.

(b) The change in law made by Section 1(b), Article 21.46, Insurance Code, as added by this Act, and by the expiration of Section 1(b-1), Insurance Code, as amended and redesignated by this Act, applies only beginning with the tax year that begins on January 1, 2000.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

**HB 1961 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Grusendorf called up with senate amendments for consideration at this time,

HB 1961, A bill to be entitled An Act relating to fines collected for thwarting the compulsory school attendance law.

Representative Grusendorf moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1961**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1961**: Grusendorf, chair, Smith, Olivo, Dutton, and Dunnam.

**HB 2021 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Janek called up with senate amendments for consideration at this time,

HB 2021, A bill to be entitled An Act relating to the requirements for purchasing in school districts that adopt site-based decision-making plans.

On motion of Representative Janek, the house concurred in the senate amendments to **HB 2021** by (Record 393): 145 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Crabb; Craddick; Crownover; Cuellar; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Counts; Culberson; Shields.

STATEMENT OF VOTE

When Record No. 393 was taken, I was in the house but away from my desk. I would have voted yes.

Shields

Senate Committee Substitute

CSHB 2021, A bill to be entitled An Act relating to the requirements for purchasing in school districts that adopt site-based decision-making plans.

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

SECTION 1. Section 44.031, Education Code, is amended by adding Subsection (m) to read as follows:

(m) If a purchase is made at the campus level in a school district with an average daily attendance of 190,000 or more as determined under Section 42.005, Education Code, that has formally adopted a site-based decision-making plan under Subchapter F, Chapter 11, that delegates purchasing decisions to the campus level, this section applies only to the campus and does not require the district to aggregate and jointly award purchasing contracts.

SECTION 2. Section 44.033, Education Code, is amended by adding Subsection (e) to read as follows:

(e) If a purchase is made at the campus level in a school district with an average daily attendance of 190,000 or more as determined under Section 42.005, Education Code, that has formally adopted a site-based decision-making plan under Subchapter F, Chapter 11, that delegates purchasing decisions to the campus level, this section applies only to the campus and does not require the district to aggregate and jointly award purchasing contracts.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Senate Amendment No. 1

Amend **CSHB 2021** as follows:

(1) In SECTION 1, in new Sec. 44.031(m), Education Code, after "contracts.", insert "A district that adopts site-based purchasing under this subsection shall adopt a policy to ensure that campus purchases achieve the best value to the district and are not intended or used to avoid the requirement that a district aggregate purchases under Subsection (a)."

(2) In SECTION 2, in new Sec. 44.033(e), Education Code, after "contracts.", insert "A district that adopts site-based purchasing under this subsection shall adopt a policy to ensure that campus purchases achieve the best value to the district and are not intended or used to avoid the requirement that a district aggregate purchases under Subsection (a)."

HB 2037 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Gray called up with senate amendments for consideration at this time,

HB 2037, A bill to be entitled An Act relating to late fees for the renewal of the licenses of homeand community support services agencies.

On motion of Representative Gray, the house concurred in the senate amendments to **HB 2037**.

Senate Committee Substitute

CSHB 2037, A bill to be entitled An Act relating to late fees for the renewal of the licenses of home and community support services agencies.

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

SECTION 1. Subchapter A, Chapter 142, Health and Safety Code, is amended by adding Section 142.0105 to read as follows:

Sec. 142.0105. LICENSE RENEWAL. (a) A person who is otherwise eligible to renew a license may renew an unexpired license by paying the required renewal fee to the department before the expiration date of the license. A person whose license has expired may not engage in activities that require a license until the license has been renewed.

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the department a renewal fee that is equal to 1-1/2 times the normally required renewal fee.

(c) A person whose license has been expired for more than 90 days but less than one year may renew the license by paying to the department a renewal fee that is equal to two times the normally required renewal fee.

(d) A person whose license has been expired for one year or more may not renew the license. The person may obtain a new license by complying with the requirements and procedures for obtaining an original license.

(e) Not later than the 30th day before the date a person's license is scheduled to expire, the department shall send written notice of the impending expiration to the person at the person's last known address according to the records of the department.

SECTION 2. This Act takes effect September 1, 1999.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Senate Amendment No. 1

Amend **CSHB 2037** as follows:

(1) In SECTION 1 of the bill, in added Section 142.0105(c), Health and Safety Code (senate committee report, lines 25-27), strike "but less than one year may renew the license by paying to the department a renewal fee that is equal to two times the normally required renewal fee." and substitute "may obtain a new license by complying with the requirements and procedures for obtaining an original license."

(2) In SECTION 1 of the bill, in added Section 142.0105, Health and Safety Code, strike Subsection (d) (senate committee report, lines 28-31).

(3) In SECTION 1 of the bill, in added Section 142.0105(e), Health and Safety Code (senate committee report, line 32), strike "(e) Not later than the 30th" and substitute "(d) Not later than the 60th".

**HB 2130 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Carter called up with senate amendments for consideration at this time,

HB 2130, A bill to be entitled An Act relating to disposition of out of county crimes.

Representative Carter moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 2130**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 2130**: Carter, chair, Hinojosa, Ramsay, Clark, and P. King.

**HB 2136 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Hilderbran called up with senate amendments for consideration at this time,

HB 2136, A bill to be entitled An Act relating to the creation of the County Court at Law of Kendall County.

On motion of Representative Hilderbran, the house concurred in the senate amendments to **HB 2136**.

Senate Committee Substitute

CSHB 2136, A bill to be entitled An Act relating to the creation of the County Court at Law of Kendall County.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Subchapter C, Chapter 25, Government Code, is amended by adding Sections 25.1321 and 25.1322 to read as follows:

Sec. 25.1321. KENDALL COUNTY. Kendall County has one statutory county court, the County Court at Law of Kendall County.

Sec. 25.1322. KENDALL COUNTY COURT AT LAW PROVISIONS.
(a) In addition to the jurisdiction provided by Section 25.0003 and other law, and except as limited by Subsection (b), a county court at law of Kendall County has concurrent jurisdiction with the district court,

- (b) A county court at law does not have jurisdiction of:
- (1) felony cases, except as otherwise provided by law;
 - (2) misdemeanors involving official misconduct; or
 - (3) contested elections.

(c) A county court at law may not issue a writ of habeas corpus in a felony case over which the court has jurisdiction.

(d) The commissioners court by order entered of record shall set at least two terms of court each year for each county court at law.

(e) A judge of a county court at law may not engage in the private practice of law.

(f) A special judge of a county court at law may be appointed or elected in the manner provided by law for the appointment or election of a special county judge.

(g) The district clerk serves as the clerk of a county court at law in matters in which the county court at law has concurrent jurisdiction with the district court. The county clerk serves as the clerk of a county court at law in all other matters. The district clerk shall establish a separate docket for each county court at law.

(h) A judge of a county court at law shall be paid an annual salary that is at least equal to the amount that is \$4,000 less than the total annual salary, including supplements, received by a district judge in the county.

(i) The county sheriff shall, in person or by deputy, attend a county court at law as required by the judge.

(j) On request of a county court at law judge, jurors regularly impaneled for a week by the district courts may be made available and shall serve for the week in the county court at law.

(k) If any cause or proceeding is lodged with the district clerk and the district clerk files, docket, or assigns the cause or proceeding in or to a county court at law and the county court at law does not have subject matter jurisdiction over the cause or proceeding, then the filing, docketing, or assignment of the cause or proceeding in or to a county court at law is considered a clerical error and that clerical error shall be corrected by a judgment or order nunc pro tunc. The cause or proceeding is considered filed, docketed, or assigned to the district court of the local administrative judge in the first instance rather than to a county court at law of Kendall County. The judge of a county court at law of Kendall County who acts in the cause or proceeding is considered assigned to the district court of the local administrative judge for that purpose and has all the powers of the judge of that district court under the assignment.

SECTION 2. Notwithstanding Section 25.1321, Government Code, as added by this Act, the County Court at Law of Kendall County is created January 1, 2001, or on an earlier date determined by the commissioners court by an order entered in its minutes.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

HB 2450 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Haggerty called up with senate amendments for consideration at this time,

HB 2450, A bill to be entitled An Act relating to the discipline of certain individuals authorized to sell certain alcoholic beverages.

On motion of Representative Haggerty, the house concurred in the senate amendments to **HB 2450**.

Floor Amendment No. 1

Amend **HB 2450** on third reading as follows:

(1) In Section 1 of the bill on page 1, line 16, strike "and" and replace it with "or".

(2) In Section 2 of the bill on page 2, line 7, strike "and" and replace it with "or".

**HB 2660 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Swinford called up with senate amendments for consideration at this time,

HB 2660, A bill to be entitled An Act relating to state drought planning and preparation.

On motion of Representative Swinford, the house concurred in the senate amendments to **HB 2660** by (Record 394): 145 Yeas, 0 Nays, 1 Present, not m Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Grusendorf; Marchant; Oliveira.

Senate Committee Substitute

CSHB 2660, A bill to be entitled An Act relating to state drought planning and preparation.

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

SECTION 1. Subsection (h), Section 15.4061, Water Code, is amended to read as follows:

(h) The board shall require that regional water plans developed or revised under contracts entered into under this section be made available to the commission, the Department of Agriculture, and the Parks and Wildlife Department.

SECTION 2. Subsection (c), Section 15.7031, Water Code, is amended to read as follows:

(c) The dedication of any water rights placed in trust must be reviewed and approved by the commission, in consultation with the board and the

Parks and Wildlife Department. In addition, the Department of Agriculture may provide input to the commission, as appropriate, during the review and approval process for dedication of water rights.

SECTION 3. Subsections (c) and (j), Section 16.012, Water Code, are amended to read as follows:

(c) In performing the duties required under Subdivisions (1), (4), (5), (6), and (7) of Subsection (b), the executive administrator shall consider advice from the Parks and Wildlife Department. In addition, the Department of Agriculture may provide advice to the executive administrator, where appropriate, regarding any of the duties to be performed under Subsection (b).

(j) Within 90 days of completing a water availability model for a river basin, the commission, in coordination with the Parks and Wildlife Department and with input from the Department of Agriculture, where appropriate, shall determine the potential impact of reusing municipal and industrial effluent on existing water rights, instream uses, and freshwater inflows to bays and estuaries. Within 30 days of making this determination, the commission shall provide the projections to the board and each regional water planning group created under Section 16.053 of this code in that river basin.

SECTION 4. Subsection (d), Section 16.051, Water Code, is amended to read as follows:

(d) The board, in coordination with the commission, the Department of Agriculture, and the Parks and Wildlife Department, shall adopt by rule guidance principles for the state water plan which reflect the public interest of the entire state. When adopting guidance principles, due consideration shall be given to the construction and improvement of surface water resources and the application of principles that result in voluntary redistribution of water resources. The board shall review and update the guidance principles, with input from the commission, the Department of Agriculture, and the Parks and Wildlife Department, as necessary but at least every five years to coincide with the five-year cycle for adoption of a new water plan as described in Subsection (a).

SECTION 5. Subsection (c), Section 16.053, Water Code, is amended to read as follows:

(c) No later than 60 days after the designation of the regions under Subsection (b) [~~of this section~~], the board shall designate representatives within each regional water planning area to serve as the initial coordinating body for planning. The initial coordinating body may [shall] then designate additional representatives to serve on the regional water planning group. The initial coordinating body shall designate additional representatives if necessary to ensure[~~, ensuring~~] adequate representation from the interests comprising that region, including [but not limited to] the public, counties, municipalities, industries, agricultural interests, environmental interests, small businesses, electric generating utilities, river authorities, water districts, and water utilities. The regional water planning group shall maintain adequate representation from those interests. In addition, representatives of the board, the Parks and Wildlife Department, and the Department of Agriculture shall serve as ex officio members of each regional water planning group.

SECTION 6. Subsection (a), Section 16.054, Water Code, is amended to read as follows:

(a) It is the policy of the state that water resource management, water conservation, and drought planning should occur on an ongoing basis. The board, commission, and Parks and Wildlife Department shall make available where appropriate technical and financial assistance for such planning. In addition, the Department of Agriculture may provide input and assistance, as appropriate, for such planning.

