

# HOUSE JOURNAL

SEVENTY-SEVENTH LEGISLATURE, REGULAR SESSION

## PROCEEDINGS

SIXTY-SECOND DAY — MONDAY, APRIL 30, 2001

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 231).

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

Absent, Excused — Allen; Eiland; Hilbert.

The invocation was offered by Jess Cole, pastor, Padre Island Baptist Church, Corpus Christi, as follows:

Our dear heavenly Father, I want to thank you for this wonderful State of Texas and the privilege to live in it. You have blessed us so much with its beauty, resources, and people. I also want to thank you for these men and women who are leading our state and for the sacrifices that they have made to be here. I pray your blessings upon them and their families.

I pray that you will provide them your vision to move our state in the right direction. I pray that you will give them wisdom to make the right decisions. I pray that you will give them a desire not to fight with each other, but to fight for what is right. I pray that you will give them discernment to know what is right and what is not. And I pray that you will give them a boldness to stand for your righteousness. For I pray it in the name of our Lord. Amen.

### **LEAVES OF ABSENCE GRANTED**

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

Allen on motion of Solomons.

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

Hilbert on motion of Haggerty.

The following member was granted leave of absence for today and tomorrow because of important state business:

Eiland on motion of Janek.

### **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. 39).

### **CAPITOL PHYSICIAN**

The speaker recognized Representative Kolkhorst who presented Dr. Marcus Purvis of Brenham as the "Doctor for the Day."

The house welcomed Dr. Purvis and thanked him for his participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

### **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. 1).

(Speaker pro tempore in the chair)

#### **HR 575 - ADOPTED (by Clark)**

Representative Clark moved to suspend all necessary rules to take up and consider at this time **HR 575**.

The motion prevailed without objection.

The following resolution was laid before the house:

**HR 575**, Recognizing September 29, 2001, as Gene Autry Day.

(Speaker in the chair)

**HR 575** was read and was adopted without objection.

#### **HCR 263 - ADOPTED (by Chisum, Smithee, and Swinford)**

Representative Chisum moved to suspend all necessary rules to take up and consider at this time **HCR 263**.

The motion prevailed without objection.

The following resolution was laid before the house:

**HCR 263**, Honoring Richard L. "Rick" Crawford for his exceptional public service to the State of Texas.

**HCR 263** was read and was adopted without objection.

On motion of Representative Swinford, the names of all the members of the house were added to **HCR 263** as signers thereof.

### INTRODUCTION OF GUEST

The speaker recognized Representative Chisum, who introduced the Honorable Rick Crawford, executive director of the Texas State Preservation Board.

### 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. 18).

### INTRODUCTION OF GUESTS

The speaker recognized Representative McClendon, who introduced Alexander E. Briseno and his family.

**HR 763**, congratulating Alexander E. Briseno on his retirement as city manager of San Antonio, having been previously adopted, was read.

### HCR 238 - ADOPTED

(by D. Jones, Isett, Junell, and Hilderbran)

Representative Isett moved to suspend all necessary rules to take up and consider at this time **HCR 238**.

The motion prevailed without objection.

The following resolution was laid before the house:

**HCR 238**, In honor of the retirement of Texas Tech University head football coach Spike Dykes.

**HCR 238** was read and was adopted without objection.

On motion of Representative Hilderbran, the names of all the members of the house were added to **HCR 238** as signers thereof.

### INTRODUCTION OF GUEST

The speaker recognized Representative Isett, who introduced Spike Dykes. Mr. Dykes briefly addressed the house.

### INTRODUCTION OF GUESTS

The speaker recognized Representative Kolkhorst, who introduced Ms. Lee Bell, descendant of Randolph Foster, and her husband, Truett.

**HR 68**, honoring Randolph Foster for his role in Texas history, having been previously adopted, was read.

### HR 840 - ADOPTED

(by Smith)

Representative Smith moved to suspend all necessary rules to take up and consider at this time **HR 840**.

The motion prevailed without objection.

The following resolution was laid before the house:

**HR 840**, Honoring Ralph Bryan on his selection as the 2000 Hurst Citizen of the Year.

**HR 840** was adopted without objection.

**HR 903 - ADOPTED**  
**(by Deshotel)**

Representative Deshotel moved to suspend all necessary rules to take up and consider at this time **HR 903**.

The motion prevailed without objection.

The following resolution was laid before the house:

**HR 903**, Honoring Jewel and Hargie Savoy on their 50th wedding anniversary.

**HR 903** was adopted without objection.

**MEMORIAL RESOLUTIONS - ADOPTED**

Representative Truitt moved to suspend all necessary rules to take up and consider at this time **HR 847** through **HR 866**, and **HR 894** through **HR 900**.

The motion prevailed without objection.

The following resolutions were laid before the house:

**HR 847** (by Truitt), In memory of Deputy Oscar C. Hill IV of the Harris County Sheriff's Department.

**HR 848** (by Truitt), In memory of Trooper Randall W. Vetter of the Department of Public Safety.

**HR 849** (by Truitt), In memory of Senior Corporal Harold Franklin Baird, Jr., of the Dallas Police Department.

**HR 850** (by Truitt), In memory of Lieutenant John D. Dykowski of the Taylor Police Department.

**HR 851** (by Truitt), In memory of Officer Oscar Domingo Perez of the San Antonio Police Department.

**HR 852** (by Truitt), In memory of Correctional Officer III Daniel James Nagle of the Texas Department of Criminal Justice-ID.

**HR 853** (by Truitt), In memory of Trooper Terry Wayne Miller of the Department of Public Safety.

**HR 854** (by Truitt), In memory of Lieutenant Larry S. Kolb of the Kendall County Sheriff's Office.

**HR 855** (by Truitt), In memory of Officer Larry Clark Jacobs of the Mexia Police Department.

**HR 856** (by Truitt), In memory of Officer Tiffany Catherine Hickey of the Cockrell Hill Police Department.

**HR 857** (by Truitt), In memory of Officer Troy A. Blando of the Houston Police Department.

**HR 858** (by Truitt), In memory of Deputy Thomas Orville Monse, Jr., of the Atascosa County Sheriff's Department.

**HR 859** (by Truitt), In memory of Deputy Mark Louis Stephenson of the Atascosa County Sheriff's Department.

**HR 860** (by Truitt), In memory of Officer William Dewayne Jones, Sr., of the City of Austin Park Police.

**HR 861** (by Truitt), In memory of Officer John Anthony Riojas of the San Antonio Police Department.

**HR 862** (by Truitt), In memory of Deputy Vance Howard Clements of the Gregg County Sheriff's Office.

**HR 863** (by Truitt), In memory of Patrolman Aubrey Wright Hawkins of the Irving Police Department.

**HR 864** (by Truitt), In memory of Corporal James Arvel Lamance of the Whitewright Police Department.

**HR 865** (by Truitt), In memory of Deputy Lee Wayne Russ of the Ward County Sheriff's Department.

**HR 866** (by Truitt), In memory of Deputy John Charles Risley of the Harris County Sheriff's Department.

**HR 894** (by Truitt), In memory of Sergeant Donald F. Flusche, Jr., of the Dallas Police Department.

**HR 895** (by Truitt), In memory of Officer Hector R. Garza of the San Antonio Police Department.

**HR 896** (by Truitt), In memory of Deputy Sheila Gail Pyle of the Trinity County Sheriff's Office.

**HR 897** (by Truitt), In memory of Officer Mark Damon Hiatt of the Bryan Police Department.

**HR 898** (by Truitt), In memory of Deputy Barrett T. Hill of the Harris County Sheriff's Department.

**HR 899** (by Truitt), In memory of Sergeant David Michael Furrh of the Gonzales County Sheriff's Office.

**HR 900** (by Truitt), In memory of Officer William D. Jones, Sr., of the Austin Park Police.

The resolutions were unanimously adopted by a rising vote.

On motion of Representative Clark, the names of all the members of the house were added to the memorial resolutions by Representative Truitt as signers thereof.

### **REGULAR ORDER OF BUSINESS SUSPENDED**

On motion of Representative Edwards and by unanimous consent, the reading and referral of bills was postponed until just prior to adjournment.

**MOTION TO REQUEST PERMISSION TO INTRODUCE**

Representatives Junell and Wolens requested permission to introduce a bill regarding sunset legislation.

The request for permission to introduce was withdrawn.

**POSTPONED BUSINESS**

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

**SB 795 ON SECOND READING**

**(Talton, Hinojosa, Keel, B. Turner, Crabb, et al. - House Sponsors)**

**SB 795**, A bill to be entitled An Act relating to the forfeiture of profits received from the sale of crime memorabilia.

**SB 795** was considered in lieu of **CSHB 909**.

**SB 795** was read second time and was passed to third reading.

**CSHB 909 - LAID ON THE TABLE SUBJECT TO CALL**

Representative Talton moved to lay **CSHB 909** on the table subject to call.

The motion prevailed without objection.

**CSSB 555 ON SECOND READING**

**(Junell - House Sponsor)**

**CSSB 555**, A bill to be entitled An Act relating to a college savings plan for qualified higher education expenses.

**CSSB 555** was considered in lieu of **CSHB 1446**.

**CSSB 555** was read second time.

**Amendment No. 1**

Representative Junell offered the following amendment to **CSSB 555**:

Amend **CSSB 555** in SECTION 1 of the bill, in added Section 54.708, Education Code (House committee report, page 9, lines 15-16), by striking Subsection (a) and substituting the following:

(a) Contributions to a savings trust account may be made only in cash or by electronic funds transfer. An employee of the state or a political subdivision of the state may make contributions to a savings trust account by payroll deductions made by the appropriate officer of the state or political subdivision.

Amendment No. 1 was adopted without objection.

**CSSB 555**, as amended, was passed to third reading.

**CSHB 1446 - LAID ON THE TABLE SUBJECT TO CALL**

Representative Junell moved to lay **CSHB 1446** on the table subject to call.

The motion prevailed without objection.

**CSHB 820 ON SECOND READING**  
**(by Giddings)**

**CSHB 820**, A bill to be entitled An Act relating to the number of qualified businesses designated as enterprise projects in certain municipalities.

**CSHB 820** was read second time on April 26 and was postponed until this time.

(Hilbert now present)

**Amendment No. 1**

Representative Solis offered the following amendment to **CSHB 820**:

Amend **CSHB 820**, on page 1, line 20, between "four" and the semicolon, insert ", plus two additional bonus projects the department may award in a municipality with a population of less than 250,000."

Amendment No. 1 was adopted without objection.

**CSHB 820**, as amended, was passed to engrossment.

**CSHB 1369 ON SECOND READING**  
**(by Delisi and Maxey)**

**CSHB 1369**, A bill to be entitled An Act relating to requiring reports from the Health and Human Services Commission about the state Medicaid program.

**CSHB 1369** was read second time on April 26 and was postponed until this time.

Representative Delisi moved to postpone consideration of **CSHB 1369** until 10 a.m. Wednesday, May 2.

The motion prevailed without objection.

**HB 1902 ON SECOND READING**  
**(by S. Turner)**

**HB 1902**, A bill to be entitled An Act relating to the re-creation of the system benefit fund as a dedicated account and to the use of the account.

**HB 1902** was read second time on April 26 and was postponed until this time.

Representative S. Turner moved to postpone consideration of **HB 1902** until 2 p.m. today.

The motion prevailed without objection.

**MAJOR STATE CALENDAR**  
**HOUSE BILLS**  
**THIRD READING**

The following bill was laid before the house and read third time:

**HB 3067 ON THIRD READING**  
**(by Chisum, Gray, Hamric, and McCall)**

**HB 3067**, A bill to be entitled An Act relating to the continuation and functions of the Texas Funeral Service Commission.

**Amendment No. 1**

Representative Chisum offered the following amendment to **HB 3067**:

Amend **HB 3067** on third reading, as amended, by substituting Section 1.27 to read as follows.

Section 1.27. Subchapter L, Chapter 651, Occupations Code, is amended by adding new subsection 651.451(9) to read as follows:

(9) accepts compensation, directly or indirectly, for the sale of prepaid funeral services if the contract for those services does not provide for a reasonable consumer modification of funeral benefits at the time of need without penalty. The cost of a reasonable consumer modification cannot exceed 1% of the price the consumer paid for the funeral services.

Amendment No. 1 was adopted without objection.

**HB 3067**, as amended, was passed.

**MAJOR STATE CALENDAR  
HOUSE BILLS  
SECOND READING**

The following bill was laid before the house and read second time:

**CSHB 3343 ON SECOND READING  
(by Sadler, et al.)**

**CSHB 3343**, A bill to be entitled An Act relating to the operation and funding of certain group coverage programs for certain school and educational employees and their dependents.

(Brimer in the chair)

**Amendment No. 1**

Representative Sadler offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343** as follows:

On page 6, between lines 16 and 17, insert:

"(d) Notwithstanding subsection (c), a school district may pay any portion of what otherwise would be the employee share of premiums and other costs associated with the health coverage plan selected by the employee."

On page 7, between lines 23 and 24, insert:

"(d) Notwithstanding subsection (c), a school district may pay any portion of what otherwise would be the employee share of premiums and other costs associated with the health coverage plan selected by the employee."

Amendment No. 1 was adopted without objection.

**Amendment No. 2**

Representative Telford offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343**, committee printing, on page 5, between lines 11 and 12, by inserting the following:

(c) In determining the number of employees of a school district for purposes of Subsections (a) and (b) of this section, school districts that, on

August 1, 2001, are members of a risk pool established under the authority of Chapter 172, Local Government Code, as provided by Section 22.004, Education Code, may elect to be treated as a single unit. A school district shall elect whether to be considered as a member of a risk pool under this section by notifying the trustee not later than September 1, 2001.

(d) A risk pool that provides group health coverage to 500 or fewer school district employees is subject to Subsection (a) of this section, and effective September 1, 2002, the group health coverage of the school districts that are members of such a risk pool is subject to Section 4 of this article.

(d-1) A risk pool that provides group health coverage to more than 500 school district employees but fewer than 1000 employees that elects to participate as provided by Subsection (a-1) of this section must notify the trustee not later than September 30, 2001 as provided by that subsection. This subsection expires January 1, 2002.