SECTION 7. Section 16.055, Water Code, is amended to read as follows:

Sec. 16.055. DROUGHT RESPONSE PLAN. (a) The coordinator of the division of emergency management of the office of the governor is the state drought manager. ~~The state drought manager is [shall be]~~ responsible for managing and coordinating the drought response component of the state water plan.

(b) The drought preparedness council ~~[response and monitoring committee]~~ is created and shall meet as necessary to carry out the provisions of this section. The council ~~[committee]~~ is composed of one representative from each of the following entities, appointed by the administrative head of that entity:

(1) the division of emergency management of the office of the governor;

(2) the board;

(3) the commission;

(4) the Parks and Wildlife Department;

(5) the Department of Agriculture;

(6) the Texas Agricultural Extension Service; ~~[and]~~

(7) the State Soil and Water Conservation Board;

~~(8) the Texas Forest Service;~~

(9) the Texas Department of Transportation;

(10) the Texas Department of Economic Development; and

(11) a representative of groundwater management interests.

(c) The governor may designate any other person or a representative of any other entity to serve on the drought preparedness council ~~[committee]~~.

(d) The state drought manager ~~[representative of the division of emergency management]~~ shall serve as chair of the drought preparedness council ~~[committee]~~.

(e) The drought preparedness council ~~[committee]~~ shall be responsible for:

(1) the assessment and public reporting of drought monitoring and water supply conditions;

(2) advising the governor on significant drought conditions;

(3) recommending specific provisions for a defined state response to drought-related disasters for inclusion in the state emergency management plan and the state water plan;

(4) advising the regional water planning groups on drought-related issues in the regional water plans; ~~[and]~~

(5) ensuring effective coordination among state, local, and federal agencies in drought-response planning; and

(6) reporting to the legislature, not later than January 15 of each odd-numbered year, regarding significant drought conditions in the state.

(f) In performing its duties under this section, the drought preparedness council [~~response and monitoring committee~~] shall consider the following factors when determining whether a drought exists for the purposes of this section:

- (1) meteorological conditions and forecasts;
- (2) hydrological conditions and forecasts;
- (3) water use and demand forecasts;
- (4) water supply conditions and forecasts;
- (5) the potential impacts of the water shortage on:
 - (A) the public health, safety, and welfare;
 - (B) economic development; and
 - (C) agricultural and natural resources; and

(6) other factors deemed appropriate by the council [~~committee~~].

(g) Immediately upon the declaration under Section 418.014 or 418.108, Government Code, of a state of disaster in a county due to drought conditions, the county shall:

(1) publish notice of the declaration of the state of disaster in one or more newspapers having general circulation in the county; and

(2) give notice of the declaration of the state of disaster to:

(A) the chairman of the regional water planning group in which the county is located; and

(B) each person or entity located in the county that is required to develop a water conservation plan under Section 11.1271 or a drought contingency plan under Section 11.1272.

(h) On receipt of the notice under Subsection (g)(2)(B), the person or entity shall immediately implement the person's or entity's water conservation plan or drought contingency plan.

(i) Nothing in this section prevents a political subdivision or a person or entity required to develop a water conservation plan under Section 11.1271 or a drought contingency plan under Section 11.1272 from implementing water conservation measures.

SECTION 8. Subchapter C, Chapter 16, Water Code, is amended by adding Section 16.0551 to read as follows:

Sec. 16.0551. STATE DROUGHT PREPAREDNESS PLAN. (a) The drought preparedness council shall develop and implement a comprehensive state drought preparedness plan for mitigating the effects of drought in the state and shall periodically update the plan. The plan shall be separate from the state water plan.

(b) The plan shall provide for:

(1) timely and systematic data collection, analysis, and dissemination of drought-related information;

(2) an organizational structure that:

(A) assures information flow between and within levels of government;

(B) defines the duties and responsibilities of all agencies with respect to drought; and

(C) assures coordination between the state and federal governments through integration with applicable national drought policies;

(3) maintenance of an inventory of state and federal programs for assessing and responding to drought emergencies, together with updated recommendations regarding appropriate action;

(4) a mechanism to improve the timely and accurate assessment of drought impact on agriculture, industry, municipalities, wildlife, and the health of the natural resource base;

(5) provision of accurate and timely information to the media to keep the public informed of current conditions; and

(6) procedures to evaluate and revise the plan on a continuous basis to keep the plan responsive to state needs.

(c) The state drought manager shall use existing resources to develop an information and communications network to forecast and inform interested parties and the public of the potential for drought, including programs and staff of state agencies and other political subdivisions and of state institutions of higher education.

SECTION 9. Section 17.895, Water Code, is amended by adding Subsection (d) to read as follows:

(d) For purposes of this section, the board or lender districts may seek the advice of the Department of Agriculture regarding the feasibility of a project for which a conservation loan is sought.

SECTION 10. Subsection (a), Section 26.121, Water Code, is amended to read as follows:

(a) Except as authorized by the commission, no person may:

(1) discharge sewage, municipal waste, recreational waste, agricultural waste, or industrial waste into or adjacent to any water in the state;

(2) discharge other waste into or adjacent to any water in the state which in itself or in conjunction with any other discharge or activity causes, continues to cause, or will cause pollution of any of the water in the state, unless the discharge complies with a person's:

(A) certified water quality management plan approved by the State Soil and Water Conservation Board as provided by Section 201.026, Agriculture Code; or

(B) water pollution and abatement plan approved by the commission; or

(3) commit any other act or engage in any other activity which in itself or in conjunction with any other discharge or activity causes, continues to cause, or will cause pollution of any of the water in the state, unless the activity is under the jurisdiction of the Parks and Wildlife Department, the General Land Office, the Department of Agriculture, or the Railroad Commission of Texas, in which case this subdivision does not apply.

SECTION 11. Section 26.127, Water Code, is amended to read as follows:

Sec. 26.127. COMMISSION AS PRINCIPAL AUTHORITY. (a) The commission is the principal authority in the state on matters relating to the quality of the water in the state. The executive director has the responsibility for establishing a water quality sampling and monitoring program for the state. All other state agencies engaged in water quality or water pollution control activities shall coordinate those activities with the commission.

(b) The executive director may, on behalf of and with the consent of the commission, enter into contracts or other agreements with the Department of Agriculture for purposes of obtaining laboratory services for water quality testing.

SECTION 12. Subsection (e), Section 35.007, Water Code, is amended to read as follows:

(e) The executive director shall request a study from the executive director of the Parks and Wildlife Department for the purpose of preparing the report required by this section. The Department of Agriculture may also provide input to the executive director for purposes of the report. The study must:

(1) evaluate the potential effects of the designation of a priority groundwater management area on an area's natural resources; and

(2) be completed and delivered to the executive director on or before the 180th day following the date of the request. If the study is not delivered within this 180-day period, the executive director may proceed with the preparation of the report.

SECTION 13. Subsection (d), Section 35.012, Water Code, is amended to read as follows:

(d) The commission shall identify the areas subject to the order of the commission issued under Subsection (b) that have not been incorporated into a district and shall delineate proposed boundaries of a district to include those areas. If the commission proposes the creation of one or more districts, the Texas Agricultural Extension Service shall begin an educational program within such areas with the assistance and cooperation of the Texas Water Development Board, the commission, the Department of Agriculture, other state agencies, and existing districts to inform the residents of the status of the area's water resources and management options including possible formation of a district, before beginning the procedures for creation of a district provided in Subchapter B, Chapter 36.

SECTION 14. Subsection (d), Section 35.013, Water Code, is amended to read as follows:

(d) If the board votes to accept the addition of the priority groundwater management area to the district, the board:

(1) may request the Texas Agricultural Extension Service, the commission, and the Texas Water Development Board, with the cooperation and assistance of the Department of Agriculture and other state agencies, to administer an educational program to inform the residents of the status of the area's water resources and management options including possible annexation into a district;

(2) shall call an election within the priority groundwater management area as delineated by the commission to determine if the priority groundwater management area will be added to the district; and

(3) shall designate election precincts and polling places for the elections in the order calling an election under this subsection.

SECTION 15. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be

read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Senate Amendment No. 1

Amend **CSHB 2660** (Senate Committee Printing) as follows:

(1) On page 2, line 42, add a new Subsection (8) and renumber the subsequent Subsections so that the new Subsection (8) reads as follows:

(8) the Texas Department of Housing and Community Affairs;

(2) On page 2, line 46, insert "who is appointed by the governor" between the word "interests" and the period.

HB 2671 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative S. Turner called up with senate amendments for consideration at this time,

HB 2671, A bill to be entitled An Act relating to the admissibility of a statement made by a child and to the requirement that the Department of Protective and Regulatory Services notify the parent or guardian of certain children taken into possession by a law enforcement agency.

On motion of Representative S. Turner, the house concurred in the senate amendments to **HB 2671**. (Culberson recorded voting no)

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HB 2671** as follows:

SECTION 1, Section 51.095, Family Code, page 5, line 5, strike "questioning" insert "interrogation", page 5, line 8, strike "behavior" insert "conduct".

HB 2685 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Coleman called up with senate amendments for consideration at this time,

HB 2685, A bill to be entitled An Act relating to the execution of credit agreements and issuance of anticipation notes by certain school districts.

On motion of Representative Coleman, the house concurred in the senate amendments to **HB 2685**.

Senate Amendment No. 1

Amend **HB 2685** as follows:

(1) Add a new Section 2 of the bill (Committee Printing page 1, between lines 55 and 56) to read as follows and renumber subsequent sections accordingly:

SECTION 2. Section 2, Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes), is amended by adding Subsection (d) to read as follows:

(d) An issuer that is an independent school district may not issue obligations under this article unless such obligations are authorized in accordance with the provisions of Section 45.003, Education Code.

(2) In Sec. 3, Article 717w, Revised Statute (Committee Printing page 2, lines 21-32), strike Subsection (b) and substitute the following new Subsection (b):

(b) The governing body of an eligible school district may authorize anticipation notes for:

(1) any or all of the purposes described in Section 3(a) (3), (4), and (5) of this section; or

(2) paying a contractual obligation incurred or to be incurred for the purchase of materials, supplies, equipment, and machinery for an issuer's authorized needs and purposes.

(3) In Section 6(e), Article 717w, Revised Statutes (Committee Printing page 2, line 59), after "Anticipation notes issued for a purpose described by Section 3(a) (1), (2), or (3)", insert "or Section 3 (b) (2)".

HB 2725 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Pickett called up with senate amendments for consideration at this time,

HB 2725, A bill to be entitled An Act relating to the collection of costs in criminal cases.

On motion of Representative Pickett, the house concurred in the senate amendments to **HB 2725** by (Record 395): 145 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Coleman; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbrank.

Present, not voting — Mr. Speaker(C); Clark; Hartnett.

Absent, Excused — Corte.

Absent — Oliveira.

Senate Amendment No. 1

Amend **HB 2725** as follows:

(1) In Section 2 of the bill, strike the existing subsection (b) and substitute the following in its place:

(b) A commissioners court that enters into a contract with a private attorney under this article may authorize the addition of attorneys fees in the amount of 28% on each debt or account receivable which is more than 60 days past due and has been referred to the attorney for collection.

(2) In Section 2 of the bill, add a subsection (c) to read as follows:

(c) A defendant is not liable for the attorneys fees authorized under subsection (b) if a court has determined the defendant is indigent, or has insufficient resources or income, or is other wise unable to pay all or part of the underlying fine or costs.

**HB 2846 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Brimer called up with senate amendments for consideration at this time,

HB 2846, A bill to be entitled An Act relating to a requirement that a county sheriff provide to the commissioners court of the county certain contracts regarding the county jail commissary.

On motion of Representative Brimer, the house concurred in the senate amendments to **HB 2846**. (Berman, Howard, and Keel recorded voting no)

Senate Committee Substitute

CSHB 2846, A bill to be entitled An Act relating to the operation of a commissary in the county jail in certain counties.

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

SECTION 1. Section 351.0415, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) The sheriff of a county containing two or more municipalities each with a population of 250,000 or more shall provide to the commissioners court of the county each contract the sheriff makes under this section relating to the commissary. The sheriff shall provide the contract within 10 days after the date the contract is made.

SECTION 2. The change in law made by this Act by the addition of Section 351.0415(e), Local Government Code, applies only to a contract made on or after the effective date of this Act. A contract made before the effective date of this Act is governed by the law in effect when the contract was made, and the former law is continued in effect for that purpose.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

**HB 2867 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Dunnam called up with senate amendments for consideration at this time,

HB 2867, A bill to be entitled An Act relating to a program that allows institutions of higher education in Texas to match a scholarship offered to Texas students by out-of-state institutions.

On motion of Representative Dunnam, the house concurred in the senate amendments to **HB 2867** by (Record 396): 143 Yeas, 1 Nays, 1 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Chavez; Chisum; Christian; Clark; Coleman; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Siebert; Smith; Smithe; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough.

Nay — Hartnett.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Carter; McReynolds; Shields; Zbranek.

STATEMENT OF VOTE

When Record No. 396 was taken, I was in the house but away from my desk. I would have voted yes.

Shields

Senate Committee Substitute

CSHB 2867, A bill to be entitled An Act relating to a program that allows institutions of higher education in Texas to match a scholarship offered to Texas students by out-of-state institutions.

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

SECTION 4. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.086 to read as follows:

Sec. 61.086. MATCHING SCHOLARSHIPS TO RETAIN STUDENTS IN TEXAS. (a) The board shall adopt rules that allow a public or private or independent institution of higher education to use any funds appropriated to the institution or that the institution may use for the award of scholarships or grants to match, in whole or in part, any nonathletic scholarship or grant offer, including an offer of the payment of tuition, fees, room and board, or a stipend, received by a graduate of a Texas public or private high school from an out-of-state institution of higher education. The rules shall provide for verifying that an out-of-state institution has made a nonathletic scholarship or grant offer to a student and the amount of the offer. The board may adopt any other rule necessary to implement this section.

(b) In adopting rules under this section, the board may not require an institution to match a scholarship or grant offer.

SECTION 5. (a) The Texas Higher Education Coordinating Board shall adopt rules relating to matching scholarships as provided by Section 61.086, Education Code, as added by this Act, not later than September 1, 1999.

(b) Not later than December 31, 2000, the Texas Higher Education Coordinating Board shall report on the initial implementation of this Act. The report shall include a description of the number of Texas high school students who leave the state to attend out-of-state institutions of higher education and a description of any method used to retain Texas students at Texas institutions of higher education. The coordinating board shall deliver the report to the presiding officer of the standing committee on higher education in each house of the legislature.

SECTION 6. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Senate Amendment No. 1

Amend **CSHB 2867** as follows:

(1) In SECTION 1 of the bill, in added Section 61.086, Education Code (Committee printing page 1, between lines 30 and 31), insert the following:

(c) Each public or private or independent institution of higher education shall report to the board all scholarships or grants offered by out-of-state institutions for which the reporting institution offered a matching scholarship or grant under this section and all scholarships or grants offered or awarded by the reporting institution under this section and the methods used to encourage Texas high school graduates to attend that institution. The report shall include the race or ethnicity and gender of each person to whom that institution offered or awarded a scholarship or grant, the high school from which the person graduated, the out-of-state institution that offered the scholarship or grant, and the value and type of each scholarship or grant.

(2) In SECTION 2 of the bill, strike Subsection (b) (Committee printing page 1, lines 35 through 43) and substitute the following:

(b) Not later than December 31, 2000, the Texas Higher Education

Coordinating Board shall report on the initial implementation of this Act. The report shall include a description of the students to whom scholarships were offered and awarded as reported to the coordinating board by each institution covered by Section 61.086, Education Code, as added by this Act. The report shall also include a description of the methods used by each institution to encourage Texas high school graduates to attend Texas institutions of higher education. The coordinating board shall deliver the report to the presiding officer of the standing committee on higher education in each house of the legislature.

**HB 2960 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative D. Jones called up with senate amendments for consideration at this time,

HB 2960, A bill to be entitled An Act relating to the evaluation of proposals for contracts by institutions of higher education for energy conservation measures.

Representative D. Jones moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 2960**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 2960**: D. Jones, chair, R. Lewis, Williams, Woolley, and Driver.

**HB 3158 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative McClendon called up with senate amendments for consideration at this time,

HB 3158, A bill to be entitled An Act relating to terms of trustees of certain special-purpose school districts.

Representative McClendon moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 3158**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 3158**: McClendon, chair, Dutton, A. Reyna, J. F. Solis, and Lengefeld.

**HB 3224 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Capelo called up with senate amendments for consideration at this time,

HB 3224, A bill to be entitled An Act relating to the issuance of public securities by or on behalf of the state and political subdivisions.

On motion of Representative Capelo, the house concurred in the senate amendments to **HB 3224**.

Senate Amendment No. 1

Amend **HB 3224** as follows:

(1) In SECTION 2 of the bill, in the introductory language (senate committee report, page 1, lines 18 and 19), strike "by amending the heading and Subsection (a)".

(2) In SECTION 2 of the bill, in amended Section 1201.027(a), Government Code (senate committee report, page 1, lines 21-22), strike "The governing body of an issuer [a" and substitute "An issuer [~~The governing body of a~~".

(3) In SECTION 2 of the bill, in amended Section 1201.027(a), Government Code (senate committee report, page 1, line 27), strike "governing body" and substitute "issuer".

(4) In SECTION 2 of the bill, following amended Section 1201.027(a), Government Code (senate committee report, page 1, between lines 35 and 36), insert the following:

(b) Subsection (a) does not impair the authority of the attorney general under Section 402.0212 to approve a contract for legal services entered into by a state agency.

(c) Except as provided by Subsection (b), to [Fø] the extent of a conflict between this section and another law or a municipal charter, this section controls.

HJR 71 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Homer called up with senate amendments for consideration at this time,

HJR 71, A joint resolution proposing a constitutional amendment to provide for the number of precincts that certain counties must create for justices of the peace and constables.

On motion of Representative Homer, the house concurred in the senate amendments to **HJR 71** by (Record 397): 145 Yeas, 1 Nays, 1 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberson; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee;

Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Palmer; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Nay — Staples.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Corte.

Absent — Grusendorf; Shields.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HJR 71** as follows:

On page 2, line 13, strike "may" and substitute "shall".

HR 1023 - ADOPTED

(by Noriega)

Representative Noriega moved to suspend all necessary rules to take up and consider at this time **HR 1023**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1023, In memory of Ryan Gabriel Smith of Austin.

HR 1023 was unanimously adopted by a rising vote.

HR 1026 - ADOPTED

(by Gray)

The following privileged resolution was laid before the house:

HR 1026

BE IT RESOLVED by the House of Representatives of the State of Texas, 76th Legislature, Regular Session, 1999, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on Senate Bill No. 445, relating to a child health plan for certain low-income children, to consider and take action on the following matter:

House Rule 13, Section 9(a)(1), is suspended to permit the committee to change the text of Section 109.203, Health and Safety Code, in SECTION 2 of the bill, so that the section reads as follows:

Sec. 109.203. ELIGIBILITY. Notwithstanding any other provision of this chapter or the eligibility criteria established under Section 109.061, an individual who is eligible for coverage under the state child health plan, as determined by the commission, is eligible for state child health plan coverage provided through the corporation under this subchapter.

Explanation: This change is necessary to clarify the meaning of Section 109.203, Health and Safety Code, as added by S.B. No. 445.

HR 1026 was adopted without objection.

CSSB 7 - (consideration continued)

Amendment No. 37

Representative Uher offered the following amendment to **CSSB 7**:

Floor Packet Page No. 50

Amend **CSSB 7** as follows:

(1) In SECTION 40 of the bill, between proposed Sections 39.901 and 39.902, Utilities Code (house committee printing page 142, between lines 21 and 22), insert the following:

Sec. 39.9015. PROPERTY TAX LOSS REIMBURSEMENT FOR CERTAIN TAXING UNITS. (a) In this section, "affected taxing unit" means a taxing unit, as defined by Section 1.04, Tax Code, other than a school district, that levied an ad valorem tax on a nuclear asset of an electric utility on January 1, 1999.

(b) Not later than August 1 of each year, the chief appraiser of each appraisal district in which a nuclear asset of an electric utility was located on January 1, 1999, shall determine for each affected taxing unit that participates in the appraisal district the amount, if any, by which the taxable value of the nuclear asset has decreased from the preceding tax year to the current tax year as a direct result of electric utility restructuring.

(c) Not later than August 15 of each year, a chief appraiser required to make a determination under Subsection (b) shall certify in a written report delivered to the comptroller:

(1) the amount of any reduction in the taxable value of the asset determined under Subsection (b) for each affected taxing unit that participates in the appraisal district; and

(2) the tax rate for the preceding tax year for each affected taxing unit.

(d) Not later than September 1 of each year, the comptroller shall:

(1) examine, verify, and correct, if necessary, the information in each report received under Subsection (c);

(2) determine, as provided by Subsection (f), the amount of reimbursement to which each affected taxing unit is entitled for any reduction in the taxable value of a nuclear asset of an electric utility that has occurred from the preceding tax year to the current tax year as a direct result of electric utility restructuring; and

(3) notify the commission of the amount of reimbursement determined under Subdivision (2).

(e) Not later than November 1 of each year, the commission shall transfer from the system benefit fund to each affected taxing unit that is entitled to reimbursement the amount of the taxing unit's reimbursement determined by the comptroller.

(f) The comptroller shall determine the amount of reimbursement to which

an affected taxing unit is entitled for a year by multiplying the tax rate of the taxing unit for the preceding tax year by the amount of the reduction in the taxable value of the nuclear asset from the preceding tax year to the current tax year as a direct result of electric utility restructuring.

(g) This section expires December 31, 2007.

(2) In SECTION 40 of the bill, strike proposed Section 39.903(e), Utilities Code (house committee printing page 144, lines 20-26), and substitute the following:

(e) The system benefit fund shall provide funding solely for:

(1) customer education programs;

(2) programs to assist low-income electric customers provided by Subsections (f)-(k);

(3) the school funding loss mechanism under Section 39.901; and

(4) the property tax loss reimbursement paid to taxing units under Section 39.9015.

Amendment No. 38

Representative Uher offered the following amendment to Amendment No. 37:

Amend the Uher amendment to **SB 7** as follows:

(1) Strike proposed Section 39.9015 of the Utilities Code (page 1 line 5 through page 2, line 20) and substitute the following:

Sec. 39.9015. INTERIM STUDY ON AFFECTED TAXING UNITS.

(a) The lieutenant governor and speaker of the house of representatives shall appoint an interim committee to conduct an interim study and make recommendations regarding the effect of electric utility restructuring on the tax revenue of taxing units, as defined by Section 1.04, Tax Code, other than school districts, that levied an ad valorem tax on a nuclear asset of an electric utility on January 1, 1999.

(b) Not later than January 1, 2001, the interim committee shall file with the lieutenant governor and speaker of the house of representatives a report containing an evaluation of:

(1) the fiscal impact of electric utility restructuring on taxing units; and

(2) recommendations to mitigate any reduction in tax revenue to affected taxing units, including allocations from the system benefit fund.

(c) This section expires January 2, 2001.

Sec. 39.9016. NUCLEAR SAFETY FEE. An electric utility that operates a nuclear asset located in a county on the coast of the Gulf of Mexico shall pay a nuclear safety fee for the year 2000 and the year 2001 to each taxing unit in which the nuclear asset is located, other than a school district, in an amount equal to the difference between the ad valorem taxes imposed by the taxing unit in 1999 and the amount of ad valorem taxes imposed the unit in the year for which the fee is due, except that the amount of the fee may not exceed one-half the taxes imposed on the asset by the unit in 1999. The nuclear safety fee shall be considered a tax or fee under Section 39.258 (5).

(2) Strike the text on page 2, line 21, through page 3, line 1.

Amendment No. 38 was adopted without objection.

Amendment No. 37, as amended, was adopted without objection.