(e) A school district with 500 or fewer employees that is a member of a risk pool described by Subsection (c) of this section that provides group health coverage to more than 500 school district employees must elect, not later than September 1, 2001, whether to be treated as a school district with 500 or fewer employees or as part of a unit with more than 500 employees. The school district must notify the trustee of the election, in the manner prescribed by the trustee, not later than September 1, 2001.

Amendment No. 2 was adopted without objection.

(Speaker in the chair)

### **Amendment No. 3**

Representative Chisum offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343** as follows:

(1) On page 12, between lines 11 and 12, insert the following:

(c) State funds received by a school district under this article may not be considered for any purpose under Chapter 41 or 42, Education Code.

(2) On page 17, between lines 6 and 7, insert the following:

Sec. 6. EFFECT OF RECEIPT OF STATE FUNDS. State funds received by a school district under this article may not be considered for any purpose under Chapter 41 or 42, Education Code. Except as provided by Section 2 or 5 of this article, this article does not permit the Teacher Retirement System of Texas, the Texas Education Agency, or the commissioner of education to require a school district to spend local funds for any specific purpose.

Amendment No. 3 was adopted without objection.

### **Amendment No. 4**

Representative Kitchen offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343** on page 17, between lines 6 and 7, by inserting the following:

Sec. 6. ADDITIONAL SUPPORT FOR CERTAIN SCHOOL DISTRICTS.

(a) This section applies only to a school district that:

(1) pays taxes under 26 U.S.C. Section 3111(a), and its subsequent amendments, for employees covered by the Social Security retirement program; and

(2) covered all employees under that program before January 1, 2001.

(b) The state shall provide additional support for a school district to which this section applies in an amount computed by multiplying the total amount received by the district and taken as supplemental compensation by district employees under Section 2, Article 3.50-8 of this code, by .062.

(c) The trustee may adopt rules as necessary to implement this section.

(d) This section expires September 1, 2008.

Amendment No. 4 was adopted without objection.

### **Amendment No. 5**

Representative Marchant offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343** as follows:

On page 11, line 24, strike "\$75.00" and substitute "a sum certain as determined by appropriation".

Amendment No. 5 was adopted without objection.

### **Amendment No. 6**

Representative Delisi offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343**, SECTION 1.02, by substituting the following for Article 3.50-8 Section 3(a).

Sec. 3. EMPLOYEE ELECTION. (a) Each employee shall elect whether state funds distributed under this article to the school district, eligible charter school, or regional education service center employing the employee are to be:

(1) placed into a health care reimbursement account or medical savings account;

(2) Used by the district, school, or service center to pay for optional health care coverage for the employee or the employee's dependents; or

(3) divided among the options permitted by Subdivisions (1)-(2) of this subsection.

Representative Sadler moved to table Amendment No. 6.

A record vote was requested.

The motion to table prevailed by (Record 232): 97 Yeas, 48 Nays, 1 Present, not voting.

Yeas — Alexander; Bailey; Bosse; Brown, F.; Burnam; Callegari; Capelo; Chavez; Clark; Coleman; Cook; Counts; Danburg; Davis, J.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; Giddings; Glaze; Goodman; Gray; Grusendorf; Gutierrez; Hardcastle; Hartnett; Hawley; Hilbert; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, E.; Jones, J.; Junell; King, T.; Kitchen; Kolkhorst; Kuempel; Lewis, G.; Lewis, R.; Longoria; Luna; Marchant; Martinez Fischer; Maxey; McClendon; McReynolds;

Menendez; Miller; Moreno, J.; Moreno, P.; Mowery; Naishtat; Najera; Noriega; Oliveira; Olivo; Pickett; Puente; Ramsay; Rangel; Raymond; Reyna, A.; Ritter; Sadler; Salinas; Seaman; Smith; Solis; Telford; Thompson; Tillery; Turner, B.; Turner, S.; Uher; Uresti; Williams; Wilson; Wise; Wolens; Yarbrough; Zbraneck.

Nays — Averitt; Berman; Bonnen; Brimer; Brown, B.; Carter; Chisum; Christian; Corte; Crabb; Craddick; Crownover; Delisi; Denny; Driver; Elkins; George; Geren; Goolsby; Green; Haggerty; Hamric; Heflin; Hope; Howard; Hupp; Isett; Janek; Keel; Keffer; King, P.; Krusee; Madden; McCall; Morrison; Nixon; Pitts; Reyna, E.; Shields; Smithee; Solomons; Swinford; Talton; Truitt; Walker; West; Wohlgemuth; Woolley.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland.

Absent — Merritt; Villarreal.

### STATEMENTS OF VOTE

I was shown voting no on Record No. 232. I intended to vote yes.

Hope

I was shown voting yes on Record No. 232. I intended to vote no.

E. Jones

When Record No. 232 was taken, I was temporarily out of the house chamber. I would have voted yes.

Merritt

When Record No. 232 was taken, my vote failed to register. I would have voted yes.

Villarreal

### 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. 2).

#### CSHB 3343 - (consideration continued)

##### Amendment No. 7

Representative Delisi offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343**, SECTION 1.02, by inserting Article 3.50-8 Section 3(f) to read as follows:

(f) any unencumbered funds that are returned to the district from accounts established under section 3(a)(1) may only be used to provide employee compensation benefits, or both.

Amendment No. 7 was adopted without objection.

##### Amendment No. 8

Representative Sadler offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343**, committee printing, on page 8, by striking lines 12-21 and substituting the following:

(B) is not a retiree covered under the Texas Public School Retired Employees Group Insurance Program established under Article 3.50-4 of this code.

Amendment No. 8 was adopted without objection.

#### **Amendment No. 9**

Representative Flores offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343** as follows:

On page 10, line 12, between "explanation" and "of", insert "written in English and Spanish".

On page 10, line 18, between "explanation" and "of", insert "in English and Spanish as appropriate".

Amendment No. 9 was adopted without objection.

#### **Amendment No. 10**

Representative Green offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343**, committee printing, as follows:

(1) On page 1, between lines 22 and 23, insert the following:

(4) "Classroom teacher" has the meaning assigned by Section 5.001, Education Code.

(2) On page 1, strike line 23 and substitute the following:

(5) "Employee" means a classroom teacher who is a participating member of the "

(3) On page 2, line 10, strike "(5)" and substitute "(6)".

(4) On page 2, line 16, strike "(6)" and substitute "(7)".

(5) On page 2, strike lines 19-22 and substitute the following:

(A) a school district; and

(B) a charter school that meets the requirements of Section 6 of this article.

(6) On page 2, line 23, strike "(7)" and substitute "(8)".

(7) On page 2, strike lines 25-27.

(8) On page 4, line 22, strike "DISTRICTS AND" and substitute "DISTRICTS."

(9) On page 4, lines 24-25, strike "and each regional education service center".

(10) On page 7, line 15, strike "or regional education service center".

(11) On page 8, between lines 2 and 3, insert the following:

(1) "Classroom teacher" has the meaning assigned by Section 5.001, Education Code.

(12) On page 8, line 3, strike "(1)" and substitute "(2)".

(13) On page 8, strike line 8 and substitute the following:

(3) "Employee" means a classroom teacher who is a participating member of the "

(14) On page 8, line 11, strike ", or regional education service center".

(15) On page 8, strike lines 22-24.

(16) In the remainder of Article 3.50-8, Insurance Code, as added by SECTION 1.02 of the bill, strike all references to regional education service centers.

(17) On page 11, strike lines 13-16 and substitute the following:  
"and;

(B) a charter school that meets the requirements of Section 6, Article 3.50-7, of this code."

(18) On page 19, lines 5-6, strike "school." and substitute "school" and".

(19) On page 19, strike line 6 and substitute the following:  
"employee have the.

(20) On page 19, lines 8-9, strike "school." and substitute "school or".

(21) On page 19, line 9, strike ", or regional education service center".

(22) On page 30, between lines 13 and 14, insert the following:

SECTION 3.03. Before implementation of the benefit programs provided under **HB 3343**, Acts of the 77th Legislature, Regular Session, 2001, the Teacher Retirement System of Texas shall contact the appropriate federal agencies as necessary to determine whether a waiver of federal requirements is necessary to limit the application of those benefit programs to classroom teachers. If the Teacher Retirement System of Texas is notified that a waiver is required, the Teacher Retirement System of Texas shall apply for the appropriate waivers, and shall implement the benefit programs in the manner that complies with applicable federal requirements. If the Teacher Retirement System of Texas is notified that such a limitation is precluded by federal law and a waiver of federal law may not be granted, the Teacher Retirement System of Texas shall implement the benefit programs as if the term "employee" used by the Insurance Code and Health and Safety Code amendments made by this Act, applies to all employees of a school district, charter school eligible to participate in the benefit programs as provided by the Insurance Code and Health and Safety Code amendments made by this Act, or regional education service center.

(23) On page 30, line 14, strike "SECTION 3.03" and substitute "SECTION 3.04".

Representative Gallego moved to table Amendment No. 10.

The motion to table was withdrawn.

Amendment No. 10 was withdrawn.

(Gallego in the chair)

### **Amendment No. 11**

Representatives Hill and Williams offered the following amendment to **CSHB 3343**:

Amend **CSHB 3343**, committee printing, as follows:

(1) On page 10, between lines 1 and 2 insert the following:

(4) placed into a medical savings account that meets the requirements of Section 5 of this article;

(2) On page 10, line 3, strike "(4)" and substitute "(5)".

(3) On page 10, line 4, strike "Subdivisions (1)-(3)" and substitute "Subdivisions (1)-(4)".

(4) On page 11, between lines 4 and 5, insert the following:

Sec. 5. MEDICAL SAVINGS ACCOUNT. (a) In this section, "qualified health care expense" means an expense paid by an employee for medical care, as defined by 26 U.S.C. Section 213(d), as amended, for the employee or the employee's dependents, as defined by 26 U.S.C. Section 152, as amended.

(b) The trustee, by rule, shall specify the requirements for the medical savings account established under this article.

(c) The trustee shall request in writing a ruling or opinion from the Internal Revenue Service as to whether the medical savings accounts adopted under this article and the state rules governing those accounts qualify the accounts for appropriate federal tax exemptions. Based on the response of the Internal Revenue Service, the trustee shall:

(1) modify the rules, plans, and procedures adopted under this section as necessary to ensure the qualification of those accounts for appropriate federal tax exemptions; and

(2) certify the information regarding federal tax qualifications to the comptroller.

(d) An employee who elects under Section 3(a) of this article to have state funds distributed under this article placed in a medical savings account may use the money in that account only for a qualified health care expense.

Amendment No. 11 was adopted without objection.

(Speaker in the chair)

### **LEAVE OF ABSENCE GRANTED**

The following member was granted leave of absence for the remainder of today because of illness:

Hilbert on motion of Merritt.

### **REMARKS ON CHSB 3343**

The speaker recognized Representative Salinas who spoke on **CSHB 3343** as follows:

REPRESENTATIVE SALINAS: Thank you Mr. Speaker. Members, many of you know me as the teacher on the floor. First of all, I would like to commend the speaker for selecting and putting into place this committee which has worked so hard. Second, I commend the work of the committee, particularly Chairman Sadler, for their hard work, long hours, and listening to the people who will be affected by what we do here today. My state association, the Texas State Teachers Association, just got through having our state convention. Six hundred active public school employees met here in Austin Thursday, Friday, and Saturday. And you can imagine what the topic of conversation was as we deliberated the business of the association. I'm here to tell you that health care for public school employees is still the number one issue, not only with our members, but with the citizens of our great state. This morning, or rather, now this afternoon, we had the chance to do something that is good, we had the chance to do something that is right, and we had the chance to do something to help with the education of our students. This bill establishes a group coverage for all, let me repeat, for all public school employees, and an opportunity to help us with our dependents. The state makes a contribution

towards helping with the rising cost of health insurance that keeps many people from providing services to our own children as we teach the children of the great State of Texas. This bill addresses and begins the process of helping school districts that have the most difficulty. I have 20 school districts in District 44 all of which are rural. All but three will be placed into the plan at the beginning of the plan. And more importantly, it guarantees that the money currently used at the local school district level is kept where it belongs, providing the benefits that are much needed for our public school employees. When I first ran for office, I decided that it would be important to put a live face on what public school employees do, and our experience. I would like to share with you my personal experience. I worked for a school district for 12 years. During those 12 years, I had to buy outside insurance for three because my school district could not afford to be part of a plan. I became a state officer and left my school district eight years ago, but I can tell you, six months after I left my teaching assignment I was diagnosed with throat cancer. I can guarantee you ladies and gentlemen, that if I would have been an active employee of my school district I would not have been able or been afforded the medical services that I needed. Many of our public school employees choose and have to go without because, as I speak, they cannot afford to pay for health insurance. Even with the coverage my school district offers now, I doubt that I would have had access to health insurance. Is this bill perfect? No. I still lament the fact that we're not going to include our retirees. I wish there was more money, but I am brought back to that fact that this bill is doable. This bill is something we can all live with and be proud of. It is something we can take back to our districts and hold our heads up high and say we kept our promise. But more importantly, it addresses the problem of providing affordable health care and access to every public school employee. Members, I urge you to vote in favor of this bill. Thank you, Mr. Speaker.

The speaker recognized Representative Ehrhardt who spoke on **CSHB 3343** as follows:

**REPRESENTATIVE EHRHARDT:** Members, many of us came this session having promised our constituents that we would have, as a top priority, health insurance for public school employees. I join you in that wish. This bill is not the bill all of us hoped we would come and get. But it is a bill to be proud of and it is a bill that we can look to as the beginning of a realization that good employers give insurance benefits to their employees. I, too, wish that retirees were in this bill. I, too, wish that our families were included in this bill. I, too, wish that it reflected the insurance that we ourselves have. However, it was not possible for us to get there with the finances that we had available, and I urge you to join those of us who sat on this committee in support of this bill, as an insurance bill that gives a beginning coverage to be offered to every one of the people who work with our most important asset, our children. Thank you.