Amendment No. 39

Representative Luna offered the following amendment to **CSSB 7**:

Floor Packet Page No. 56

Amend **CSSB 7** (House committee report) as follows:

(1) In Section 39.902, Utilities Code, as added by SECTION 40 of the bill (page 143, between lines 23 and 24), insert a new Subsection (d) to read as follows:

(d) The commission may not fund the educational program required by this section with money from the system benefit fund.

(2) In Section 39.903(e), Utilities Code, as added by Section 40 of the bill (page 144, lines 22-24), strike Subdivisions (1) and (2) and substitute new Subdivisions (1) and (2) to read as follows:

(1) programs to assist low-income electric customers provided by Subsections (f)-(k);

(2) programs to educate customers about the low-income electric customers' assistance program provided by Subsections (f)-(k); and

Amendment No. 40

Representative Luna offered the following amendment to Amendment No. 39:

Amend the Luna amendment (page 56) to **CSSB 7** by striking the text of the amendment and substituting the following:

Amend **CSSB 7** in Section 39.902, Utilities Code, as added by SECTION 40 of the bill (House committee report page 143, line 5), by inserting between "necessary." and "The" the following:

The educational program shall inform customers of their rights and of the protections available through the commission and the office. The educational program may not duplicate customer information efforts undertaken by retail electric providers or other private entities.

Amendment No. 40 was adopted without objection.

Amendment No. 39, as amended, was adopted without objection.

Vote Reconsidered - Amendment No. 37

Representative Uher moved to reconsider the vote by which Amendment No. 37 was adopted.

The motion to reconsider prevailed.

Vote Reconsidered - Amendment No. 38

Representative Uher moved to reconsider the vote by which Amendment No. 38 was adopted.

The motion to reconsider prevailed.

Amendment No. 38 was withdrawn.

Amendment No. 41

Representative Uher offered the following amendment to Amendment No. 37:

Amend the Uher amendment to **SB 7** as follows:

(1) Strike proposed Section 39.9015 of the Utilities Code (page 1 line 5 through page 2, line 20) and substitute the following:

Sec. 39.9015. INTERIM STUDY ON AFFECTED TAXING UNITS.

(a) The lieutenant governor and speaker of the house of representatives shall appoint an interim committee to conduct an interim study and make recommendations regarding the effect of electric utility restructuring on the tax revenue of taxing units in a county on the coast of the Gulf of Mexico, as defined by Section 1.04, Tax Code, other than school districts, that levied an ad valorem tax on a nuclear asset of an electric utility on January 1, 1999.

(b) Not later than January 1, 2001, the interim committee shall file with the lieutenant governor and speaker of the house of representatives a report containing an evaluation of:

(1) the fiscal impact of electric utility restructuring on taxing units;
and

(2) recommendations to mitigate any reduction in tax revenue to affected taxing units, including allocations from the system benefit fund.

(c) This section expires January 2, 2001.

Sec. 39.9016. NUCLEAR SAFETY FEE. An electric utility that operates a nuclear asset located in a county on the coast of the Gulf of Mexico shall pay a nuclear safety fee for the year 2000 and the year 2001 to each taxing unit in which the nuclear asset is located, other than a school district, in an amount equal to the difference between the ad valorem taxes imposed by the taxing unit in 1999 and the amount of ad valorem taxes imposed the unit in the year for which the fee is due, except that the amount of the fee may not exceed one-half the taxes imposed on the asset by the unit in 1999. The nuclear safety fee shall be considered a tax or fee under Section 39.258 (5).

(2) Strike the text on page 2, line 21, through page 3, line 1.

Amendment No. 41 was adopted without objection.

Amendment No. 37, as amended, was adopted without objection.

Amendment No. 42

Representative Zbraneck offered the following amendment to **CSSB 7**:

Floor Packet Page No. 58

Amend **CSSB 7** (Draft #76R16147) on page 144 line 4 by adding an "(a)" between the "." and "Except"; and by adding a new subsection (b) to read as follows:

(b)(1) The commission shall analyze the financial problems of the municipal power agency, described in (2) of this subsection. Before September 1, 2000, the present recommendations for solving the problems to the Speaker of the House of Representatives, the Lieutenant Governor, the members of the Legislature, the Governor and the agency.

(2) This subsection applies to a municipal power agency as defined by Chapter 163, that has stranded costs in excess of \$6,000 per customer as determined by the April 1998 Report to the Texas Senate Interim Committee on Electric Restructuring entitled "Potentially Strandable Investment (ECOM) Report: 1998 Update."

Amendment No. 43

Representative Zbraneck offered the following amendment to Amendment No. 42:

Amend the Zbraneck amendment to **CSSB 7** by striking the text of the amendment and substituting the following:

Amend **CSSB 7** by adding a new appropriately numbered Section to read as follows and renumbering subsequent Sections accordingly:

SECTION _____. Subchapter A, Chapter 163, Utilities Code, is amended by adding Section 163.002 to read as follows:

Sec. 163.002. REPORT ON PROBLEMS. (a) The commission shall analyze the financial problems of the municipal power agency, described in subsection (b). Before September 1, 2000, the present recommendations for solving the problems to the Speaker of the House of Representatives, the Lieutenant Governor, the members of the Legislature, the Governor and the agency.

(b) This subsection applies to a municipal power agency as defined by this chapter, that has stranded costs in excess of \$6,000 per customer as determined by the April 1998 Report to the Texas Senate Interim Committee on Electric Restructuring entitled "Potentially Strandable Investment (ECOM) Report: 1998 Update."

Amendment No. 43 was adopted without objection.

Amendment No. 42, as amended, was adopted without objection.

Amendment No. 44

Representative Longoria offered the following amendment to **CSSB 7**:
Floor Packet Page No. 60

Amend **CSSB 7** in Section 39.904, Utilities Code, in SECTION 37 of the bill (House Substitute page 136, line 18), by adding a new subsection (e) as follows:

(e) A municipally owned utility operating a gas distribution system may credit toward satisfaction of the requirements of this section any production or acquisition of landfill gas supplied to the gas distribution system, based on conversion to kilowatt hours of the thermal energy content in BTUs of the renewable source and using for the conversion factor the systemwide average heat rate of the gas-fired units of the combined utility's electric system as measured in BTU/kwh.

Amendment No. 45

Representative Longoria offered the following amendment to Amendment No. 44:

Amend the proposed Longoria amendment to **CSSB 7** (page 60) by striking the text of the amendment and substituting the following:

Amend **CSSB 7** in Section 39.904, Utilities Code, as added by SECTION 40 of the bill (page 148, between lines 9 and 10) by adding a new Subsection (f) to read as follows:

(f) A municipally owned utility operating a gas distribution system may credit toward satisfaction of the requirements of this section any production or acquisition of landfill gas supplied to the gas distribution system, based on conversion to kilowatt hours of the thermal energy content in BTUs of the renewable source and using for the conversion factor the systemwide average heat rate of the gas-fired units of the combined utility's electric system as measured in BTUs per kilowatt hour.

Amendment No. 45 was adopted without objection.

Amendment No. 44, as amended, was adopted without objection.

Amendment No. 46

Representatives Junell and Oliveira offered the following amendment to **CSSB 7**:

Floor Packet Page No. 61

Amend **CSSB 7** as follows:

(1) Strike Sections 39.9044 and 39.9048, Utilities Code, as added by SECTION 40 of the bill (page 148, line 10 through page 150, line 18).

(2) Strike SECTIONS 58 and 59 of the bill (page 209, line 16 through page 210, line 14) and renumber subsequent SECTIONS appropriately.

Amendment No. 47

Representatives Merritt and Junell offered the following amendment to Amendment No. 46:

Amend the proposed Junell amendment to **CSSB 7** (page 61) by striking lines 2-4 and substituting the following:

(1) Strike Section 39.9048, Utilities Code, as added by SECTION 40 of the bill (House committee report page 150, lines 7-18), and substitute a new Section 39.9048 (necessary to remove the references to the tax exemptions) to read as follows:

Sec. 39.9048. NATURAL GAS FUEL. It is the intent of the legislature that:

(1) the cost of generating electricity remain as low as possible; and
(2) the state establish and publicize a program to keep the costs of fuel, such as natural gas, used for generating electricity low.

Amendment No. 47 was adopted without objection.

Amendment No. 46, as amended, was adopted without objection.

Amendment No. 48

Representative Haggerty offered the following amendment to **CSSB 7**:

Floor Packet Page No. 62

Amend **CSSB 7** by striking Section 39.905, Utilities Code, as added by SECTION 40 of the bill (House Committee Report page 150, line 19, through page 151, line 15), and substituting a new Section 39.905 to read as follows:

Sec. 39.905. GOAL FOR ENERGY EFFICIENCY. (a) It is the goal of the legislature that:

(1) retail electric providers, and municipally owned utilities and electric cooperatives serving in areas in which customer choice has been introduced, provide energy savings incentive programs and customer information about energy efficiency; and

(2) all customers, in all customer classes, have a choice of and access to energy efficiency alternatives and other choices from the market that allows each customer to reduce energy consumption and reduce energy costs.

(b) The commission may condition issuance of a certificate under Section 39.352 on a commitment to provide reasonable energy savings incentive programs and customer information about energy efficiency.

Amendment No. 49

Representatives R. Lewis, Longoria, and Haggerty offered the following amendment to Amendment No. 48:

Amend the Haggerty amendment to **CSSB 7** (page 62) on page 1 by striking lines 7-19 and substituting:

(1) electric utilities will administer energy savings incentive programs in a market neutral, nondiscriminatory manner, but will not offer underlying competitive services;

(2) all customers, in all customer classes, have a choice of and access to energy efficiency alternatives and other choices from the market that allows each customer to reduce energy consumption and reduce energy costs; and

(3) each electric utility will provide, through market-based standard offer programs or limited, targeted, market transformation programs, incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency equivalent to at least 10 percent of the electric utility's annual growth in demand.

(b) The commission shall provide oversight and adopt rules and procedures, as necessary, to ensure that the goal of this section is achieved by January 1, 2004.

Amendment No. 49 was adopted without objection.

Amendment No. 48, as amended, was adopted without objection.

Amendment No. 50

Representative McClendon offered the following amendment to **CSSB 7**:
Floor Packet Page No. 64

Amend **CSSB 7** in Section 39.907(c), Utilities Code, as added by SECTION 40 of the bill (House Committee report page 152, line 7), by adding at the end of Subsection (c) the following:

"In making appointments to the committee, the appointing officials shall attempt to appoint persons who represent the gender composition, minority populations, and geographic regions of the state."

Amendment No. 50 was adopted.

Amendment No. 51

Representative Y. Davis offered the following amendment to **CSSB 7**:

Floor Packet Page No. 65

Amend **CSSB 7** in Subchapter Z, Chapter 39, Utilities Code, as added by SECTION 40 of the bill (page 153, between lines 16 and 17), by adding a new Section 39.909 to read as follows:

Sec. 39.909. PLAN AND REPORT OF WORKFORCE DIVERSITY AND OTHER BUSINESS PRACTICES. (a) In this section, "small business" and "historically underutilized business" have the meanings assigned by Section 481.191, Government Code.

(b) Before January 1, 2000, each electric utility and electric cooperative shall develop and submit to the commission a comprehensive seven-year plan to enhance diversity of its workforce in all occupational categories and for increasing contracting opportunities for small and historically underutilized businesses. The plan must consist of:

(1) the electric utility's or electric cooperative's historical and current performance with regard to workforce diversity and contracting with small and historically underutilized businesses;

(2) specific goals that the electric utility or electric cooperative will pursue in these areas over the period of the plan;

(3) specific programs, strategies, and activities the electric utility or electric cooperative will undertake to achieve each of those goals; and

(4) the business partnership initiatives the electric utility or electric cooperative will undertake to facilitate small and historically underutilized business entry into the electric energy market as generators and retail energy providers.

(c) The commission by rule shall establish a comprehensive set of incentives to facilitate small and historically underutilized business entry into the electric energy market as generators and retail energy providers.

(d) Each electric utility and electric cooperative shall submit an annual report to the commission and the legislature relating to its efforts to improve workforce diversity and contracting opportunities for small and historically underutilized businesses. The report must be submitted by the electric utility or electric cooperative to the commission. The report must include:

(1) the diversity of the electric utility's or electric cooperative's workforce as of the time of the report;

(2) the electric utility's or electric cooperative's level of contracting with small and historically underutilized businesses;

(3) the specific progress made under the plan under Subsection (b);

(4) the specific strategies, programs, and activities undertaken under the plan during the preceding year;

(5) an assessment of the success of each of those strategies, programs, and activities;

(6) the extent to which the electric utility or electric cooperative has carried out its functions through contracts or joint ventures with unaffiliated private entities, including small and historically underutilized businesses; and

(7) the specific goals, strategies, programs, and activities the electric utility or electric cooperative will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses.

(e) This section applies to a retail electric provider on certification. The retail electric provider shall submit a plan under Subsection (b) before the first anniversary of the date of certification and submit annual reports after submission of the plan as provided by Subsection (d).

Amendment No. 52

Representative Y. Davis offered the following amendment to Amendment No. 51:

Amend the proposed Davis amendment (page 65) to **CSSB 7** as follows:

- (1) On page 1, line 10, strike "seven-year" and substitute "five-year".
- (2) On page 1, line 18, strike "specific goals" and substitute "initiatives".
- (3) On page 1, line 21, strike "specific programs, strategies" and substitute "a listing of programs".
- (4) On page 1, line 23, strike "goals" and substitute "initiatives".
- (5) On page 1, line 24, strike "the business" and substitute "a listing of the business".
- (6) On page 2, line 2, strike the period and substitute "taking into account opportunities for contracting and joint ventures".
- (7) On page 2, strike lines 3-6.
- (8) On page 2, line 7, strike "(d)" and substitute "(c)".
- (9) On page 2, line 22, strike "strategies" and substitute "initiatives".
- (10) On page 2, line 25, strike "strategies" and substitute "initiatives".
- (11) On page 2, line 27, strike "functions through" and substitute "initiatives to facilitate opportunities for".
- (12) On page 3, lines 1 and 2, strike "unaffiliated private entities, including".
- (13) On page 3, line 3, strike "specific goals, strategies" and substitute "initiatives".
- (14) On page 3, strike lines 8-12.
- (15) Strike "or electric cooperative", "and electric cooperative", "or electric cooperative's", and "and electric cooperative's" each time those occur.

Amendment No. 52 was adopted without objection.

A record vote was requested.

The vote of the house was taken on the adoption of Amendment No. 51, as amended, and the vote was announced yeas 72, nays 72.

A verification of the vote was requested and was granted.

The roll of those voting yea and nay was again called and the verified vote resulted, as follows (Record 398): 70 Yeas, 71 Nays, 2 Present, not voting.

Yeas — Alvarado; Bailey; Bosse; Brimer; Burnam; Capelo; Chavez; Coleman; Cuellar; Danburg; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Farabee; Farrar; Flores; Gallego; Garcia; Giddings; Glaze; Goodman; Gray; Greenberg; Gutierrez; Haggerty; Hinojosa; Hochberg; Hodge; Homer; Jones, J.; King, T.; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Maxey; McClendon; McReynolds; Moreno, J.; Moreno, P.; Najera; Oliveira; Olivo; Pickett; Puente; Rangel; Ritter; Sadler; Salinas; Smith; Smithee; Solis, J.; Solis, J. F.; Telford; Thompson; Tillery; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Wise; Wolens; Yarbrough; Zbranek.

Nays — Alexander; Allen; Averitt; Berman; Bonnen; Brown, B.; Brown, F.; Carter; Chisum; Christian; Clark; Cook; Crabb; Craddick; Culberson; Davis, J.; Delisi; Denny; Driver; Eiland; Elkins; Ellis; George; Goolsby; Green; Grusendorf; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, D.; Junell; Keel; Keffer; King, P.; Krusee; Kuempel; Madden; Marchant; McCall; Merritt; Morrison; Mowery; Nixon; Pitts; Ramsay; Reyna, E.; Seaman; Shields; Siebert; Solomons; Staples; Swinford; Talton; Truitt; Walker; West; Williams; Wohlgemuth; Woolley.

Present, not voting — Mr. Speaker(C); Noriega.

Absent, Excused — Corte.

Absent — Counts; Crownover; Naishtat; Palmer; Reyna, A.; Wilson.

The speaker stated that Amendment No. 51 failed of adoption by the above vote.

Amendment No. 53

Representative Wolens offered the following amendment to **CSSB 7**:
Floor Packet Page No. 70

Amend **CSSB 7** as follows:

Amend Subsection 40.003(e) on page 157, line 21, by striking the word "nonbypassable" between "any" and "transition", and on line 26, by striking the word "nonbypassable" before the word "transition".

Amendment No. 53 was adopted without objection.

LEAVES OF ABSENCE GRANTED

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

Palmer on motion of Wohlgemuth.

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

A. Reyna on motion of Danburg.

CSSB 7 - (consideration continued)

Amendment No. 54

Representatives B. Turner and Gallego offered the following amendment to **CSSB 7**:

Floor Packet Page No. 68

Amend **CSSB 7** in Subchapter Z, Chapter 39, Utilities Code, as added by SECTION 40 of the bill (House committee report page 153, between lines 16 and 17) by adding a new Section 39.909 to read as follows:

Sec. 39.909. RURAL UNIVERSAL SERVICE FUND. (a) The commission shall adopt rules consistent with this section to establish a rural universal service fund to provide monthly payments during the transition to retail customer choice that will ensure that rural consumers have equal access to competitively priced electric energy and to offset high distribution costs in rural areas. The fund shall be established not later than January 1, 2000.

(b) The fund shall be funded by a charge of 15 cents per megawatt hour, assessed at the generator, for all non-cooperative and municipal generation sold in this state.

(c) The commission shall determine the eligibility criteria and methods for the allocation of the total available funds to rural electric cooperatives participating in the fund. Eligibility and allocations shall be based on a retail electric utility's distribution costs or density of its customers or sales.

(d) An electric cooperative receiving payments from the fund shall use the money to reduce its distribution plant balances or for other purposes to achieve a long-term reduction to its cost of providing distribution service. The commission may not impose restrictions on eligibility or use of money from the fund except as provided by this section.

(e) During 2010 the commission shall assess the need for the fund and report the results of this assessment to the legislature before February 1, 2011.

Amendment No. 55

Representative Gallego offered the following amendment to Amendment No. 54:

Amend the proposed Gallego/Turner amendment to **CSSB 7** (page 68; page 1, line 15) by striking "municipal" and substituting "nonmunicipal".

Amendment No. 55 was adopted without objection.

Amendment No. 56

Representative S. Turner offered the following amendment to Amendment No. 54:

Amend the Gallego/Turner amendment to **CSSB 7** (page 68) in Subsection (b) of the proposed Section 39.909, Utilities Code, by striking "in this state" (page 1, line 15) and substituting "to a rural electric cooperative participating in the fund or to a customer of such a cooperative".

Amendment No. 56 was withdrawn.

Representative Wolens moved to table Amendment No. 54.

The motion to table prevailed.

Amendment No. 57

Representative Wolens offered the following amendment to **CSSB 7**:

Floor Packet Page No. 71

Amend **CSSB 7** in Section 40.004(6), Utilities Code, as added by SECTION 40 of the bill (House committee report page 158, line 27), by striking "energy credits program under Section 39.904(b)" and substituting "energy credits program under Section 39.904(b) and the natural gas energy credits program under Section 39.9044(b)".

Amendment No. 57 was adopted without objection.

Amendment No. 58

Representative Puente offered the following amendment to **CSSB 7**:

Floor Packet Page No. 72

Amend **CSSB 7**, page 159 by striking "or a body vested with the power to manage and operate a municipally owned utility"

Amendment No. 58 was withdrawn.

Amendment No. 59

Representative Gallego offered the following amendment to **CSSB 7**:

Floor Packet Page No. 73

Amend **CSSB 7** by adding the following appropriately numbered SECTION to the bill and renumbering SECTIONS appropriately:

SECTION _____. Subchapter C, Chapter 161, Utilities Code, is amended by adding Section 161.126 to read as follows:

Sec. 161.126. ADDITIONAL PURPOSES AND POWERS OF BORDER ELECTRIC COOPERATIVE. (a) In addition to the other powers provided by this subchapter, an electric cooperative that serves retail customers in a county that is contiguous to an international border may provide, directly or through an affiliate, the following services within any portion of the electric cooperative's retail electric service area or areas contiguous to its retail electric service area:

(1) rural community utility and utility-related services, including:

(A) water and sewer services, subject to compliance with the requirements of a public utility under Chapter 13, Water Code;

(B) Internet services; and

(C) telephone answering services and other communications services, excluding telecommunications services governed by Subtitle C, Title 2;

(2) management or operating services to or for another electric cooperative or another entity engaged in purposes authorized by this subchapter; and

(3) economic and industrial development promotion through participation as a borrower or lender under a federal program.

(b) This section does not authorize an electric cooperative to provide retail electric service to an area other than an area the cooperative is authorized to serve under a certificate issued under Chapter 37.

(c) The electric cooperative has all powers, including the power to borrow

money, necessary or appurtenant to the purposes and powers provided by Subsection (a).

(d) The additional purposes and powers provided under this section for an electric cooperative described by Subsection (a) may not be construed to limit the general purposes and powers granted to an electric cooperative under Section 161.121.

(A. Reyna now present)

Representative Wolens moved to table Amendment No. 59.

The motion to table prevailed.

Amendment No. 60

Representative Culberson offered the following amendment to **CSSB 7**:
Floor Packet Page No. 75

Amend **CSSB 7** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 161.121, Utilities Code, as amended by Section 18.15, **SB 1368**, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

Sec. 161.121. GENERAL POWERS. (a) An electric cooperative may:

- (1) sue and be sued in its corporate name;
- (2) adopt and alter a corporate seal and use the seal or a facsimile of the seal as required by law;
- (3) acquire, own, hold, maintain, exchange, or use property or an interest in property, including plants, buildings, works, machinery, supplies, equipment, apparatus, and transmission and distribution lines or systems that are necessary, convenient, or useful;
- (4) dispose of, mortgage, or lease as lessor any of its property or assets;
- (5) borrow money and otherwise contract indebtedness, issue obligations for its indebtedness, and secure the payment of indebtedness by mortgage, pledge, or deed of trust on any or all of its property or revenue;
- (6) accept gifts or grants of money, services, or property;
- (7) make any contracts necessary or convenient for the exercise of the powers granted by this chapter;
- (8) conduct its business and have offices inside or outside this state;
- (9) adopt and amend bylaws not inconsistent with the articles of incorporation for the administration and regulation of the affairs of the cooperative; and
- (10) perform any other acts for the cooperative or its members or for another electric cooperative or its members, and exercise any other power, that may be necessary, convenient, or appropriate to accomplish the purpose for which the cooperative is organized, including other or additional purposes that benefit members and nonmembers, either directly or through affiliates, described in Section A, Article 2.01, Texas Non-Profit Corporation Act (Article 1396-2.01, Vernon's Texas Civil Statutes).

(b) Notwithstanding Subsection (a) or any other law, an electric

cooperative, either directly or through an affiliate, may not conduct a business venture in competition with a for-profit enterprise. This subsection does not apply to a business venture directly related to a power of the cooperative that the cooperative had under this chapter or a predecessor statute to this chapter when the cooperative was originally organized.

Representative Chisum moved to table Amendment No. 60.

The motion to table prevailed.

Amendment No. 61

Representative Zbranek offered the following amendment to **CSSB 7**:
Floor Packet Page No. 77

Amend the House Committee Report for **CSSB 7** on page 210, line 24 by deleting "August 1, 1975" and replacing it with "November 1, 1979".

Amendment No. 61 was adopted without objection.