The speaker recognized Representative Sadler who spoke on **CSHB 3343** as follows:

**REPRESENTATIVE SADLER:** Thank you Mr. Speaker and members. I have to say just a word about the select committee members that the speaker gave

me to work with. As you know, when we started this process, in one of the very first meetings, I said when we concluded “I want every member of this committee to be able to sign off on this bill and for us to unanimously be able to bring it to the floor.” I’m very proud of the fact today that we were able to do that. But it was only because of a great deal of work. I’ll start with Vice-chair Kenny Marchant. As you know, right after we got started, I was pulled away for about 45 days. I spent some time at home with my family. Mr. Marchant conducted the public hearings and has given very valuable assistance throughout that process. Every member of this committee is important. Every member of this committee contributed to this bill. This is not a single person’s bill, but every single person brought ideas, and many of you did. Ms. Delisi testified many times in front of our committee and brought ideas. Ms. Wohlgemuth brought ideas. Ms. Kitchen sat in on every single meeting and brought ideas to us. So you can be very very proud of this select committee process and the manner in which it brought together a lot of different ideas and brought this bill to the floor. It was a committee with a great deal of experience and a committee that worked very hard and has accomplished, I think, something that has been dreamed about in this capitol for decades. And that is, the beginning of a group health insurance for public school employees. I want to say one special word about Ms. Ehrhardt. Representative Ehrhardt came to me last and she said she had a group of people interested in working with her: Ms. Denny and Mr. Clark and Mr. Salinas. She called me at home, I was actually at my office, and she said “I want to do health insurance. Tell me what to do.” And I said, “Ms. Ehrhardt, if you really want to do health insurance, then you’re going to have to get on the road and start beating the drum, and you’re going to have to visit newspapers, you’re going to have to do editorials, you’re going to have to raise the level of interest on this issue.” And she did, untiringly so, for two years; elevated that debate and helped to bring it to this floor today. And I think, and I wish, and I hope, that you will acknowledge her very fine work and hard work. It is a classic example of how one member of this body can make a difference, and it should be an inspiration to all of us. We have, over the next few days, some very hard decisions to make and some very political issues—redistricting, etc. But this is an issue that is bipartisan, this is neither a Republican nor Democratic issue. This is an issue for our children and for the people who serve our children, and so I thank you for your help and I ask you to support this bill and vote in favor. Thank you.

### REMARKS ORDERED PRINTED

Representative Hodge moved to print remarks by Representative Salinas, Representative Ehrhardt, and Representative Sadler.

The motion prevailed without objection.

A record vote was requested.

**CSHB 3343**, as amended, was passed to engrossment by (Record 233): 146 Yeas, 0 Nays, 1 Present, not voting.

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

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland; Hilbert.

**CONSTITUTIONAL AMENDMENTS CALENDAR  
HOUSE JOINT RESOLUTIONS  
SECOND READING**

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

**CSHJR 2 ON SECOND READING  
(by Chisum, R. Lewis, Ramsay, and G. Lewis)**

**CSHJR 2**, A joint resolution proposing a constitutional amendment authorizing a commissioners court of a county to declare the office of constable in certain precincts dormant and providing a procedure for reinstatement of the office.

**Amendment No. 1**

Representative Chisum offered the following amendment to **CSHJR 2**:

Amend **CSHJR 2**, on page 1, line 11, between "office" and the period, by inserting and during that period of time no person was elected to fill that office, or during that period a person was elected to that office, but the person failed to meet the qualifications of that office or failed to assume the duties of that office".

Amendment No. 1 was adopted without objection.

**Amendment No. 2**

Representative Noriega offered the following amendment to **CSHJR 2**:

Amend **CSHJR 2** as follows:

(1) On page 2, line 7, strike "This" and substitute "The".

(2) On page 2, line 7, between "amendment" and "shall" insert "adding Section 18(h), Article V, Texas Constitution,".

(3) Add the following appropriately numbered SECTIONS to the joint resolution and renumber subsequent SECTIONS of the joint resolution appropriately:

SECTION \_\_\_\_\_. Section 18(b), Article V, Texas Constitution, is amended to read as follows:

(b) Each county shall, in the manner provided for justice of the peace and constable precincts, be divided into four commissioners precincts, except that Bexar, Dallas, Harris, and Tarrant counties shall each be divided into eight commissioners precincts. In [in] each precinct [of which] there shall be elected by the qualified voters thereof one County Commissioner, who shall hold his office for four years and until his successor shall be elected and qualified. The County Commissioners so chosen, with the County Judge as presiding officer, shall compose the County Commissioners Court, which shall exercise such powers and jurisdiction over all county business, as is conferred by this Constitution and the laws of the State, or as may be hereafter prescribed.

SECTION \_\_\_\_\_. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 77th Legislature, Regular Session, 2001, to increase the number of county commissioners in Bexar, Dallas, Harris, and Tarrant counties from four to eight.

(b) Under that constitutional amendment, the Commissioners Courts of Bexar, Dallas, Harris, and Tarrant counties shall each divide its county into eight commissioners precincts so that:

(1) the boundaries of the initial eight precincts can take effect on January 1, 2003; and

(2) the four additional offices of county commissioner that initially result from the division of the county into eight commissioners precincts can be filled at the general election for state and county officers held in November 2002.

(c) Of the persons elected to the four additional offices in each county at the election in November 2002, two serve an initial term expiring January 1, 2005, and two serve an initial term expiring January 1, 2007.

SECTION \_\_\_\_\_. The proposed constitutional amendment amending Section 18(b), Article V, Texas Constitution, shall be submitted to the voters at an election to be held November 6, 2001. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment to increase the number of county commissioners in Bexar, Dallas, Harris, and Tarrant counties from four to eight."

Amendment No. 2 was withdrawn.

A record vote was requested.

**CSHJR 2**, as amended, was adopted by (Record 234): 135 Yeas, 9 Nays, 2 Present, not voting.

Yeas — Alexander; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Callegari; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Corte; Counts; Craddick; Crownover; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dutton; Edwards; Ehrhardt; Elkins; Ellis; Farabee; Farrar; Gallego; Garcia; George; Geren; Giddings; Glaze; Goodman; Gray; Green; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Heflin; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, E.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Kitchen; Krusee; Kuempel; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Martinez Fischer; Maxey; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Smith; Smithee; Solis; Solomons; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uresti; Villarreal; Walker; West; Wilson; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Nays — Capelo; Crabb; Dunnam; Flores; Goolsby; Kolkhorst; Raymond; Uher; Wise.

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

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Hawley.

### STATEMENTS OF VOTE

I was shown voting yes on Record No. 234. I intended to vote no.

Gallego

I was shown voting no on Record No. 234. I intended to vote yes.

Goolsby

When Record No. 234 was taken, I was temporarily out of the house chamber. I would have voted yes.

Hawley

I was shown voting yes on Record No. 234. I intended to vote no.

Hinojosa

### HJR 85 ON SECOND READING

(by Bosse)

**HJR 85**, A joint resolution proposing a constitutional amendment to allow current and retired public school teachers and college professors, and retired public school administrators to receive compensation for serving on the governing bodies of school districts, cities, towns, or other local government districts.

#### Amendment No. 1

Representative Bosse offered the following amendment to **HJR 85**:

Amend **HJR 85** as follows:

(1) On page 2, strike lines 17 and 18 and substitute:  
"as members of such governing bodies, except that a schoolteacher, retired schoolteacher, or retired school administrator may receive compensation for serving as a".

(2) On page 3, line 7, strike "and college professors,".

(3) Amend the caption of the resolution to conform to the body of the resolution.

Amendment No. 1 was adopted without objection.

A record vote was requested.

**HJR 85**, as amended, was adopted by (Record 235): 145 Yeas, 0 Nays, 1 Present, not voting.

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

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Berman.

**GENERAL STATE CALENDAR  
HOUSE BILLS  
THIRD READING**

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

**HB 740 ON THIRD READING  
(by Dutton)**

**HB 740**, A bill to be entitled An Act relating to summary judgments issued by a court.

**HB 740** was passed. (Berman, Clark, Corte, Crabb, Craddick, Hamric, Hill, Hupp, Isett, Junell, Kuempel, Madden, Nixon, Talton, and Woolley recorded voting no)

**HB 399 ON THIRD READING****(by Giddings, Dutton, McCall, Olivo, and S. Turner)**

**HB 399**, A bill to be entitled An Act relating to prohibiting the legislature from meeting on Martin Luther King, Jr., Day.

**HB 399** was passed.

**HB 1209 ON THIRD READING****(by Williams)**

**HB 1209**, A bill to be entitled An Act relating to the uncorroborated testimony of victims of certain sexual offenses.

**HB 1209** was passed.

**HB 3136 ON THIRD READING****(by Hilbert)**

**HB 3136**, A bill to be entitled An Act relating to the statute of limitations for persons seeking damages from injury or loss caused by an error in a survey.

**HB 3136** was passed.

**HB 2103 ON THIRD READING****(by Dutton and G. Lewis)**

**HB 2103**, A bill to be entitled An Act relating to allowing a grandparent to receive financial assistance benefits on behalf of a dependent child in certain situations.

**HB 2103** was passed.

**HB 1591 ON THIRD READING****(by Kitchen)**

**HB 1591**, A bill to be entitled An Act relating to reporting and certification of Medicaid managed care encounter data.

**HB 1591** was passed.

**HB 1071 ON THIRD READING****(by Farabee and Uher)**

**HB 1071**, A bill to be entitled An Act relating to certain procedures used to deal with a criminal defendant suspected of having a mental illness or mental retardation.

**HB 1071** was passed.

**HB 1072 ON THIRD READING****(by Farabee)**

**HB 1072**, A bill to be entitled An Act relating to authorizing a peace officer or health officer to take into custody, detain, and return to a treatment facility a patient or client under a court order for treatment at the facility.

**HB 1072** was passed.

**HB 915 ON THIRD READING**  
(by Gray, F. Brown, Eiland, Naishtat, et al.)

**HB 915**, A bill to be entitled An Act relating to bulk purchasing of prescription drugs by certain state agencies.

**Amendment No. 1**

Representative Gray offered the following amendment to **HB 915**:

Amend **HB 915** on third reading as follows:

(1) On page 3, line 1, strike "rebate programs".

(2) On page 3, line 3, between "256b." and "hospital", insert "and using rebate programs".

Amendment No. 1 was adopted without objection.

**HB 915**, as amended, was passed.

**HB 2378 ON THIRD READING**  
(by Kuempel)

**HB 2378**, A bill to be entitled An Act relating to the cigarette tax and providing a penalty.

**HB 2378** was passed.

**HB 819 ON THIRD READING**  
(by Counts, Swinford, Hawley, Wise, McCall, et al.)

**HB 819**, A bill to be entitled An Act relating to transfer of the Office of Rural Affairs to the Department of Agriculture.

**HB 819** was passed.

**HB 178 ON THIRD READING**  
(by Luna, Hinojosa, and Keel)

**HB 178**, A bill to be entitled An Act relating to longevity pay for certain assistant prosecutors.

**HB 178** was passed.

**HB 1640 ON THIRD READING**  
(by Rangel)

**HB 1640**, A bill to be entitled An Act relating to the establishment of a school of pharmacy at Texas A&M University—Kingsville.

A record vote was requested.

**HB 1640** was passed by (Record 236): 141 Yeas, 2 Nays, 1 Present, not voting.

Yeas — Alexander; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Callegari; Capelo; Carter; Chavez; Christian; Clark; Coleman; Cook; Corte; Counts; Crabb; Craddick; Crownover; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia;

George; Geren; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, E.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Kitchen; Kolkhorst; Krusee; Kuempel; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Martinez Fischer; Maxey; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Noriega; Oliveira; Olivo; Pickett; Pitts; Puente; Ramsay; Rangel; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Smith; Solis; Solomons; Swinford; Talton; Telford; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Villarreal; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Nays — Chisum; Smithee.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Nixon; Raymond; Thompson.

#### STATEMENT OF VOTE

I was shown voting yes on Record No. 236. I intended to vote no.

Merritt

#### HB 1941 ON THIRD READING

(by Delisi, Hawley, Hunter, Noriega, et al.)

**HB 1941**, A bill to be entitled An Act relating to allowing certain family members of military personnel who previously resided in Texas to pay resident tuition and fees at institutions of higher education.

A record vote was requested.

**HB 1941** was passed by (Record 237): 142 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alexander; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Callegari; Capelo; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Counts; Crabb; Craddick; Crownover; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Elkins; Ellis; Farabee; Farrar; Gallego; George; Geren; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hawley; Heflin; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, E.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Kitchen; Kolkhorst; Krusee; Kuempel; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Martinez Fischer; Maxey; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Oliveira; Olivo; Pickett; Pitts; Puente; Ramsay; Rangel; Raymond; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Smith; Smithee; Solis; Solomons; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti;

Villarreal; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Corte; Flores; Garcia; Hartnett.

#### STATEMENT OF VOTE

When Record No. 237 was taken, I was in the house but away from my desk. I would have voted yes.

Flores

#### HB 1676 ON THIRD READING

(by Burnam, et al.)

**HB 1676**, A bill to be entitled An Act relating to health benefit plan coverage for certain benefits related to brain injury or neurological disease.

**HB 1676** was passed.

#### HB 1691 ON THIRD READING

(by Maxey, Gallego, Keel, Uher, Eiland, et al.)

**HB 1691**, A bill to be entitled An Act relating to the Texas Council on Purchasing from People with Disabilities.

**HB 1691** was passed. (Edwards recorded voting no)

#### GENERAL STATE CALENDAR

##### SENATE BILLS

##### THIRD READING

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

#### SB 583 ON THIRD READING

(Janek - House Sponsor)

**SB 583**, A bill to be entitled An Act relating to liens for certain services provided by physicians.

**SB 583** was passed.

#### SB 84 ON THIRD READING

(McCall - House Sponsor)

**SB 84**, A bill to be entitled An Act relating to the liability of certain volunteer centers.

A record vote was requested.