Amendment No. 62

Representative Counts offered the following amendment to **CSSB 7**:
Floor Packet Page No. 80

Amend **CSSB 7** (House committee report) by adding the following section, numbered appropriately, and by renumbering subsequent sections of the bill accordingly:

SECTION _____. (a) Chapter 340, Acts of the 51st Legislature, Regular Session, 1949, is amended by adding Section 7B to read as follows:

Sec. 7B. (a) The District may:

(1) develop, generate, transmit, or distribute water power and electric energy inside the District's boundaries for its own use;

(2) purchase electric energy from any available source for use at a facility the District owns, operates, and maintains inside the District's boundaries;

(3) enter into an agreement to acquire, install, construct, finance, operate, make an addition to, own, or operate an electric energy generating, transmission, or distribution facility jointly with another person; or

(4) sell or otherwise dispose of any of the District's interest in a jointly owned facility described by Subdivision (3) of this section.

(b) This section does not affect the applicability of Title 2, Utilities Code, to the District or to actions of the District.

(b) This section takes effect January 1, 2002.

Amendment No. 63

Representative Counts offered the following amendment to Amendment No. 62:

Amend the Counts amendment to **CSSB 7** (page 80) as follows:

(1) On page 1, strike lines 1-4 and substitute:

SECTION _____. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.233 to read as follows:

Sec. 49.233. ELECTRIC GENERATION, TRANSMISSION, AND DISTRIBUTION FOR CERTAIN DISTRICTS. (a) A district that owns or operates raw water pipelines that convey surface water, ground water, or both surface and ground water, through more than 10 counties for municipal and industrial purposes may:

(2) On page 1, strike lines 18-20 and substitute:

(b) A district governed by this section:

(1) is subject to the transmission line certification provisions of Chapter 37, Utilities Code;

(2) may not generate electricity by means of hydroelectric generation.

(3) Renumber subsequent sections of the bill accordingly.

Amendment No. 63 was adopted without objection.

Amendment No. 62, as amended, was adopted without objection.

Amendment No. 64

Representative Craddick offered the following amendment to **CSSB 7**:

Floor Packet Page No. 81

Amend **CSSB 7** by striking Section 64 of the bill (House committee printing page 213, lines 16-27), and substituting a new Section 64 to read as follows:

SECTION 64. Notwithstanding any other provision of this Act or Title 2, Utilities Code, any person or entity that provides electric service to a four-year state university, upper level institution, Texas state technical college, or college, as provided by Section 36.351, Utilities Code, on December 31, 2001, shall continue to offer electric service to a four-year state university, upper level institution, Texas state technical college, or college, as provided by Section 36.351, Utilities Code, until September 1, 2007, at a total rate that is no higher than the rate applicable to the university, institution, or college on December 31, 2001. The rate applicable to a four-year state university, upper level institution, Texas state technical college, or college, as provided by Section 36.351, Utilities Code, on December 31, 2001, shall be based on the rates provided for or described in Section 36.351, Utilities Code. However, a person or entity that provides electric service to a four-year state university, upper level institution, Texas state technical college, or college, as provided by Section 36.351, Utilities Code, shall be allowed to adjust its fuel factor as provided by Section 39.202(1), Utilities Code, as added by this Act, or, in the case of a municipally owned utility or electric cooperative, rates may be adjusted as provided by Chapters 40 and 41, Utilities Code, as added by this Act, as applicable, for verifiable increases in costs. As used in this section, "person or entity" includes an electric utility, affiliated retail electric provider, municipal corporation, cooperative corporation, or river authority.

Amendment No. 65

Representative Craddick offered the following amendment to Amendment No. 64:

Amend Amendment No. _____ by Craddick on page 81 of the packet to **CSSB 7** as follows:

(1) On page 1, line 18, strike "However, a person or entity" and substitute "However, a person or entity that is not an electric cooperative or a municipality owned utility".

(2) On page 1, lines 23-26, strike "Act, or, in the case of a municipally owned utility or electric cooperative, rates may be adjusted as provided by Chapters 40 and 41, Utilities Code, as added by this Act, as applicable, for verifiable increases in costs." and substitute "Act. A person or entity that is an electric cooperative that provides electric services under this section shall be allowed to adjust its fuel factor in accordance with the procedures provided by Section 36.203, Utilities Code. A person or entity that is a municipally owned utility that provides electric service under this section shall be allowed to adjust its fuel factor in accordance with the applicable provisions of the Utilities Code.".

Amendment No. 65 was adopted without objection.

Amendment No. 64, as amended, was adopted without objection.

CSSB 7 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE HAGGERTY: In an effort to protect, improve, and conserve the environment of the border region, the governments of the United States and Mexico signed The La Paz Agreement for the protection and improvement of the environment in the border area. The La Paz Agreement provides a formal foundation for cooperative environmental efforts. The agreement defines the border region as the area lying 100 kilometers to the north and south of the U.S. and Mexico boundary.

The federal governments of the United States and Mexico signed Appendix One to Annex Five of the agreement in May 1996. The Act officially designated the Paso del Norte Air Shed as the contiguous air shed basin between El Paso, Texas, Sunland Park, New Mexico, and Ciudad Juarez, Chihuahua.

Currently, there are joint advisory committee members from both sides of the border representing governmental, non-governmental, private, and industrial interests in improving the air quality in the Ciudad Jaurez, Chihuahua, El Paso, Texas, and Dona Anna County, New Mexico air basin (Paso del Norte Air Shed).

Is this, in fact, the legislative intent of **SB 7**?

REPRESENTATIVE WOLENS: Well that is certainly the intent as I understand my intentions were regarding that specific issue at this particular time.

HAGGERTY: Bless your heart.

REMARKS ORDERED PRINTED

Representative Haggerty moved to print remarks by Representative Wolens and Representative Haggerty.

The motion prevailed without objection.

Vote Reconsidered - Amendment No. 42

Representative Zbranek moved to reconsider the vote by which Amendment No. 42 was adopted and the vote by which Amendment No. 43 was adopted.

The motion to reconsider prevailed.

Amendment No. 66

Representative Zbranek offered the following substitute amendment for Amendment No. 43:

Substitute the following for the Zbranek Amendment to the Zbranek amendment to **CSSB 7**:

Amend the Zbranek amendment by striking the text of the amendment and substituting the following:

SECTION _____. Subchapter A, Chapter 163, Utilities Code, is amended by adding Section 163.002 to read as follows:

Sec. 163.002. REPORT ON PROBLEMS. (a) The commission shall analyze the financial problems of the municipal power agency described by Subsection (b). Before September 1, 2000, the commission shall present recommendations for solving the problems to the speaker of the house of representatives, the lieutenant governor, the members of the legislature, and the municipal power agency.

(b) This subsection applies to a municipal power agency as defined by this Chapter that has stranded costs in excess of \$6,000 per customer as determined by the April 1998 Report to the Texas Senate Interim Committee on Electric Restructuring entitled "Potentially Strandable Investment (ECOM) Report: 1998 Update."

Amendment No. 43, as substituted, was adopted without objection.

Amendment No. 42, as amended, was adopted without objection.

Vote Reconsidered - Amendment No. 51

Representative Alexander moved to reconsider the vote by which Amendment No. 51, as amended, was adopted.

The motion to reconsider prevailed. (Merritt recorded present, not voting)

A record vote was requested.

Amendment No. 51, as amended, was adopted by (Record 399): 112 Yeas, 33 Nays, 2 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Clark; Coleman; Cook; Counts; Cuellar; Danburg; Davis, Y.; Delisi; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Greenberg; Gutierrez; Haggerty; Hardcastle; Hawley; Hilbert; Hilderbran; Hinojosa; Hochberg; Hodge; Homer; Hunter; Jones, D.; Jones, J.; Junell;

Keffer; King, P.; King, T.; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Naishtat; Najera; Nixon; Oliveira; Olivo; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Ritter; Sadler; Salinas; Seaman; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Swinford; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Van de Putte; Walker; West; Wilson; Wise; Wohlgemuth; Wolens; Yarbrough; Zbranek.

Nays — Berman; Bonnen; Christian; Crabb; Craddick; Crownover; Culberston; Davis, J.; Denny; Driver; Green; Hamric; Hartnett; Heflin; Hill; Hope; Howard; Hupp; Isett; Janek; Jones, C.; Keel; Krusee; Madden; Marchant; Mowery; Reyna, E.; Shields; Solomons; Staples; Talton; Williams; Woolley.

Present, not voting — Mr. Speaker(C); Noriega.

Absent, Excused — Corte; Palmer.

Absent — Grusendorf.

A record vote was requested.

CSSB 7, as amended, was passed to third reading by (Record 400): 142 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Alexander; Allen; Alvarado; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Capelo; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Counts; Crabb; Craddick; Crownover; Cuellar; Culberston; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Eiland; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Greenberg; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, C.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Krusee; Kuempel; Lengefeld; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Maxey; McCall; McClendon; McReynolds; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Oliveira; Olivo; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Siebert; Smith; Smithee; Solis, J.; Solis, J. F.; Solomons; Staples; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uresti; Van de Putte; Walker; West; Williams; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough.

Nays — Jones, D.; Uher; Wilson; Zbranek.

Present, not voting — Mr. Speaker(C); Noriega.

Absent, Excused — Corte; Palmer.

CSSB 7 - STATEMENT OF VOTE

I request to be recorded present, not voting, on all amendments and on passage to third reading of **CSSB 7**.

Noriega

SB 4 - RULES SUSPENDED

Representative Sadler moved to suspend all necessary rules for **SB 4** for the following purposes only:

1. To allow the various elements of the committee report on **SB 4** to be printed separately, provided that all parts of the committee report on **SB 4** must be distributed to the members at least 36 hours in advance of floor consideration of the bill;

2. So that for purposes of House Rule 4, Section 38, **SB 4** shall be eligible for placement on a calendar or adoption by the Committee on Calendars of a proposed rule for floor consideration as soon as a certified copy of the text of the committee substitute has been delivered to the Committee on Calendars; and

3. To require all original amendments to the bill to be filed with the chief clerk by 5 p.m. on the day before the bill is scheduled for floor consideration on second reading.

The motion prevailed.

**BILLS AND JOINT RESOLUTIONS ON FIRST READING
AND REFERRAL TO COMMITTEES
RESOLUTIONS REFERRED TO COMMITTEES**

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 2.)

RULES SUSPENDED

Representative Greenberg moved to suspend the 5-day posting rule to allow the Committee on Pensions and Investments to consider **SB 82**, **SB 838**, **SB 1179**, and **SB 1785** at the public hearing on recess tomorrow 21 in E2.028.

The motion prevailed without objection.

Representative Gray moved to suspend the 5-day posting rule to allow the Committee on Public Health to consider **SB 941**, **SB 1889**, **SB 1906**, and **SCR 75**.

The motion prevailed without objection.

COMMITTEE MEETING ANNOUNCEMENTS

The following committee meetings were announced:

Insurance, on adjournment today, Desk 24, for a formal meeting, to consider **SB 899** and **SB 1084**.

Land and Resource Management, 9 a.m. tomorrow, E2.030, for a formal meeting, to consider **SB 1896**.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 389. I intended to vote no.

Homer

I was shown voting yes on Record No. 389. I intended to vote no.

Telford

ADJOURNMENT

Representatives Yarbrough and Noriega moved that the house adjourn until 10 a.m. tomorrow in memory of slain Houston police officer Troy Alan Blando.

The motion prevailed without objection.

The house accordingly, at 9:29 p.m., adjourned until 10 a.m. tomorrow.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

SB 326 to Criminal Jurisprudence.

SB 480 to Criminal Jurisprudence.

SB 1098 to Transportation.

SB 1598 to Transportation.

SB 1906 to Public Health.

List No. 2

SB 128 to Criminal Jurisprudence from .

SB 713 to Ways & Means.

SB 1535 to Higher Education.

SB 1889 to Public Health.

SCR 72 to Civil Practices.