**SB 84** was passed by (Record 238): 145 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alexander; Averitt; Bailey; Berman; Bonnen; Bosse; Brimer; Brown, B.; Brown, F.; Burnam; Callegari; Capelo; Carter; Chavez; Chisum; Christian; Clark; Coleman; Cook; Corte; Counts; Crabb; Craddick; Crownover; Danburg; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam;

Dutton; Edwards; Ehrhardt; Elkins; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; George; Geren; Giddings; Glaze; Goodman; Goolsby; Gray; Green; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Hartnett; Hawley; Heflin; Hilderbran; Hill; Hinojosa; Hochberg; Hodge; Homer; Hopson; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, E.; Jones, J.; Junell; Keel; Keffer; King, P.; King, T.; Kitchen; Kolkhorst; Krusee; Kuempel; Lewis, G.; Lewis, R.; Longoria; Luna; Madden; Marchant; Martinez Fischer; Maxey; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Olivo; Pickett; Pitts; Puente; Ramsay; Rangel; Raymond; Reyna, A.; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Smith; Smithee; Solis; Solomons; Swinford; Talton; Telford; Thompson; Tillery; Truitt; Turner, B.; Turner, S.; Uher; Uresti; Villarreal; Walker; West; Williams; Wilson; Wise; Wohlgemuth; Wolens; Woolley; Yarbrough; Zbranek.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Oliveira.

### **SB 149 ON THIRD READING (Hunter - House Sponsor)**

**SB 149**, A bill to be entitled An Act relating to the colleges and universities eligible to participate in the tuition equalization grant program.

Representative Hunter moved to postpone consideration of **SB 149** until 10 a.m. tomorrow.

The motion prevailed without objection.

### **SB 187 ON THIRD READING (Solomons - House Sponsor)**

**SB 187**, A bill to be entitled An Act relating to the creation of an authority and project to provide government services through a secure and uniform online system.

#### **Amendment No. 1**

Representative Maxey offered the following amendment to **SB 187**:

Amend **SB 187**, on third reading, as follows:

(1) In Subsection (f), Section 2054.252, Government Code, as added on second reading by Amendment No. 3 by Maxey (page 3, lines 4 and 5, of the amendment), strike ", in cooperation with the Legislative Budget Board,".

(2) Strike the second sentence of Subsection (d), Section 2054.2606, Government Code, as added on second reading by Amendment No. 3 by Maxey (page 5, lines 28-30, of the amendment), which reads: The amount of the fee prescribed under this subsection must be approved by the Legislative Budget Board.

(3) Add a new section to the bill, appropriately numbered, to read as follows:

SECTION \_\_. Section 2054.252(h), Government Code, as added by this Act, expires September 1, 2005.

Amendment No. 1 was adopted without objection.

**Amendment No. 2**

Representative Isett offered the following amendment to **SB 187**:

Amend **SB 187** by adding the following appropriately numbered SECTIONS and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 2054.051, Government Code, is amended by adding Subsection (f) to read as follows:

(f) The department shall identify opportunities for state agencies to coordinate with each other in the adoption and implementation of information resources technology projects.

SECTION \_\_\_\_\_. Section 2054.096(a), Government Code, is amended to read as follows:

(a) Each agency strategic plan must be consistent with the state strategic plan and include:

(1) a statement of the state agency's goals, objectives, and programs as found in the agency's legislative appropriations request;

(2) a description of the agency's major data bases and their applications;

(3) a description of the agency's information resources management organizations, policies, and practices;

(4) a description of interagency computer networks in which the agency participates;

(5) a statement of the strategic objectives of the agency relating to information resources management for the next five fiscal years, beginning with the fiscal year during which the plan is submitted, with a description of how those objectives help achieve the agency's programs and goals, and a description of how those objectives support and promote the goals and policies of the state strategic plan;

(6) a description of any information resources technology projects proposed by the agency, including:

(A) a statement of how the projects relate to similar projects, as identified by the department, implemented or proposed by other agencies; and

(B) a description of any proposed plans for coordinating the projects with other agencies; and

(7) [~~6~~] other planning components that the department may prescribe.

Amendment No. 2 was adopted without objection.

**SB 187**, as amended, was passed.

**SB 817 ON THIRD READING**  
**(Goolsby - House Sponsor)**

**SB 817**, A bill to be entitled An Act relating to the requirement that the name of a state agency be printed on certain state motor vehicles.

**SB 817** was passed.

**SB 577 ON THIRD READING****(Driver, Hawley, Solomons, Berman, and Uresti - House Sponsors)**

**SB 577**, A bill to be entitled An Act relating to driving privileges of drivers under 18 years of age.

**SB 577** was passed.

**POSTPONED BUSINESS**

The following bill was laid before the house as postponed business:

**HB 1902 ON SECOND READING****(by S. Turner)**

**HB 1902**, A bill to be entitled An Act relating to the re-creation of the system benefit fund as a dedicated account and to the use of the account.

**HB 1902** was read second time on April 26, postponed until 10 a.m. today, and was again postponed until this time.

**Amendment No. 1**

Representative S. Turner offered the following amendment to **HB 1902**:

Amend **HB 1902** by striking all below the enacting clause and substituting the following:

SECTION 1. Section 39.901(e), Utilities Code, is amended to read as follows:

(e) 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). 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, subject to Section 39.903(e). Amounts transferred from the system benefit fund under this section may be appropriated only for the support of the Foundation School Program and are available, in addition to any amounts allocated by the General Appropriations Act, to finance actions under Section 41.002(b) or 42.2521 [42.252(e)], Education Code.

SECTION 2. Section 39.903, Utilities Code, is amended by amending Subsection (e) and adding Subsection (m) to read as follows:

(e) The system benefit fund shall provide funding solely for the following regulatory purposes and in the following order of priority:

(1) programs to assist low-income electric customers by providing the 10 percent reduced rate prescribed by Subsection (h);

(2) programs to assist low-income electric customers by providing the targeted energy efficiency programs described by Subsection (f)(2);

(3) ~~[provided by Subsections (f)-(l);~~

~~[(2)] customer education programs, administrative expenses incurred by the commission in implementing and administering this chapter, and expenses incurred by the office under this chapter; [and]~~

(4) [~~(3)~~] the school funding loss mechanism provided by Section 39.901; and

(5) programs to assist low-income electric customers by providing the 20 percent reduced rate prescribed by Subsection (h).

(m) In addition to the rules required by Section 39.901(g) relating to the school funding loss mechanism, the comptroller shall adopt rules and establish procedures to:

(1) identify school districts that are directly affected by electric utility restructuring;

(2) assess the effect changing gas prices have on the market value of nuclear power plants;

(3) conduct an appraisal of the estimates of each school district and include in the appraisal a cross-reference to the commission's most recent stranded costs estimate for a facility in the district;

(4) adjust the property tax reductions attributable to electric utility restructuring in a district under Section 39.901 to reflect any increase in the district's property tax revenue that is attributable to electric utility restructuring, including the value of new power plants constructed in the district and the increased value of other property in the district, such as power plants and transmission and distribution facilities; and

(5) ensure that the amount a school district is reimbursed is computed by taking the difference between current year and prior year appraisal values as required by Section 39.901 and as adjusted in accordance with this subsection.

SECTION 3. This Act takes effect September 1, 2001.

Amendment No. 1 was adopted without objection.

**HB 1902**, as amended, was passed to engrossment.

**GENERAL STATE CALENDAR  
HOUSE BILLS  
SECOND READING**

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

**CSHB 2409 ON SECOND READING  
(by Counts)**

**CSHB 2409**, A bill to be entitled An Act relating to restrictions on artificial recharge of the Edwards Aquifer.

**Amendment No. 1**

Representative Counts offered the following amendment to **CSHB 2409**:

Amend **CSHB 2409** on page 1, lines 18 through 21, by striking all between "(h)" and the period and substituting the following:

"The commission may not authorize by rule or permit an injection well that transects or terminates in the Edwards Aquifer. The commission by rule may authorize injection of groundwater withdrawn from the Edwards Aquifer, or injections of storm water, flood water, or groundwater through improved sinkholes or caves located in karst topographic areas"

Amendment No. 1 was adopted without objection.

**CSHB 2409**, as amended, was passed to engrossment. (Shields recorded voting no)

**CSHB 1951 ON SECOND READING**  
(by Farrar)

**CSHB 1951**, A bill to be entitled An Act relating to conditions of employment for peace officers employed by certain rapid transit authorities.

Representative Bailey moved to postpone consideration of **CSHB 1951** until 10 a.m. Thursday, May 3.

The motion prevailed without objection.

**HB 2872 ON SECOND READING**  
(by Uher)

**HB 2872**, A bill to be entitled An Act relating to the emergency cleanup of oil and gas wastes or other substances or materials by the Railroad Commission of Texas.

**HB 2872 - LAID ON THE TABLE SUBJECT TO CALL**

Representative Uher moved to lay **HB 2872** on the table subject to call.

The motion prevailed without objection.

**CSHB 2029 ON SECOND READING**  
(by Yarbrough)

**CSHB 2029**, A bill to be entitled An Act relating to the application of the Texas Unemployment Compensation Act to employment by an Indian tribe.

**CSHB 2029** was passed to engrossment. (Chisum recorded voting no)

**HB 2184 ON SECOND READING**  
(by Smith)

**HB 2184**, A bill to be entitled An Act relating to the disposition of certain weapons seized as evidence in a criminal case.

**Amendment No. 1**

Representative Smith offered the following amendment to **HB 2184**:

Amend **HB 2184** as follows:

(1) On page 1, line 9, between "shall" and "notify", insert ", before the 61st day after the date the magistrate determines that there will be no prosecution or conviction,".

(2) On page 1, lines 10 and 11, strike "~~upon request to the court~~" and substitute "upon written request to the magistrate ~~court~~".

(3) On page 1, line 11, between the period and "If", insert "The magistrate shall order the weapon returned to the person found in possession before the 61st day after the date the magistrate receives a request from the person."

(4) On page 1, line 13, between "shall" and "order", insert ", before the 121st day after the date of notification,".

(5) On page 1, line 15, after the period, add "If the magistrate does not order the return, destruction, or forfeiture of the weapon within the applicable

period prescribed by this subsection, the law enforcement agency holding the weapon may request an order of destruction or forfeiture of the weapon from the magistrate."

(6) On page 1, line 21, strike "returned to the owner, destroyed," and substitute "destroyed".

(7) On page 2, line 20, strike "the release or".

(8) On page 2, line 23, strike "release, destruction," and substitute "destruction".

Amendment No. 1 was adopted without objection.

**HB 2184**, as amended, was passed to engrossment.

### **HB 2250 ON SECOND READING**

**(by Smith, Homer, Hill, Dunnam, Kitchen, et al.)**

**HB 2250**, A bill to be entitled An Act relating to certain criminal consequences of a previous intoxication manslaughter conviction.

#### **Amendment No. 1**

On behalf of Representative Allen, Representative Smith offered the following amendment to **HB 2250**:

Amend **HB 2250** by adding a new section to the bill, appropriately numbered, to read as follows, and renumbering subsequent sections accordingly:

SECTION \_\_. Section 49.09, Penal Code, is amended by amending Subsections (e) and (f) and adding Subsections (g) and (h) to read as follows:

(e) Except as provided by Subsections (f) and (g), a [A] conviction may not be used for purposes of enhancement under this section if:

(1) the conviction was a final conviction under Subsection (d) and was for an offense committed more than 10 years before the offense for which the person is being tried was committed; and

(2) the person has not been convicted of an offense under Section 49.04, 49.05, 49.06, 49.065, 49.07, or 49.08 or any offense related to operating a motor vehicle while intoxicated committed within 10 years before the date on which the offense for which the person is being tried was committed.

(f) A conviction may be used for the purposes of enhancement under this section regardless of when the conviction occurred if the conviction was for an offense under:

(1) Section 49.08 involving the operation of a motor vehicle; or

(2) Section 19.05(a)(2), as that law existed before September 1, 1994, involving the operation of a motor vehicle.

(g) If the offense for which the person is being tried is an offense under Section 49.04, 49.05, 49.06, or 49.065, a conviction may be used for purposes of enhancement under this section only if the conviction was a final conviction under Subsection (d) and the offense for which the person is being tried was committed within 10 years of the latest of:

(1) the date on which the previous offense was committed;

(2) the date on which the person was discharged from any period of community supervision to which the person was placed for the previous offense;

(3) the date on which the person successfully completed any period of parole to which the person was released after serving a portion of the term to which the person was sentenced for the previous offense; or

(4) the date on which the person completed serving any term to which the person was confined or imprisoned for the previous offense.

(h) A conviction may be used for purposes of enhancement under this section or enhancement under Subchapter D, Chapter 12, but not under both this section and Subchapter D.

Amendment No. 1 was adopted without objection.

**HB 2250**, as amended, was passed to engrossment.

**CSHB 2543 ON SECOND READING**  
**(by Naishtat and S. Turner)**

**CSHB 2543**, A bill to be entitled An Act relating to the establishment of a pilot program to provide child-care intervention services for certain children with severe behavioral problems.

**CSHB 2543** was passed to engrossment.

**HB 2769 ON SECOND READING**  
**(by Solis)**

**HB 2769**, A bill to be entitled An Act relating to the scope of child care services funded by a local workforce development board.

**Amendment No. 1 (Committee Amendment No. 1)**

Representative Solis offered the following committee amendment to **HB 2769**:

Amend **HB 2769** on page 1, line 10, by striking "entitled" and substituting "eligible"

Amendment No. 1 was adopted without objection.

**HB 2769**, as amended, was passed to engrossment.

**CSHB 2810 ON SECOND READING**  
**(by Wolens)**

**CSHB 2810**, A bill to be entitled An Act relating to the application of statutes that classify political subdivisions according to population.

**Amendment No. 1**

Representative Wolens offered the following amendment to **CSHB 2810**:

Amend **CSHB 2810** on page 60, lines 9 and 17, immediately following "1.3", by inserting "million".

Amendment No. 1 was adopted without objection.

**CSHB 2810**, as amended, was passed to engrossment.

**HB 2811 ON SECOND READING**  
(by Wolens)

**HB 2811**, A bill to be entitled An Act relating to a nonsubstantive revision of statutes relating to the Texas Department of Insurance, the business of insurance, and certain related businesses, including conforming amendments, repeals, and penalties.

**Amendment No. 1 (Committee Amendment No. 1)**

Representative Wolens offered the following committee amendment to **HB 2811**:

Amend **HB 2811** as follows:

(1) In Chapter 802, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Section 802.051 and substitute the following:

Sec. 802.051. APPLICABILITY OF SUBCHAPTER. This subchapter applies to each company regulated by the commissioner, including:

- (1) a stock life, health, or accident insurance company;
- (2) a mutual life, health, or accident insurance company;
- (3) a stock fire or casualty insurance company;
- (4) a mutual fire or casualty insurance company;
- (5) a Mexican casualty company;
- (6) a Lloyd's plan;
- (7) a reciprocal or interinsurance exchange;
- (8) a fraternal benefit society;
- (9) a title insurance company;
- (10) an attorney's title insurance company;
- (11) a stipulated premium insurance company;
- (12) a nonprofit legal service corporation;
- (13) a health maintenance organization;
- (14) a statewide mutual assessment company;
- (15) a local mutual aid association;
- (16) a local mutual burial association;
- (17) an association exempt under Section 887.102;
- (18) a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;
- (19) a county mutual insurance company; and
- (20) a farm mutual insurance company. (V.T.I.C. Art. 1.11, Subsec.

(b) (part).)

(2) In Section 821.051, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), between "inland" and "insurance", insert "marine".

(3) In Section 823.053, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(1), strike "distribution" and substitute "dividend or distribution".

(4) In Section 823.107, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "DISTRIBUTIONS" in the section heading and substitute "DIVIDENDS OR DISTRIBUTIONS" and strike "extraordinary distribution" in each place the phrase appears in that section and substitute "extraordinary dividend or distribution".

(5) In Section 823.107, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (c), strike "proposed distribution" and substitute "proposed dividend or distribution".

(6) In Section 823.107, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsections (d) and (e), strike "the distribution" in each place the phrase appears in those subsections and substitute "the dividend or distribution".

(7) In Section 828.051, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "Article 3.39 does" and substitute "Articles 3.33 and 3.39 do".

(8) In Section 828.054, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "Article 3.39" and substitute "Article 3.33 or 3.39".

(9) In Section 828.055, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "or request or an" and substitute "request to purchase, or".

(10) In Section 828.056, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike "Article 3.39" and substitute "Article 3.33 or 3.39".

(11) In Section 841.259, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the section heading, strike "PROHIBITED".

(12) In Section 843.002, Insurance Code, as added by SECTION 1 of the bill (introduced version), following Subdivision (28), insert the following:

(29) "Uncovered liabilities" means obligations resulting from unpaid uncovered expenses, the outstanding indebtedness of loans that are not specifically subordinated to uncovered medical and health care expenses or guaranteed by the sponsoring organization, and all other monetary obligations that are not similarly subordinated or guaranteed.

(13) In Section 843.002, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the recitation of the source law for that section, between "(w) as amended Acts 75th Leg., R.S., Ch. 1023;" and "(x)", insert "(w) as amended Acts 75th Leg., R.S., Ch. 1026;".

(14) In Section 843.076, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(1), strike "commissioner rule" and substitute "rules adopted by the commissioner".

(15) In Section 843.080, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike the second sentence and substitute: "If, before the 31st day after the date a modification or amendment for which the commissioner's approval is required is filed, the commissioner does not disapprove the modification or amendment, it is considered approved."

(16) In Section 843.082, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the section heading, before "APPROVAL", insert "REQUIREMENTS FOR".

(17) In Section 843.102, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (d) and substitute the following:

(d) A health maintenance organization shall record formal proceedings of quality assurance program activities and maintain documentation in a

confidential manner. The health maintenance organization shall make the quality assurance program minutes available to the commissioner.

(18) In Section 843.201, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike "a handbook provided by the health maintenance organization" and substitute "the health maintenance organization's handbook".

(19) In Section 843.208, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (2), strike "commissioner rule" and substitute "rules adopted by the commissioner".

(20) In Section 846.059, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "pay to the commissioner" and substitute "pay to the department".

(21) In Chapter 862, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 862.001, 862.002, 862.052, 862.151, 862.152, and 862.154, strike "inland insurance" in each place the phrase appears in those sections and substitute "inland marine insurance".

(22) In Section 862.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (b)(7)(A) and substitute the following:

(A) separately the amount received, after deducting reinsurance, as fire, marine, and inland marine transportation premiums;

(23) In Section 882.559, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike "commissioner" in each place the word appears in that subsection and substitute "department".

(24) In Chapter 883, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Section 883.001 and substitute the following:

Sec. 883.001. DEFINITIONS. In this chapter:

(1) "Domestic mutual insurance company" means a mutual insurance company organized under this chapter.

(2) "Foreign mutual insurance company" means a mutual insurance company organized under the laws of a jurisdiction other than this state and authorized to engage in the business of insurance on a mutual plan in any state, district, or territory. (V.T.I.C. Arts. 15.14 (part), 15.15 (part); New.)

(25) In Section 883.002, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "a mutual insurance company and a foreign mutual insurance company" and substitute "domestic and foreign mutual insurance companies".

(26) In Chapter 883, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 883.002, 883.003, 883.102, 883.151, 883.154, 883.155, 883.159, 883.201, 883.202, and 883.203, strike "mutual insurance company organized under this chapter" in each place the phrase appears in those sections and substitute "domestic mutual insurance company".

(27) In Section 883.204, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "A mutual insurance company and a foreign mutual insurance company" and substitute "Domestic and foreign mutual insurance companies".

(28) In Chapter 883, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 883.206 and 883.207, strike "A mutual

insurance company and a foreign mutual insurance company organized or operating under this chapter are" and substitute "Each domestic or foreign mutual insurance company organized or operating under this chapter is".

(29) In Section 884.056, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "commissioner" in each place the word appears in that section and substitute "department".

(30) In Section 884.554, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "COMMISSIONER" in the section heading and substitute "DEPARTMENT" and strike "commissioner" in each other place the word appears in that section and substitute "department".

(31) In Chapter 884, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subchapter O and substitute the following:

**SUBCHAPTER O. GENERAL FINANCIAL REGULATION**

Sec. 884.701. HAZARDOUS FINANCIAL CONDITION, SUPERVISION, CONSERVATORSHIP, AND LIQUIDATION. Articles 1.32, 21.28, and 21.28-A apply to a stipulated premium company engaged in the business of insurance in this state. (New.)

(32) In Section 885.203, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike "any state court" and substitute "a state court".

(33) In Section 885.404, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (c), strike "the life of a woman" and substitute "a female risk".

(34) In Section 885.501, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (2), strike "benefit members" and substitute "members holding benefit certificates".

(35) In Section 885.703, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(3), strike "the fine" and substitute "a fine".

(36) In Section 886.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), between "entity" and "authorized", insert ", including a society or association of any sort,".

(37) In Section 886.104, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (d), strike "certificate" and substitute "policy".

(38) In Section 886.107, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike the first sentence and substitute: "For the filing of each annual statement, the department shall charge the appropriate fee."

(39) In Section 887.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subdivisions (3)-(6) and substitute the following:

(3) "Insurance certificate" means an insurance policy, contract of insurance, certificate of membership, or other document through which insurance is effected or evidenced.

(4) "Member" includes a certificate holder or any other insured of an association.

(5) "Membership fee" means the amount of the first assessment or assessments placed in the expense fund of an association and representing the cost of soliciting or procuring a member, as permitted by the department.

(6) "Mortuary fund" includes a mortuary fund, relief fund, claim fund, or similar fund.

(40) In Section 887.051, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (c) and substitute the following:

(c) An association's bylaws must contain all things required by this chapter and may not contain any provision in conflict with this chapter.

(41) In Section 887.054, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(3), strike "loss to the association" and substitute "loss sustained by the association".

(42) In Chapter 887, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 887.054, 887.064, 887.203, 887.207, 887.210, 887.352, 887.353, 887.354, 887.355, 887.356, 887.357, 887.359, 887.360, and 887.406, strike "claim fund" in each place the phrase appears in those sections and substitute "mortuary fund".

(43) In Section 887.055, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a)(3), strike "loss to the association" and substitute "loss sustained by the association".

(44) In Section 887.055, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "claim funds" and substitute "mortuary funds".

(45) In Section 887.060, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(3), strike "claim and expense funds" and substitute "mortuary and expense funds".

(46) In Sections 887.154, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (3)(A), strike "expense and claim funds" and substitute "mortuary and expense funds".

(47) In Section 887.255, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the section heading, before "INSURANCE", insert "LIFE".

(48) In Section 887.255, Insurance Code, as added by SECTION 1 of the bill (introduced version), following Subsection (g), insert the following:

(h) This section does not apply to health and accident insurance policies.

(49) In Section 887.301, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (d)(2), strike "or claim".

(50) In Section 887.302, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "accident and health" and substitute "accident, health, and hospitalization".

(51) In Chapter 887, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the heading for Subchapter H, strike "CLAIM" and substitute "MORTUARY".

(52) In Section 887.351, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "CLAIM" in the section heading and substitute "MORTUARY" and strike "claim" in the other place the word appears in that section and substitute "mortuary".

(53) In Section 887.354, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a)(2), strike "accident or health" and substitute "accident, health, or hospitalization".

(54) In Section 887.358, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "CLAIM FUND" in the section heading and

substitute "MORTUARY FUND" and strike "claim fund" in the other place the phrase appears in that section and substitute "mortuary fund".

(55) In Section 887.360, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "accident or health" in each place the phrase appears in that section and substitute "accident, health, or hospitalization".

(56) In Section 887.404, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "ACCIDENT AND HEALTH" in the section heading and substitute "ACCIDENT, HEALTH, AND HOSPITALIZATION" and strike "accident and health" in the other place the phrase appears in that section and substitute "accident, health, and hospitalization".

(57) In Section 887.405, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (d), after "compute", insert "or cause to be computed".

(58) In Section 887.455, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a)(1), strike "any laws" and substitute "all laws".

(59) In Section 887.457, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "CLAIM FUND" in the section heading and substitute "MORTUARY FUND" and strike "claim fund" in each other place the phrase appears in that section and substitute "mortuary fund".

(60) In Section 887.502, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (1), strike "or claim".

(61) In Chapter 887, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subchapter L and substitute the following:

#### SUBCHAPTER L. GENERAL FINANCIAL REGULATION

Sec. 887.551. HAZARDOUS FINANCIAL CONDITION, SUPERVISION, CONSERVATORSHIP, AND LIQUIDATION. Articles 1.32, 21.28, and 21.28-A apply to an association engaged in the business of insurance in this state. (New.)

(62) In Section 888.151, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the section heading, strike "STUDIES RELATED TO BURIAL ASSOCIATIONS AND" and substitute "DATA COLLECTION RELATED TO".

(63) In Chapter 888, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Section 888.151 and substitute the following:

Sec. 888.151. STUDIES RELATED TO BURIAL ASSOCIATIONS AND RATES. (a) The commissioner shall:

(1) collect data, statistics, and information on the death rates, lapses, experiences, and other information relating to burial association rates in and outside of this state that the commissioner considers useful in determining reasonable and adequate rates for burial associations; and

(2) study the statistics, rates, and experiences of burial associations.

(b) The commissioner may distribute information collected under Subsection (a)(1) to burial associations in this state. (V.T.I.C. Arts. 14.47, 14.48 (part).)

(64) In Section 888.152, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the section heading, strike "BY COMMISSIONER".

(65) In Section 888.152, Insurance Code, as added by SECTION 1 of the

bill (introduced version), in Subsection (e), strike "commissioner" and substitute "department".

(66) In Section 888.154, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "commissioner" in each place the word appears in that section and substitute "department" and strike "commissioner's" in each place the word appears in that section and substitute "department's".

(67) In Section 888.156, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "commissioner's" and substitute "department's" and strike "commissioner" and substitute "department".

(68) In Section 888.157, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike "commissioner's" and substitute "department's".

(69) In Section 888.202, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "commissioner" and substitute "department".

(70) In Chapter 888, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Section 888.204 and substitute the following:

Sec. 888.204. CERTAIN AFFILIATIONS BETWEEN BURIAL ASSOCIATIONS AND FUNERAL HOMES PROHIBITED. (a) It is against the public policy of this state for a funeral home or an owner of an interest in a funeral home to be directly or indirectly connected or affiliated with more than one burial association.

(b) The commissioner shall adopt rules as necessary to implement this section. (V.T.I.C. Art. 14.51 (part).)

(71) In Section 911.202, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "principal office" and substitute "home office".

(72) In Section 911.303, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) The farm mutual insurance company may contract for mutual or reciprocal reinsurance with another company on the mutual or cooperative plan subject to the following conditions:

(1) the farm mutual company may assume the reinsurance on the risks of the other company only if the other company reinsures the risks of the farm mutual insurance company; and

(2) the farm mutual company may write or assume the reinsurance only on property that the company is authorized to insure and that is located in this state.

(73) In Section 911.303, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (c), strike "contract of interinsurance" and substitute "reinsurance contract".

(74) In Section 912.002, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (a) and substitute the following:

(a) A county mutual insurance company is exempt from the operation of all insurance laws of this state, including the flexible rating program under Article 5.101, except laws that are made applicable by their specific terms or except as specifically provided by this chapter.

(75) In Section 912.002, Insurance Code, as added by SECTION 1 of the

bill (introduced version), in Subsection (b)(1), strike ", 822.057(a)(3), (b), and (c), 822.058(b) and (c)."

(76) In Section 912.055, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (2), strike "association" and substitute "company".

(77) In Section 912.251, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "Articles 21.07 and 21.14" and substitute "Article 21.07 or 21.14".

(78) In Section 912.304, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) The county mutual insurance company may contract for mutual or reciprocal reinsurance with another company on the mutual or cooperative plan subject to the following conditions:

(1) the county mutual insurance company may assume the reinsurance on the risks of the other company only if the other company reinsures the risks of the county mutual insurance company; and

(2) the county mutual insurance company may write or assume the reinsurance only on property that the company is authorized to insure and that is located in this state.