SIGNED BY THE SPEAKER

The following bills and resolutions were today signed in the presence of the house by the speaker:

House List No. 56

HB 145, HB 149, HB 595, HB 1237, HB 1462, HB 2208, HB 2615, HB 2619, HCR 203, HCR 209, HCR 210, HCR 211, HCR 212, HCR 213, HCR 214, HCR 215, HCR 216, HCR 217, HCR 218, HCR 219, HCR 221, HCR 222, HCR 223, HCR 224, HCR 226, HCR 227, HCR 228, HCR 274, HCR 280, HJR 16

Senate List No. 28

SB 21, SB 196, SB 314, SB 333, SB 354, SB 479, SB 518, SB 537, SB 569, SB 603, SB 681, SB 717, SB 749, SB 775, SB 841, SB 845, SB 890, SB 940, SB 1023, SB 1058, SB 1112, SB 1121, SB 1125, SB 1136, SB 1141, SB 1196, SB 1260, SB 1327, SB 1367, SB 1375, SB 1387, SB 1446, SB 1457, SB 1512, SB 1546, SB 1574, SB 1609, SB 1690, SB 1735, SB 1765, SB 1770, SB 1771, SB 1861, SCR 77, SJR 26

MESSAGES FROM THE SENATE

The following messages from the senate were today received by the house:

Message No. 1

MESSAGE FROM THE SENATE

SENATE CHAMBER

Austin, Texas

Thursday, May 20, 1999

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the Senate to inform the House that the Senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

LOCAL AND UNCONTESTED CALENDAR

HB 57 Cuellar SPONSOR: Zaffirini
Relating to persons authorized to administer oaths made in Texas.

HB 82 Solomons SPONSOR: Ellis, Rodney
Relating to the method by which a county reconstitutes the jury wheel, to the duty of the Department of Public Safety to remove certain names from a list used to reconstitute the jury wheel, and to the selection and service of jurors in certain counties.
(COMMITTEE SUBSTITUTE)

HB 134 McClendon SPONSOR: West, Royce
Relating to the applicability of the Hazard Communication Act to certain inmates of the Texas Department of Criminal Justice.

HB 442 Madden SPONSOR: Shapiro
Relating to the procedures for write-in candidates in an election of a junior college district.

HB 480 Seaman SPONSOR: Armbrister
Relating to notice and hearing for an application for a permit for a commercial surface disposal facility.

- HB 625** Reyna, Arthur SPONSOR: Ellis, Rodney
Relating to the hearing date on an adoption.
- HB 751** Van de Putte SPONSOR: West, Royce
Relating to the prosecution of the offense of graffiti.
- HB 765** Maxey SPONSOR: Moncrief
Relating to the processing of certain fees by the Texas Department of Health.
- HB 811** Jones, Jesse SPONSOR: Nelson
Relating to the services included in home health care services.
- HB 865** Puente SPONSOR: Nelson
Relating to the change of a driver's license or personal identification certificate number of a victim of domestic violence.
- HB 897** Haggerty SPONSOR: Carona
Relating to medical assistance payments for ambulance services.
- HB 919** Naishtat SPONSOR: Ellis, Rodney
Relating to an attorney who represents a ward, proposed ward, guardian, or other interested person in certain guardianship proceedings.
- HB 923** Coleman SPONSOR: Moncrief
Relating to regulation of licensed professional counselors.
- HB 958** Hope SPONSOR: Nixon, Drew
Relating to the additional tax imposed if the use of land appraised for ad valorem tax purposes as timberland changes.
- HB 1024** Bosse SPONSOR: Whitmire
Relating to parking of a commercial vehicle in certain subdivisions.
- HB 1041** Rangel SPONSOR: Shapiro
Relating to the registration period for a truck-tractor or commercial motor vehicle transporting seasonal agricultural products; providing a penalty.
- HB 1068** McReynolds SPONSOR: Harris
Relating to the wording of certain political advertising and campaign communications.
- HB 1346** Salinas SPONSOR: Zaffirini
Relating to the adoption of a junior college branch campus maintenance tax by certain counties.
(COMMITTEE SUBSTITUTE)
- HB 1409** Junell SPONSOR: Bivins
Relating to eligibility to conduct a mental and physical examination of a school bus operator.
- HB 1459** Dunnam SPONSOR: Sibley
Relating to facilities and services for the care of the elderly or a person with a disability in certain municipal hospital authorities.
- HB 1475** Thompson SPONSOR: Harris
Relating to management and investment of trust assets.
(AMENDED)

- HB 1521** Siebert SPONSOR: Harris
Relating to penalties for violating certain statutes relating to real property.
(COMMITTEE SUBSTITUTE)
- HB 1552** Craddick SPONSOR: Brown, J. E. "Buster"
Relating to taxpayer protests relating to the appraisal of certain pooled or
unitized mineral interests.
- HB 1660** Naishtat SPONSOR: Ellis, Rodney
Relating to closing the administration of a decedent's estate.
- HB 1661** Naishtat SPONSOR: Ellis, Rodney
Relating to the final accounting of a decedent's or ward's estate.
- HB 1662** Naishtat SPONSOR: Ellis, Rodney
Relating to investments of the estates of wards.
- HB 1663** Naishtat SPONSOR: Wentworth
Relating to the creation, modification, or closing of a guardianship of an
incapacitated person.
- HB 1681** Uher SPONSOR: Duncan
Relating to the construction and rehabilitation of bridges.
- HB 1752** Coleman SPONSOR: Ellis, Rodney
Relating to the compensation of certain private investigators and witnesses
who are retained by appointed counsel.
(AMENDED)
- HB 1797** Tillery SPONSOR: Carona
Relating to the transportation of certain individuals who may have a mental
illness and are admitted to a county mental health facility for emergency
detention.
- HB 1804** Morrison SPONSOR: Armbrister
Relating to the automatic admission to certain public institutions of higher
education of certain graduates of high schools operated by the United States
Department of Defense.
- HB 1810** Averitt SPONSOR: Lindsay
Relating to the deposit and investment of funds by the comptroller of public
accounts.
(COMMITTEE SUBSTITUTE)
- HB 1828** Christian SPONSOR: Armbrister
Relating to the enforcement of certain poaching laws by a justice court.
- HB 1839** Smith SPONSOR: Moncrief
Relating to the appointment of bailiffs for the criminal district courts in
Tarrant County.
- HB 1840** Uher SPONSOR: Brown, J. E. "Buster"
Relating to authorizing the board of regents of The University of Texas
System to acquire certain properties for campus expansion and other
university purposes.

- HB 1912** Cuellar SPONSOR: Shapiro
Relating to unfunded state mandates on political subdivisions.
- HB 1952** Rangel SPONSOR: Bivins
Relating to the right of faculty members at institutions of higher education to present grievances on certain personnel issues.
(COMMITTEE SUBSTITUTE)
- HB 1980** Hill SPONSOR: Cain
Relating to a report on performance of certain public transportation providers.
- HB 2004** Pickett SPONSOR: Shapleigh
Relating to authorizing the Texas Department of Transportation to lease additional equipment to counties for the automated motor vehicle registration and title system.
- HB 2013** Hilderbran SPONSOR: Madla
Relating to the regulation of bottled or vended water.
- HB 2105** Capelo SPONSOR: Brown, J. E. "Buster"
Relating to judicial review of the validity or applicability of state agency rules and decisions in contested cases.
(COMMITTEE SUBSTITUTE)
- HB 2140** Williams SPONSOR: Carona
Relating to the tax on motor vehicles purchased or leased outside this state and brought into this state by new residents.
- HB 2159** Bosse SPONSOR: Brown, J. E. "Buster"
Relating to the retainage of payments under certain contracts entered into by the Texas Department of Transportation for improvements to state highways.
(COMMITTEE SUBSTITUTE)
- HB 2196** Hope SPONSOR: Bernsen
Relating to the duties of the district attorney for the 9th Judicial District.
- HB 2205** Hardcastle SPONSOR: Armbrister
Relating to the possession and transport of anhydrous ammonia and to the use of anhydrous ammonia equipment; providing penalties.
- HB 2246** Homer SPONSOR: Cain
Relating to the responsibilities of the district attorney for the 8th Judicial District and the county attorney of Rains County.
- HB 2284** Averitt SPONSOR: Sibley
Relating to a change in notice requirements for escrow agents when increasing premiums.
- HB 2313** McReynolds SPONSOR: Nixon, Drew
Relating to the appointment of bailiffs in Angelina County.
- HB 2359** Olivo SPONSOR: West, Royce
Relating to the investment capital fund administered by the Texas Education Agency.

- HB 2453** Edwards SPONSOR: Lindsay
Relating to the authority of physicians and optometrists or therapeutic optometrists to form certain jointly owned entities.
- HB 2509** Dukes SPONSOR: Shapleigh
Relating to the administration of the workers' compensation system for state employees.
- HB 2535** Thompson SPONSOR: West, Royce
Relating to the dismissal of certain offenses involving the failure to maintain financial responsibility for a motor vehicle.
- HB 2568** Cuellar SPONSOR: Zaffirini
Relating to the Texas Guaranteed Student Loan Corporation and its programs.
- HB 2580** Hartnett SPONSOR: Wentworth
Relating to the transfer of certain proceedings to a statutory probate court.
- HB 2614** Counts SPONSOR: Fraser
Relating to creation of a county alliance to jointly authorize the creation of a development corporation.
- HB 2636** Gray SPONSOR: Carona
Relating to the assessment of certain fees on persons who perform radiologic procedures.
- HB 2752** Smithee SPONSOR: Sibley
Relating to joint underwriting and reinsurance advisory organizations.
- HB 2802** Ritter SPONSOR: Bernsen
Relating to the denial of the renewal of the driver's license of a person who fails to appear to pay a fine involving an offense within justice or municipal court jurisdiction.
- HB 2840** Keffer SPONSOR: Sibley
Relating to the definition of "assistance organization" for purposes of state surplus and salvage property.
- HB 2926** Walker SPONSOR: Bivins
Relating to elections to approve consolidation of groundwater conservation districts.
- HB 2966** Hilbert SPONSOR: Lindsay
Relating to the authority of certain hospital authorities to provide facilities and services for the elderly or disabled.
- HB 3042** Averitt SPONSOR: Sibley
Relating to investment requirements for certain insurance companies.
- HB 3081** Telford SPONSOR: Lindsay
Relating to preventing the seizure of a work of fine art when en route to or in an exhibition.
(COMMITTEE SUBSTITUTE)
- HB 3083** Telford SPONSOR: Duncan
Relating to medical services ordered by physicians in certain other states for residents of this state.

- HB 3130** Chisum SPONSOR: Gallegos
Relating to the judges empowered to waive the waiting period for a marriage ceremony.
(AMENDED)
- HB 3161** Dunnam SPONSOR: Sibley
Relating to disposition of public property in a readjustment zone.
- HB 3207** Ramsay SPONSOR: Madla
Relating to the requirements for insurance coverage for district clerks.
(COMMITTEE SUBSTITUTE)
- HB 3256** Farrar SPONSOR: Moncrief
Relating to the exchange of information related to a special needs offender.
- HB 3263** Uher SPONSOR: Ogden
Relating to the election of the governing board of certain junior college districts.
- HB 3295** Goolsby SPONSOR: West, Royce
Relating to the deposit of excess proprietary school fees to the proprietary school tuition protection fund.
- HB 3300** Coleman SPONSOR: Whitmire
Relating to limits on eminent domain, a code of conduct, and the board of directors for sports and community venue districts in certain populous counties.
(AMENDED)
- HB 3338** Naishtat SPONSOR: Wentworth
Relating to a waiver of the bond requirement for certain guardians of children.
- HB 3418** Gallego SPONSOR: Harris
Relating to the administration of teleconferencing technology within the judiciary.
- HB 3423** Morrison SPONSOR: Nelson
Relating to the emergency possession of and termination of the parent-child relationship of certain abandoned children.
- HB 3600** McClendon SPONSOR: West, Royce
Relating to the taxation of small quantities of cigarettes imported into this state from a foreign country.
- HB 3635** Naishtat SPONSOR: Wentworth
Relating to the Probate Court No. 1 of Travis County.
- HB 3694** Hunter SPONSOR: Ratliff
Relating to abandoned burial plots.
- HB 3740** Greenberg SPONSOR: Zaffirini
Relating to the location of administrative hearings conducted by the State Office of Administrative Hearings on behalf of the Department of Protective and Regulatory Services.