(79) In Section 912.304, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (c), strike "contract of interinsurance" and substitute "reinsurance contract".

(80) In Chapter 912, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subchapter G, insert new Section 912.310 to read as follows:

Sec. 912.310. CERTAIN COMPANIES EXEMPT. (a) Chapter 196, Acts of the 53rd Legislature, Regular Session, 1953, and Chapter 117, Acts of the 54th Legislature, Regular Session, 1955, do not apply to a county mutual insurance company:

(1) that was organized and operating as a county mutual fire insurance company on May 22, 1953; and

(2) the business of which is devoted exclusively to the writing of industrial fire insurance policies covering dwellings, household goods and wearing apparel on a weekly, monthly, or quarterly basis on a continuous premium payment plan.

(b) The exemption established by this section applies only so long as the company is engaged exclusively in the writing of industrial fire insurance policies described by Subsection (a). (V.T.I.C. Art. 17.02 (part).)

(81) In Chapter 912, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subchapter O and substitute the following:

#### SUBCHAPTER O. GENERAL FINANCIAL REGULATION

Sec. 912.701. HAZARDOUS FINANCIAL CONDITION, SUPERVISION, CONSERVATORSHIP, AND LIQUIDATION. Articles 1.32, 21.28, and 21.28-A apply to a county mutual insurance company engaged in the business of insurance in this state. (New.)

(82) In Section 941.003, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (a) and substitute the following:

(a) A Lloyd's plan is exempt from the operation of all insurance laws of

this state except as specifically provided in this chapter or unless it is specifically provided in the other law that the law is applicable.

(83) In Section 941.003, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (d)(1), strike "replaces" and substitute "are instead of".

(84) In Section 941.004, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "commissioner" in each place the word appears in that section and substitute "department".

(85) In Section 941.102, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(6), strike "commissioner" and substitute "department".

(86) In Section 941.202, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (d), between "fact" and "may", insert "for a Lloyd's plan".

(87) In Chapter 941, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Section 941.206 and substitute the following:

Sec. 941.206. HAZARDOUS FINANCIAL CONDITION, SUPERVISION, CONSERVATORSHIP, AND LIQUIDATION; IMPAIRMENT OF SURPLUS.

(a) Articles 1.32, 21.28, and 21.28-A apply to a Lloyd's plan engaged in the business of insurance in this state.

(b) Section 5, Article 1.10, applies to a Lloyd's plan. (V.T.I.C. Art. 18.07; New.)

(88) In Section 941.251, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), in the first sentence, between "fact" and the period, insert "for a Lloyd's plan".

(89) In Section 942.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (1), between "authorization" and the comma, insert "of the attorney in fact".

(90) In Section 942.002, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (c) and substitute the following:

(c) An exchange may not engage in the business of life insurance.

(91) In Section 942.003, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (a) and substitute the following:

(a) An exchange is exempt from the operation of all insurance laws of this state except as specifically provided in this chapter or unless exchanges are specifically mentioned in the other law.

(92) In Section 942.003, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (e)(1), strike "subscriber declaration" and substitute "declaration of the subscribers".

(93) In Section 942.159, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (a) and substitute the following:

(a) An attorney in fact commits an offense if the attorney in fact:

(1) exchanges a reciprocal or interinsurance contract without first complying with the law governing the contract; or

(2) directly or indirectly solicits or negotiates an application for the contract without first complying with the law governing the contract.

(94) In Section 942.203, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "appropriate" and substitute "applicable".

(95) In Section 961.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subdivision (2) and substitute the following:

(2) "Benefit certificate" means a document issued to a participant that states the benefits and other required matters under a group contract for legal services or an individual contract for legal services issued to a participant.

(96) In Section 961.002, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike Subdivisions (1)-(6) and substitute the following:

(1) Articles 1.01, 1.09-1, 1.11, 1.12, 1.13, 1.15, 1.15A, 1.16, 1.17, 1.18, 1.19, 1.20, 1.21, 1.22, 21.21, 21.21-2, 21.28, 21.28-A, 21.47, and 21.49-8;

(2) Sections 2, 6, and 17, Article 1.10;

(3) Sections 31.002, 31.004, 31.007, 31.021, 31.022, 31.023, 31.025, 31.026, 31.027, 32.001, 32.002, 32.003, 32.021, 32.022(a), 32.023, 32.041, 33.002, 33.006, 38.001, 81.004, 801.001, 801.002, 801.051-801.055, 801.057, 801.101, 801.102, 802.003, 841.251, and 841.252;

(4) Subchapter B, Chapter 31;

(5) Subchapter D, Chapter 36;

(6) Subchapter A, Chapter 805; and

(7) Chapter 824.

(97) In Chapter 961, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Section 961.003 and substitute the following:

Sec. 961.003. CORPORATION SUBJECT TO DEPARTMENT REGULATION. Each nonprofit legal services corporation is subject to this chapter and to direct regulation by the department. (V.T.I.C. Arts. 23.02 (part), 23.09 (part).)

(98) In Section 961.203, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (e), strike "Income" and substitute "Net income".

(99) In Section 961.252, Insurance Code, as added by SECTION 1 of the bill (introduced version), between "A" and "certificate", insert "benefit".

(100) In Section 961.303, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a)(2), strike "relations" and substitute "relationship".

(101) In Section 961.355, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), between "a" and "renewal application", insert "completed".

(102) In Section 961.357, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (d)(2), between "receives the" and "application", insert "completed".

(103) In Section 982.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivision (2), strike "'Alien company'" and substitute "'Alien insurance company'".

(104) In Section 982.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subdivision (3) and substitute the following:

(3) "Domestic insurance company" has, in the context of a life insurance company, accident insurance company, life and accident insurance company, health and accident insurance company, or life, health, and accident insurance company, the meaning assigned by Section 841.001.

(105) In Section 982.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subdivision (4) and substitute the following:

(4) "Foreign insurance company" means an insurance company organized under the laws of another state of the United States.

(106) In Section 982.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subdivision (6) and substitute the following:

(6) "Policyholder" has, in the context of a life insurance company, accident insurance company, life and accident insurance company, health and accident insurance company, or life, health, and accident insurance company, the meaning assigned by Section 841.001.

(7) "Trusteed asset" means an asset that an authorized alien insurance company is required or permitted by this chapter to deposit with one or more trustees for the security of the company's policyholders in the United States.

(107) In Section 982.004, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the section heading, strike "ALIEN COMPANIES" and substitute "ALIEN INSURANCE COMPANIES".

(108) In Chapter 982, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 982.004, 982.051, and 982.302, strike "foreign company" in each place the phrase appears in those sections and substitute "foreign insurance company".

(109) In Chapter 982, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 982.004, 982.110, 982.111, 982.112, 982.201, 982.202, 982.203, 982.204, and 982.254, strike "alien company" in each place the phrase appears in those sections and substitute "alien insurance company".

(110) In Section 982.051, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subdivisions (1) and (2), strike "the company" in each place the phrase appears in those subdivisions and substitute "the foreign insurance company".

(111) In Chapter 982, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 982.052, strike "A foreign company or alien company" and substitute "Except as provided by Chapter 101 or 981, a foreign or alien insurance company".

(112) In Chapter 982, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 982.102, 982.104, 982.106, 982.107, 982.301, 982.303, 982.304, and 982.305, strike "foreign or alien company" in each place the phrase appears in those sections and substitute "foreign or alien insurance company".

(113) In Section 982.103, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "ALIEN COMPANY" in the section heading and substitute "ALIEN INSURANCE COMPANY" and strike "alien company" in the other place the phrase appears in that section and substitute "alien insurance company".

(114) In Section 982.108, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "ALIEN COMPANIES" in the section heading and substitute "ALIEN INSURANCE COMPANY" and strike "alien company" in the other place the phrase appears in that section and substitute "alien insurance company".

(115) In Section 982.113, Insurance Code, as added by SECTION 1 of

the bill (introduced version), in Subsection (a)(2), strike "will not be hazardous" and substitute "will not create a condition that might be hazardous".

(116) In Chapter 982, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the headings for Subchapters D and E, strike "ALIEN COMPANIES" and substitute "ALIEN INSURANCE COMPANIES".

(117) In Section 982.251, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "ALIEN COMPANY" in the section heading and substitute "ALIEN INSURANCE COMPANY" and strike "alien company's" in the place the phrase appears in that section and substitute "alien insurance company's".

(118) In Section 982.252, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "ALIEN COMPANY" in the section heading and substitute "ALIEN INSURANCE COMPANY" and strike "alien company" in each other place the phrase appears in that section and substitute "alien insurance company".

(119) In Chapter 982, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 982.252 and 982.253, strike "alien company's" in each place the phrase appears in those sections and substitute "alien insurance company's".

(120) In Section 982.255, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "ALIEN COMPANY" in the section heading and substitute "ALIEN INSURANCE COMPANY", strike "alien company's" in the place the phrase appears in that section and substitute "alien insurance company's", and strike "alien company" in the place the phrase appears in that section and substitute "alien insurance company".

(121) In Section 983.055, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) The insurer or health maintenance organization, under conditions approved by the commissioner and with an appropriate endorsement, may continue to use an insurance policy or evidence of coverage form that was approved before the redomestication.

(122) In Section 984.001, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike Subdivision (2) and substitute the following:

(2) authorized to write insurance policies described by Subsection (b) by those laws, the company's charter or articles of association, and a license that is in effect and that is issued by the appropriate insurance regulatory authority of the United Mexican States or any state of that nation.

(123) In Chapter 984, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Sections 984.101, 984.102, 984.103, and 984.153, strike "commissioner" in each place the word appears in those sections and substitute "department".

(124) In Section 984.201, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "or renew".

(125) In Section 1101.006, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), between "years" and "during", insert "from its date of issue".

(126) In Section 1101.006, Insurance Code, as added by SECTION 2 of

the bill (introduced version), in Subsection (a), strike "incontestible" and substitute "incontestable".

(127) In Section 1101.009, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), strike "This section does not apply to:" and substitute "The following policies are not required to comply with this section:".

(128) In Section 1101.010, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) A term life insurance policy is not required to comply with this section.

(129) In Section 1101.054, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "life insurance policy or an endowment" and substitute "life or endowment insurance policy".

(130) In Section 1101.054, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (c), strike "insurance, endowment," and substitute "life or endowment insurance".

(131) In Section 1101.055, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b)(3), strike "commissioner under Subchapter A" and substitute "department under Article 3.42".

(132) In Section 1101.101, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "Subchapter A" and substitute "Article 3.42".

(133) In Section 1101.151, Insurance Code, as added by SECTION 2 of the bill (introduced version), between the period and "(New.)", insert: "This subchapter does not apply to a term life insurance policy."

(134) In Section 1101.153, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (c) strike "the life of a woman" and substitute "a female risk".

(135) In Section 1101.156, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "premium payments and the value of the policy is applied to the purchase of other insurance that" and substitute "premium payments, the value of the policy shall be applied to the purchase of other insurance and".

(136) In Section 1103.102, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), strike "and designates in writing filed with the company that issues the policy a beneficiary to receive the proceeds of the policy," and substitute ", designates in writing a beneficiary to receive the proceeds of the policy, and files the writing with the company that issues the policy,".

(137) In Section 1105.002, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) This chapter also applies to a policy issued by a company after a date specified in a written notice:

(1) that was filed by the company with the State Board of Insurance after August 23, 1963, but before January 1, 1974; and

(2) under which the company filing the notice elected to comply before January 1, 1974, with the law codified by this chapter.

(138) In Section 1105.003, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), strike Subdivisions (1)-(3) and substitute the following:

- (1) reinsurance;
- (2) group insurance;
- (3) pure endowment;

(139) In Chapter 1105, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1105.004 and substitute the following:

Sec. 1105.004. REQUIRED NONFORFEITURE PROVISIONS. (a) A life insurance policy delivered or issued for delivery in this state must contain in substance the provisions prescribed by Subsections (b), (c), and (d) or corresponding provisions that:

(1) in the opinion of the department, are at least as favorable to the defaulting or surrendering policyholder; and

(2) essentially comply with Section 1105.012.

(b) A life insurance policy must provide that if there is a default in the payment of a premium the company, on proper request not later than the 60th day after the due date of the premium that is in default, will grant a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of that due date, in the amount specified by this chapter. A company may substitute for the paid-up nonforfeiture benefit required by this subsection an actuarially equivalent alternative paid-up nonforfeiture benefit that provides a greater amount or longer period of death benefits or, if applicable, a greater amount or earlier payment of endowment benefits. To elect an alternative paid-up nonforfeiture benefit under this subsection, the person entitled to make the election must submit a proper request not later than the 60th day after the due date of the premium that is in default.

(c) A life insurance policy must:

(1) provide that on surrender of the policy not later than the 60th day after the due date of a premium payment that is in default the company will pay, in lieu of a paid-up nonforfeiture benefit, a cash surrender value in the amount specified by this chapter if the premiums have been paid for at least:

- (A) three full years for a policy of ordinary insurance; or
- (B) five full years for a policy of industrial insurance;

(2) provide that a specified paid-up nonforfeiture benefit is effective as specified by the policy unless the person entitled to make the election elects another available option not later than the 60th day after the due date of a premium payment that is in default; and

(3) provide that on surrender of the policy not later than the 30th day after any policy anniversary the company will pay a cash surrender value in the amount specified by this chapter if:

(A) the policy has become paid up by completion of all premium payments; or

(B) the policy is continued under a paid-up nonforfeiture benefit that became effective on or after:

(i) the third policy anniversary for a policy of ordinary insurance; or

(ii) the fifth policy anniversary for a policy of industrial insurance.

(d) A life insurance policy must contain:

- (1) subject to Subsection (e), a statement of:

(A) the mortality table, interest rate, and method used to compute the cash surrender values and the paid-up nonforfeiture benefits available under the policy, if the policy:

(i) causes, on a basis guaranteed by the policy, unscheduled changes in benefits or premiums; or

(ii) provides an option for changes in benefits or premiums other than a change to a new policy; or

(B) the mortality table and interest rate used to compute the cash surrender values and the paid-up nonforfeiture benefits available under the policy, with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary during the first 20 policy years or the term of the policy, whichever is shorter, if the policy is a policy other than one described by Paragraph (A)(i) or (ii);

(2) a statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by the insurance laws of this state;

(3) an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the company on the policy and, if a detailed statement of the method used to compute the values and benefits shown in the policy is not stated in the policy, a statement that the method of computation has been filed with the department; and

(4) a statement of the method to be used to compute the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary after the last anniversary for which those values and benefits are consecutively shown in the policy.

(e) The values and benefits described by Subsection (d)(1)(B) must be computed on the assumption that:

(1) there are no dividends or paid-up additions credited to the policy; and

(2) there is no indebtedness to the company on the policy.

(f) A provision prescribed by Subsection (b), (c), or (d) or a portion of a provision that does not apply because of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

(g) A company shall reserve the right to defer payment of any cash surrender value for a period of six months after demand for payment of the cash surrender value and surrender of the policy. (V.T.I.C. Art. 3.44a, Sec. 2.)

(140) In Section 1105.005, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "the life of a woman" and substitute "a female risk".

(141) In Section 1105.005, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (e), strike "commissioner" and substitute "department".

(142) In Section 1105.051, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) This subchapter also applies to a policy issued by a company after the date specified in a written notice:

(1) that was filed with the State Board of Insurance after August 31, 1981, but before January 1, 1989; and

(2) under which the company filing the notice elected to comply before January 1, 1989, with the law codified by this subchapter.

(143) In Section 1105.052, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (d), strike "on the date the policy is issued" and substitute "on the date of issue of the policy".

(144) In Section 1105.055, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsections (h) and (i), strike "commissioner rule" in each place the phrase appears in those subsections and substitute "rules adopted by the commissioner".

(145) In Section 1105.101, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsections (b) and (d), strike "commissioner" in each place the word appears in those subsections and substitute "department".

(146) In Section 1105.101, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (c), strike "by commissioner rule" and substitute "under rules adopted by the commissioner".

(147) In Section 1105.152, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) This section also applies to an ordinary policy issued by a company after a date specified in a written notice:

(1) that was filed by the company with the State Board of Insurance after August 23, 1963, but before January 1, 1974; and

(2) under which the company filing the notice elected to comply before January 1, 1974, with the law codified by this section.

(148) In Section 1105.152, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (e), strike "the life of a woman" and substitute "a female risk".

(149) In Section 1105.152, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (g), strike "commissioner" and substitute "department".

(150) In Section 1105.153, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) This section also applies to an industrial policy issued by a company after a date specified in a written notice:

(1) that was filed by the company with the State Board of Insurance after August 23, 1963, but before January 1, 1974; and

(2) under which the company filing the notice elected to comply before January 1, 1974, with the law codified by this section.

(151) In Section 1105.153, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (f), strike "commissioner" and substitute "department".

(152) In Section 1106.009, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (e).

(153) In Section 1106.010, Insurance Code, as added by SECTION 2 of the bill (introduced version), between "chapter" and the period, insert ", and the disclosure required by Section 1106.009 must be made in the form and manner prescribed by the commissioner after notice and hearing".

(154) In Section 1107.001, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) This chapter also applies to an annuity contract issued by a company after a date specified in a written notice:

(1) that was filed with the State Board of Insurance after August 29, 1977, but before August 29, 1979; and

(2) under which the company filing the notice elected to comply before August 29, 1979, with the law codified by this chapter.

(155) In Section 1107.002, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), strike Subdivisions (1) and (2) and substitute the following:

(1) a reinsurance contract;

(2) a group annuity contract that is purchased under a retirement plan or plan of deferred compensation established or maintained by an employer, including a partnership or sole proprietorship, by an employee organization, or by both, other than a plan that provides individual retirement accounts or individual retirement annuities under Section 408, Internal Revenue Code of 1986, as amended;

(156) In Section 1107.004, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (a) and substitute the following:

(a) Notwithstanding the requirements of Section 1107.003, an annuity contract may provide that the company has the option to terminate the contract by making a cash payment of the then present value of that portion of the paid-up annuity benefit if:

(1) no considerations are received under the contract for two years; and

(2) at maturity, payments on the portion of the paid-up annuity benefit on the plan stipulated in the contract attributable to considerations paid before that period would be less than \$20 each month.

(157) In Chapter 1107, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1107.053 and substitute the following:

Sec. 1107.053. CONTRACT WITH FIXED, SCHEDULED CONSIDERATIONS. (a) For an annuity contract that provides for the payment of fixed, scheduled considerations, the minimum nonforfeiture amount is computed in the same manner as the minimum nonforfeiture amount for an annuity contract with flexible considerations that are paid annually, except that:

(1) the amount of net consideration for a contract year is computed using an annual contract charge equal to the lesser of:

(A) \$30; or

(B) 10 percent of the amount of the gross annual considerations paid on the contract; and

(2) the percentage of the net consideration amount for the first contract year to be used to compute the minimum nonforfeiture amount is 65 percent of the amount of net consideration for the first contract year plus 22.5 percent of the amount by which the amount of net consideration for the first contract year exceeds the lesser of:

(A) the amount of net consideration for the second contract year; or

(B) the amount of net consideration for the third contract year.

(b) The computation made under Subsection (a) must assume that the considerations are paid annually in advance. (V.T.I.C. Art. 3.44b, Sec. 2(b).)

(158) In Chapter 1107, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1107.102 and substitute the following:

Sec. 1107.102. COMPUTATION OF PAID-UP ANNUITY BENEFIT UNDER CERTAIN CONTRACTS. (a) This section applies only to an annuity contract that does not provide a cash surrender benefit.

(b) Subject to Subsection (e), the present value of a paid-up annuity benefit available as a nonforfeiture option before the maturity date may not be less than the present value of the portion of the maturity value of the paid-up annuity benefit provided under the contract that arises from considerations paid on the contract before the date the contract is surrendered in exchange for or is changed to a deferred paid-up annuity.

(c) The present value of a paid-up annuity benefit under Subsection (b) shall be:

(1) computed for the period before the maturity date on the basis of the interest rate specified in the contract for accumulating the net considerations paid on the contract to determine the maturity value; and

(2) increased by any additional amount credited by the company to the contract.

(d) Subject to Subsection (e), for an annuity contract that does not provide a death benefit before annuity payments begin, the present value of a paid-up annuity benefit available as a nonforfeiture option shall be computed using the interest rate and the mortality table specified in the contract for determining the maturity value of the paid-up annuity benefit.

(e) The present value of a paid-up annuity benefit may not be less than the minimum nonforfeiture amount on the date of surrender or change. (V.T.I.C. Art. 3.44b, Sec. 5.)

(159) In Section 1107.106, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "the value of the minimum nonforfeiture benefits is an amount equal to the value" and substitute "the minimum nonforfeiture benefits are equal to the sum".

(160) In Chapter 1110, Insurance Code, as added by SECTION 2 of the bill (introduced version), in the chapter heading, strike "LIFE INSURANCE" and substitute "CERTAIN".

(161) In Section 1110.001, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (1)(B), strike "life insurance policy loan" and substitute "policy loan".

(162) In Section 1110.001, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), strike ""Life insurance policy loan"" and substitute ""Policy loan"".

(163) In Section 1110.003, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "life insurance policy loans" and substitute "policy loans".

(164) In Section 1110.004, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "must provide for" and substitute "must include a provision for".

(165) In Section 1110.004, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b)(2), strike "is adjustable" and substitute "is an adjustable maximum interest rate established from time to time by the life insurer as permitted by law".

(166) In Section 1110.004, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsections (b) and (c), strike "life insurance policy loan" in each place the phrase appears in those subsections and substitute "policy loan".

(167) In Section 1110.005, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (1), strike "rate under" and substitute "interest rate determined under".

(168) In Section 1110.007, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsections (d) and (e), strike "life insurance policy loan" in each place the phrase appears in those subsections and substitute "policy loan".

(169) In Section 1111.001, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (1)(B), strike "transfer" and substitute "assignment, transfer, bequest, devise, or sale".

(170) In Section 1111.001, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subdivisions (3) and (4) and substitute the following:

(3) "Viatical settlement" means an agreement that is solicited, negotiated, offered, entered into, delivered, or issued for delivery in this state under which a person pays anything of value that is:

(A) less than the expected death benefit of a policy insuring the life of an individual who has a catastrophic or life-threatening illness or condition; and

(B) paid in return for the policy owner's or certificate holder's assignment, transfer, bequest, devise, or sale of the death benefit under or ownership of the policy.

(171) In Section 1111.002, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), strike "transfers" and substitute "sells or otherwise transfers".

(172) In Section 1111.003, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (c), strike "transfer" in each place the word appears in that subsection and substitute "sale or purchase".

(173) In Section 1111.005, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a)(8), between "or" and "of a misdemeanor", insert "was convicted".

(174) In Chapter 1131, Insurance Code, as added by SECTION 2 of the bill (introduced version), in the chapter heading, strike "FRANCHISE" and substitute "WHOLESALE, FRANCHISE, OR EMPLOYEE".

(175) In Chapter 1131, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Sections 1131.001, 1131.751, 1131.753, 1131.754, 1131.755, 1131.756, and 1131.757, strike "franchise" in each place the word appears in those sections and substitute "wholesale, franchise, or employee".

(176) In Section 1131.003, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "FRANCHISE" in the section heading and

substitute "WHOLESALE, FRANCHISE, OR EMPLOYEE" and strike "franchise" in the other place the word appears in that section and substitute "wholesale, franchise, or employee".

(177) In Chapter 1131, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subchapter A following Section 1131.006, insert the following:

Sec. 1131.007. POLICY FORM. A policy of group life insurance is subject to Article 3.42. (New.)

(178) In Chapter 1131, Insurance Code, as added by SECTION 2 of the bill (introduced version), in the heading for Subchapter B, strike "FRANCHISE" and substitute "WHOLESALE, FRANCHISE, OR EMPLOYEE".

(179) In Section 1131.053, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (a) and substitute the following:

(a) A group life insurance policy that insures the employers' employees or the unions' members for the benefit of persons other than the employers or unions may be issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, by one or more employers in the same industry and one or more labor unions, or by one or more employers and one or more labor unions whose members are in the same or related occupations or trades.

(180) In Section 1131.055, Insurance Code, as added by SECTION 2 of the bill (introduced version), in the section heading, between "STATES" and the period, insert "GOVERNMENT".

(181) In Section 1131.065, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "FRANCHISE" in the section heading and substitute "WHOLESALE, FRANCHISE, OR EMPLOYEE" and strike "franchise" in the other place the word appears in that section and substitute "wholesale, franchise, or employee".

(182) In Section 1131.104, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), between "years" and "during", insert "from its date of issue".

(183) In Section 1131.110, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsections (b) and (c) and substitute the following:

(b) An individual must apply for an individual policy and pay the first premium to the insurer not later than the 31st day after the date the individual's employment or membership terminates.

(c) An individual policy under this section must be issued without evidence of insurability.

(184) In Section 1131.111, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b)(1), strike "before the 31st day" and substitute "not later than the 31st day".

(185) In Section 1131.203, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) An insurer may not issue a policy as to which the entire premium is to be derived from funds contributed by the insured employees.

(186) In Section 1131.205, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) An insurer may not issue a policy that provides life insurance on an employee that, together with any other life insurance under any group life insurance policies issued to the employer or to the trustees of a fund established by the employer, exceeds \$250,000, except that if the employee's annual compensation from the employer or employers multiplied by seven exceeds \$250,000, the group term life insurance may not exceed that computed amount.

(187) In Section 1131.304, Insurance Code, as added by SECTION 2 of the bill (introduced version), following Subsection (b), insert the following:

(c) A group policy issued before September 1, 1969, to a group described by Section 1131.054 that was in existence on that date continues in force without regard to whether the number of the employees or members insured under the policy was less than 75 percent of the employees or members eligible on that date.

(188) In Chapter 1131, Insurance Code, as added by SECTION 2 of the bill (introduced version), in the heading for Subchapter P, strike "FRANCHISE" and substitute "WHOLESALE, FRANCHISE, OR EMPLOYEE".

(189) In Section 1131.758, Insurance Code, as added by SECTION 2 of the bill (introduced version), between "not" and "affect", insert "impair or otherwise".

(190) In Section 1131.758, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), strike "franchise life insurance" and substitute "wholesale, franchise, or employee life insurance".

(191) In Section 1131.858, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "under this section" and substitute "in accordance with this section".

(192) In Section 1132.001, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), strike Subdivisions (1)-(5) and substitute the following:

- (1) a life insurance company;
- (2) an accident insurance company;
- (3) a general casualty insurance company;
- (4) a mutual life insurance company;
- (5) a mutual or natural premium life insurance company;
- (6) a fraternal benefit society; or
- (7) a local mutual aid association.

(193) In Section 1151.055, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "in effect during the lifetime of the insured for the two-year period following the date of the policy," and substitute "in force for two years from its date of issue during the lifetime of the insured,".

(194) In Section 1151.055, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), strike "exclusion from coverage for".

(195) In Chapter 1151, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1151.101 and substitute the following:

Sec. 1151.101. AUTHORIZED PROVISIONS. In addition to the provisions required by Subchapter B and Section 1151.152, an industrial life insurance policy may:

(1) exclude liability or promise a benefit that is less than the full amount payable as a death benefit if the insured:

(A) dies by the insured's own hand, regardless of whether the insured is sane or insane; or

(B) dies as a result of engaging in a hazardous occupation;

(2) promise a benefit that is less than the full amount payable if the insured dies as a result of an aviation activity under a condition specified in the policy approved by the department as provided by Article 3.42;

(3) limit the maximum amount payable on the death of a child younger than 15 years of age; and

(4) include any other provision not otherwise prohibited by this chapter. (V.T.I.C. Art. 3.52, Secs. 4, 5 (part).)

(196) In Section 1152.054, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (a), strike "company, regarding a separate account," and substitute "company with respect to any separate account,".

(197) In Section 1152.057, Insurance Code, as added by SECTION 2 of the bill (introduced version), in the section heading, strike "GAINS" and substitute "INCOME, GAINS,".