HB 3793 Averitt SPONSOR: Sibley
 Relating to the authority of the Brazos River Authority to contract with certain persons, to manage property of the authority, and to issue bonds for and otherwise finance services, facilities, or works of the authority.
 (COMMITTEE SUBSTITUTE)

HB 3815 Gray SPONSOR: Jackson
 Relating to the composition of the Galveston County Juvenile Board.

HB 3818 Kuempel SPONSOR: Wentworth
 Relating to the terms of the trustees of the Canyon Regional Water Authority.

HCR 18 Oliveira SPONSOR: Lucio
 Urging the United States Department of Transportation to provide additional funding for the Texas Department of Public Safety to increase manpower at the border to perform truck inspections.

HCR 19 Oliveira SPONSOR: Lucio
 Urging the United States Department of Transportation to fund one-stop truck inspection facilities along the Texas-Mexico border.

HCR 244 Uher SPONSOR: Bivins
 Authorizing the lieutenant governor and the speaker to appoint interim joint committees.

SCR 76 Bivins
 Requesting the postmaster general and the members of the Citizens' Stamp Advisory Committee to issue a commemorative U.S. postage stamp honoring the work against child abuse.

Respectfully,

Betty King
Secretary of the Senate

Message No. 2

MESSAGE FROM THE SENATE
 SENATE CHAMBER
 Austin, Texas
 Thursday, May 20, 1999 - 2

The Honorable Speaker of the House
 House Chamber
 Austin, Texas
 Mr. Speaker:

I am directed by the Senate to inform the House that the Senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HB 597 Flores SPONSOR: Lucio
 Relating to preference to Texas and United States products in purchasing by school districts.
 (AMENDED)

HB 1151 McCall SPONSOR: Zaffirini
Relating to the continuation and functions of the Office for the Prevention of Developmental Disabilities.
(AMENDED)

HB 1492 Alexander SPONSOR: Cain
Relating to the classification of a motor-driven cycle or moped and to a driver's license issued for the operation of certain motorcycles.

HB 1535 Allen SPONSOR: Brown, J. E. "Buster"
Relating to the eligibility for community supervision or parole for certain defendants convicted of sexual assault.

HB 1799 King, Phil SPONSOR: Armbrister
Relating to the assignment or deposit of certain lottery prizes.
(AMENDED)

HB 1826 Hochberg SPONSOR: Duncan
Relating to supplemental income benefits under the workers' compensation system.

HB 1833 Counts SPONSOR: Lucio
Relating to the issuance of a personal identification certificate to a justice of the peace or municipal court judge by the Department of Public Safety.
(AMENDED)

HB 1987 McCall SPONSOR: Cain
Relating to the examinations administered or accepted for licensure of physicians.
(AMENDED)

HB 2070 Gray SPONSOR: Jackson
Relating to the administration and responsibilities of The University of Texas Medical Branch at Galveston.
(AMENDED)

HB 2165 Naishtat SPONSOR: Moncrief
Relating to guardianships for incapacitated persons.
(AMENDED)

HB 2170 Naishtat SPONSOR: Zaffirini
Relating to investigations and protective services for elderly and disabled persons.

HB 2202 Tillery SPONSOR: West, Royce
Relating to health centers on public school campuses.
(AMENDED)

HB 2307 Keffer SPONSOR: Sibley
Relating to assistance to certain low-performing public school districts.
(COMMITTEE SUBSTITUTE/AMENDED)

HB 2424 Coleman SPONSOR: Madla
Relating to application of certain coverage requirements for serious mental illness.
(AMENDED)

HB 3515 Marchant SPONSOR: Sibley
Relating to the nature of certain contracts included in the cash price of motor vehicles sold at retail.
(COMMITTEE SUBSTITUTE)

HB 3697 Siebert SPONSOR: Sibley
Relating to the operation of the Texas Workers' Compensation Insurance Fund and the disposition of certain surpluses of that fund.
(COMMITTEE SUBSTITUTE/AMENDED)

HB 3746 Dukes SPONSOR: Barrientos
Relating to the replatting of a part of a subdivision.

HCR 282 Lengefeld
Recognizing May 20, 1999, as Gatesville Day at the Capitol.

HCR 283 Isett SPONSOR: Duncan
Congratulating Sue Bounds on her retirement from the Lubbock Independent School District.

SCR 84 Truan
Returning Senate Bill No. 525 to the senate for further consideration.

Respectfully,

Betty King
Secretary of the Senate

Message No. 3

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Thursday, May 20, 1999 - 3

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the Senate to inform the House that the Senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HB 98 Reyna, Arthur SPONSOR: Wentworth
Relating to the fiscal year of a school district and to the submission to a school district of an estimate of the taxable value of school district property.
(AMENDED)

HB 302 Wise SPONSOR: Jackson
Relating to mandatory restitution in offenses involving the abduction of or interference with the custody of children.

HB 564 Oliveira SPONSOR: Shapleigh
Relating to a border advocacy division established by the governor.
(AMENDED)

HB 1075 Craddick SPONSOR: Bivins
Relating to raising the speed limit for vehicles towing certain trailers.

HB 1194 Turner, Bob SPONSOR: Fraser
Relating to the operation of a statewide rural health care system.
(COMMITTEE SUBSTITUTE)

HB 1418 Seaman SPONSOR: Armbrister
Relating to optional career and technology education programs offered by public school districts and a study of career and technology education programs.
(AMENDED)

HB 1498 Janek SPONSOR: Sibley
Relating to the availability of health benefit coverage options for health maintenance organization eligible enrollees.
(AMENDED)

HB 2409 King, Tracy SPONSOR: Bernsen
Relating to the issuance of a certificate of title for and the transfer of a motor vehicle that is not registered in this state.
(AMENDED)

HB 3029 Oliveira SPONSOR: Brown, J. E. "Buster"
Relating to certain industrial development corporations, projects of industrial development corporations, and the taxes levied for projects.
(AMENDED)

HB 3138 Naishtat SPONSOR: Bivins
Relating to the authority of a governing board of a public institution of higher education to reduce tuition or prorated fees charged to a student at that institution.

Respectfully,

Betty King
Secretary of the Senate

Message No. 4

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Thursday, May 20, 1999 - 4

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the Senate to inform the House that the Senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HB 211 Hochberg SPONSOR: Sibley
Relating to compliance by school districts and open-enrollment charter schools with the public information law and the open meetings law and to the governance of an open-enrollment charter school.
(COMMITTEE SUBSTITUTE/AMENDED)

HB 907 Siebert SPONSOR: Wentworth
Relating to attendance in public schools of persons over 18 years of age.

HB 908 Coleman SPONSOR: Zaffirini
Relating to enforcement of screening requirements for vision, hearing, and other special senses and communication disorders of children in certain licensed child-care facilities.

HB 1428 Staples SPONSOR: Shapiro
Relating to the prosecution of and the punishment for the offense of unlawful restraint.
(AMENDED)

HB 1491 Hochberg SPONSOR: Ellis, Rodney
Relating to the employment of certain physicians by a private medical school.

HB 1628 Maxey SPONSOR: Cain
Relating to requiring a health insurer to provide certain information to governmental entities with which the insurer contracts.
(AMENDED)

HB 1652 Maxey SPONSOR: Nelson
Relating to an education and prevention program for hepatitis C.
(AMENDED)

HB 1689 Greenberg SPONSOR: Ellis, Rodney
Relating to student loan repayment assistance for certain child-care workers.

HB 1779 Alexander SPONSOR: Cain
Relating to the eligibility of lodging establishments located near interchanges for specific information logo signs.

HB 2255 Swinford SPONSOR: Duncan
Relating to the regulation of the sale of certain items used in funerals.
(AMENDED)

HB 2877 Maxey SPONSOR: Ratliff
Relating to the lease of certain facilities and the retirement options and health coverage of certain employees in connection with implementation of integrated enrollment services for health and human services programs.
(AMENDED)

HB 3050 Counts SPONSOR: Duncan
Relating to the administration of certain loan programs by the Texas Agricultural Finance Authority, to limiting certain liability for activities in programs funded by the authority, and to the promotion of the development of agriculture-related rural bu
(AMENDED)

HB 3215 McCall SPONSOR: Shapiro
Relating to the methods by which the Texas Department of Criminal Justice and the Texas Youth Commission obtain samples or specimens for the purpose of creating a DNA record.

HB 3420 Maxey SPONSOR: West, Royce
Relating to prohibiting certain actions by school district employees concerning dietary supplements that contain performance enhancing compounds; providing a criminal penalty.

HB 3467 Pickett SPONSOR: Shapleigh
Relating to the disposition of the proceeds of fines collected for overweight vehicles.
(AMENDED)

HB 3620 Lewis, Ron SPONSOR: Bernsen
Relating to the exchange and conveyance of lands by certain navigation districts.
(AMENDED)

HB 3693 Hunter SPONSOR: Fraser
Relating to certification under the state Medicaid program of nursing home beds in certain nursing facilities.
(AMENDED)

HJR 95 Gray SPONSOR: Brown, J. E. "Buster"
Proposing a constitutional amendment to provide a four-year term for the adjutant general and to provide that the term runs concurrently with the term of the governor.
(AMENDED)

SB 128 Nelson
Relating to the civil and criminal consequences of possessing or consuming an alcoholic beverage in a motor vehicle or operating a motor vehicle while intoxicated.

SB 713 Ogden
Relating to the county and road district highway fund.

SB 1535 West, Royce
Relating to the creation of the Texas Rising Star Scholarship Program for deserving junior college and technical institute students.

SCR 72 Ratliff
Granting Dean Lumber Company, Inc., permission to sue the state and the Tex Natural Resource Conservation Commission.

SCR 79 Ratliff
Directing certain state agencies to lead an inquiry into youth violence in the State of Texas.

THE SENATE HAS CONCURRED IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 483 (29 Yeas, 0 Nays)

SB 1107 (viva-voce vote)

SB 1303 (viva-voce vote)

THE SENATE HAS REFUSED TO CONCUR IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

SB 178

Senate Conferees: Ratliff - Chair/Duncan/Fraser/Moncrief/Tru

SB 365

Senate Conferees: Brown, J. E. "Buster" - C/Armbrister/Jackson/Nelson/Whitmi

SB 1207

Senate Conferees: Cain - Chair/Bernsen/Moncrief/Nelson/Nixon, Dr

THE SENATE HAS GRANTED THE REQUEST OF THE HOUSE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

HB 676

Senate Conferees: Bivins - Chair/Bernsen/Cain/Ogden/Shapi

Respectfully,

Betty King

Secretary of the Senate

Message No. 5

MESSAGE FROM THE SENATE

SENATE CHAMBER

Austin, Texas

Thursday, May 20, 1999 - 5

The Honorable Speaker of the House

House Chamber

Austin, Texas

Mr. Speaker:

I am directed by the Senate to inform the House that the Senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

SB 1889Nelson

Relating to the regulation of pharmacy technicians, the reinstatement of certain licenses related to the practice of pharmacy, and the reporting of professional liability claims regarding the practice of pharmacy.

Respectfully,

Betty King

Secretary of the Senate

APPENDIX

STANDING COMMITTEE REPORTS

Favorable reports have been filed by committees as follows:

May 19

Business & Industry - **SB 545, SB 1274**

Corrections - **SB 29**

County Affairs - **SB 1870**

Criminal Jurisprudence - **SB 24, SB 1000, SB 1774**

Economic Development - **SB 538, SB 1092**

Energy Resources - **SB 436**

Licensing & Administrative Procedures - **SB 170, SB 1676**

Public Safety - **SB 923**

State Affairs - **SB 30**

Transportation - **SB 836**

ENROLLED

May 19 - HB 1402, HB 1462, HB 1532, HB 2208, HB 2615, HB 2619, HCR 264, HCR 280, HJR 29, HJR 69

SENT TO THE GOVERNOR

May 19 - HB 64, HB 434, HB 1396, HB 1402, HB 1532, HB 2416, HB 2664, HB 2724, HB 3288, HB 3779, HCR 264

SENT TO THE SECRETARY OF STATE

May 19 - HJR 29, HJR 69