(198) In Section 1152.057, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "gain" and substitute "income, gain," and strike "gains" and substitute "income, gains,".

(199) In Section 1152.058, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (3), strike "insurance company's assets" and substitute "assets of the separate accounts of an insurance company".

(200) In Section 1152.109, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "or a certificate in evidence of variable benefits issued under a" and substitute "and any certificate in evidence of variable benefits issued under that".

(201) In Section 1152.151, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "an agent" and substitute "a variable contract agent".

(202) In Section 1152.153, Insurance Code, as added by SECTION 2 of the bill (introduced version), between "is issued" and the period, insert ", unless it is suspended or revoked by the commissioner before that date".

(203) In Section 1152.201, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), strike "value is" and substitute "values are".

(204) In Chapter 1153, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subchapter A and substitute the following:

#### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1153.001. SHORT TITLE. This chapter may be cited as the Act for the Regulation of Credit Life Insurance and Credit Accident and Health Insurance. (V.T.I.C. Art. 3.53, Sec. 2, Subsec. A(1).)

Sec. 1153.002. PURPOSE; LEGISLATIVE INTENT; CONSTRUCTION. (a) The purpose of this chapter is to promote the public welfare by regulating credit life insurance and credit accident and health insurance.

(b) This chapter is not intended to prohibit or discourage reasonable competition.

(c) This chapter shall be liberally construed. (V.T.I.C. Art. 3.53, Sec. 1.)  
 Sec. 1153.003. DEFINITIONS. In this chapter:

(1) "Credit accident and health insurance" means insurance to provide indemnity for payments that become due on a specific credit transaction of a debtor when the debtor is disabled, as defined in the insurance policy.

(2) "Credit life insurance" means insurance on the life of a debtor in connection with a specific credit transaction.

(3) "Credit transaction" includes the lending of money.

(4) "Creditor" means:

(A) a person who lends money or who sells or leases goods, services, property, rights, or privileges, for which the payment is arranged through a credit transaction;

(B) a successor to the right, title, or interest of a person described by Paragraph (A); or

(C) a person who is in any way associated with a person described by Paragraph (A) or (B), including a director, officer, employee, affiliate, associate, or subsidiary of the person described by Paragraph (A) or (B).

(5) "Debtor" means a person who borrows money or who purchases or leases goods, services, property, rights, or privileges, the payment for which is arranged through a credit transaction. (V.T.I.C. Art. 3.53, Sec. 2, Subsec. B (part).)

Sec. 1153.004. APPLICABILITY OF CHAPTER. (a) This chapter applies to life insurance and accident and health insurance that is sold in connection with a credit transaction that is charged to or paid for by, in whole or part, the debtor, except insurance that is issued or sold:

(1) in connection with a credit transaction of more than 10 years' duration;

(2) in connection with a credit transaction that is:

(A) secured by a first mortgage or deed of trust; and

(B) made to:

(i) finance the purchase of commercial real property or the construction of or improvement to a building, other than a single-family dwelling, on the real property if the purchase, construction, or improvement is secured by a lien on the real property; or

(ii) refinance a credit transaction made for a purpose described by Subparagraph (i); or

(3) as an isolated transaction on the part of the insurer that is not related to an agreement or a plan for insuring debtors of the creditor.

(b) This chapter applies to insurance described by Subsection (a) regardless of the nature, kind, or plan of the credit insurance coverage or premium payment system and regardless of whether the credit insurance is charged to or paid for by the debtor directly or indirectly. (V.T.I.C. Art. 3.53, Sec. 2, Subsec. A(2).)

Sec. 1153.005. RULES. After notice and a hearing, the commissioner may adopt rules to implement this chapter. (V.T.I.C. Art. 3.53, Sec. 12 (part).)

Sec. 1153.006. FILING FEE. (a) The department shall set and collect a fee for a form or schedule filed under this chapter in an amount not to exceed \$200.

(b) Fees collected under this section shall be deposited in the Texas Department of Insurance operating account. (V.T.I.C. Art. 3.53, Sec. 7, Subsec. H.)

Sec. 1153.007. GAIN OR ADVANTAGE FROM INSURANCE NOT PROHIBITED CHARGE. (a) The premium or cost of credit life insurance or credit accident and health insurance authorized under this chapter is not considered to be interest, a charge, consideration, or an amount in excess of permitted charges in connection with the underlying credit transaction.

(b) Any benefit, return, or other gain or advantage to the creditor arising out of the sale or provision of the insurance under this chapter is not a violation of any law of this state. (V.T.I.C. Art. 3.53, Sec. 9 (part).)

(205) In Chapter 1153, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1153.052 and substitute the following:

Sec. 1153.052. REQUIREMENTS RELATING TO INSURANCE POLICY OR CERTIFICATE. (a) A policy or certificate of credit life insurance or credit accident and health insurance must:

(1) specify:

(A) the name and home office address of the insurer;

(B) the name of each debtor;

(C) in the case of a certificate under a group policy, the identity, by name or otherwise, of each insured;

(D) the full amount of premium or the total identifiable insurance charge, if any, to the debtor, separately for credit life insurance and credit accident and health insurance; and

(E) each exception or limitation to or restriction on the coverage;

(2) describe the coverage, including the amount and term of the coverage; and

(3) state that the benefits are to be paid to the creditor to reduce or extinguish the unpaid amount of the debt and that any amount of benefits that exceeds the unpaid debt is to be paid to a beneficiary, other than the creditor, named by the debtor or to the debtor's estate.

(b) The requirements of this section are in addition to the other requirements of law. (V.T.I.C. Art. 3.53, Sec. 6, Subsec. B.)

(206) In Section 1153.102, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (b), strike "each revised schedule" and substitute "the revised schedules and classes of business".

(207) In Section 1153.103, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subsection (d), between "limit the amount of compensation" and "paid", insert "actually".

(208) In Section 1153.104, Insurance Code, as added by SECTION 2 of the bill (introduced version), between "action" and "taken", insert "of the commissioner".

(209) In Section 1153.702, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike "CIVIL" in the section heading and strike "for a civil penalty" in the place the phrase appears in Subsection (a) of the section and substitute "in a civil action for a penalty".

(210) In Section 1153.702, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) The penalty provided by this section is in addition to any other penalty provided by law.

(211) In Section 1551.406, Insurance Code, as added by SECTION 3 of the bill (introduced version), in Subsection (a), between "invest" and "the money", insert "and reinvest".

(212) In Section 1578.053, Insurance Code, as added by SECTION 3 of the bill (introduced version), strike Subsection (b) and substitute the following:

(b) If the premium for the group policy is paid wholly or partly from money contributed by association members for that purpose, the policy on the date of issue must cover at least the lesser of 75 percent of the eligible members or 400 members, excluding any member whose evidence of individual insurability is not satisfactory to the insurer, who elect to make the required contributions and to be insured under the policy.

(213) In Section 1601.304, Insurance Code, as added by SECTION 3 of the bill (introduced version), between "term" and the period, insert ", subject to reelection".

(214) In Section 1625.003, Insurance Code, as added by SECTION 3 of the bill (introduced version), strike "or the governing board of an institution" and substitute "and the governing boards of institutions".

(215) In SECTIONS 1, 2, and 3 of the bill, amend the expansion clauses in each chapter as necessary to conform to changes made by this amendment.

(216) In SECTIONS 1, 2, and 3 of the bill, amend the table of contents for each chapter as necessary to conform to changes made by this amendment.

## **Amendment No. 2**

Representative Wolens offered the following amendment to Amendment No. 1:

Amend the committee amendment to **HB 2811** by striking items (18), (128), (133), (136), (171), (191), (195), and (199), substituting the following items, appropriately numbered, and renumbering items of the amendment appropriately:

( ) In Chapter 822, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 822.052, strike Subdivision (3) and substitute the following:

(3) the kind of insurance business in which the company proposes to engage;

( ) In Chapter 823, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 823.012, in Subsection (c), strike "Section 823.007" and substitute "Section 823.008".

( ) In Section 823.203, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike Subdivisions (1)-(3) and substitute the following:

(1) fully audited financial information about the earnings and financial condition of the acquiring person for the preceding three fiscal years or, if the acquiring person and any predecessors of the acquiring person have been in existence for less than three fiscal years, for that shorter period; and

(2) similar unaudited financial information about the earnings and financial condition of the acquiring person as of a date not earlier than the 120th day preceding the date the statement is filed.

( ) In Section 823.203, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike Subsection (e) and substitute the following:

(e) A statement required under Section 823.154 must contain additional financial information in the form or substance required by the commissioner that is material to a finding under Section 823.157(3).

(f) The commissioner may waive any financial information required under this section that the commissioner does not consider to be material.

( ) In Chapter 824, Insurance Code, as added by SECTION 1 of the bill (introduced version), in the chapter heading, between "OF" and "INSURANCE", insert "STOCK".

( ) In Chapter 841, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 841.052, strike Subdivision (3) and substitute the following:

(3) the kinds of insurance business in which the company proposes to engage;

( ) In Chapter 841, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 841.056, in Subsection (f), between "The" and "consideration", insert "actual".

( ) In Chapter 841, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 841.301, in Subsection (b), between "ceases to" and "assume", insert "write or".

( ) In Chapter 842, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 842.257, between "policy" and "issued by", insert "or certificate".

( ) In Chapter 843, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 843.101, in Subsection (b), strike "other health care" and substitute "health care".

( ) In Chapter 843, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 843.156, in Subsection (f), in the first sentence, strike "or otherwise implement this chapter or Chapter 20A".

( ) In Section 843.201, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike "a handbook provided by the health maintenance organization" and substitute "the member handbook provided under Section 843.205".

( ) In Chapter 843, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 843.362, in Subsection (a), in the second sentence, strike "or life-threatening illness and an enrollee" and substitute "life-threatening illness, or".

( ) In Chapter 843, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 843.405, in Subsection (h), strike "Subsection (h)" and substitute "Subsection (g)".

( ) In Chapter 846, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 846.056, strike Subsection (b)(1)(C) and substitute the following:

(C) if the employers in the arrangement are not an association, at least five employers;

( ) In Chapter 846, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 846.207, in Subsection (b), strike "all coverage" and substitute "all health benefit plans".

( ) In Chapter 861, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Section 861.251, in Subsection (c), strike "paid in capital or surplus" and substitute "capital or paid in surplus".

( ) In Section 882.501, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (c), strike "direct".

( ) In Section 884.057, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a), strike "the hearing" in each place the phrase appears in the subsection and substitute "a hearing".

( ) In Section 884.603, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (c), strike "stipulated premium insurer" and substitute "stipulated premium company".

( ) In Section 885.502, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a)(2)(A), strike "for a period of at least one year" and substitute "after its first year of existence".

( ) In Chapter 888, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subchapter A following Section 888.005, insert the following:

Sec. 888.006. APPLICABILITY OF OTHER LAW. A burial association is subject to Chapter 887. (New.)

( ) In Section 941.003, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b), strike Subdivisions (1)-(5) and substitute the following:

- (1) Section 5, Article 1.10;
- (2) Article 1.15A;
- (3) Subchapter A, Chapter 5;
- (4) Articles 5.35, 5.38, 5.39, 5.40, and 5.49;
- (5) Articles 21.21 and 21.49-8; and
- (6) Sections 822.203, 822.205, 822.210, and 822.212.

( ) In Section 961.255, Insurance Code, as added by SECTION 1 of the bill (introduced version), strike "or a benefit" and substitute "and a benefit".

( ) In Section 981.154, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (b)(3), strike "adopted" and substitute "prescribed".

( ) In Section 981.203, Insurance Code, as added by SECTION 1 of the bill (introduced version), in Subsection (a)(1), strike "who resides in this state and" and substitute "resident in this state who".

( ) In Chapter 1101, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1101.010 and substitute the following:

Sec. 1101.010. NONFORFEITURE BENEFITS AND CASH SURRENDER VALUES IN GENERAL. A life insurance policy must provide nonforfeiture benefits, including cash surrender values, in accordance with:

- (1) Subchapter D; or
- (2) Chapter 1105, for a policy issued on or after the date determined under Section 1105.002(a) or (b), as applicable. (V.T.I.C. Art. 3.44 (part).)

( ) In Section 1101.151, Insurance Code, as added by SECTION 2 of the bill (introduced version), between the period and "(New.)", insert: "A term life insurance policy is not required to comply with this subchapter."

( ) In Section 1103.102, Insurance Code, as added by SECTION 2 of the

bill (introduced version), in Subsection (a), strike "and designates in writing filed with the company that issues the policy a beneficiary to receive the proceeds of the policy" and substitute ", designates in writing a beneficiary to receive the proceeds of the policy, and files the written designation with the company".

( ) In Section 1107.052, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b), and substitute the following:

(b) The minimum nonforfeiture amount on or before annuity payments begin is an amount equal to the accumulation of the prescribed percentages of the amount of net considerations paid to the date of computation, which are accumulated at an interest rate of three percent per year, plus any additional amount credited to the contract by the company, less the amount of:

(1) any withdrawal from or partial surrender of the contract made before the minimum nonforfeiture amount is computed, accumulated at an interest rate of three percent per year; and

(2) any indebtedness to the company on the contract, including any accrued interest due on the indebtedness.

( ) In Section 1111.002, Insurance Code, as added by SECTION 2 of the bill (introduced version), in Subdivision (2), strike "transfers", and substitute "may sell or otherwise transfer".

( ) In Section 1131.858, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Subsection (b), and substitute the following:

(b) A change in a premium rate made in accordance with this section takes effect on a date that is determined by the insurer in accordance with the terms of the policy.

( ) In Chapter 1151, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1151.101 and substitute the following:

Sec. 1151.101. AUTHORIZED PROVISIONS. In addition to the provisions required by Subchapter B and Section 1151.152, an industrial life insurance policy may:

(1) exclude liability or promise a benefit that is less than the full amount payable as a death benefit if the insured:

(A) dies by the insured's own hand, regardless of whether the insured is sane or insane; or

(B) dies as a result of engaging in a stated hazardous occupation;

(2) promise a benefit that is less than the full amount payable if the insured dies as a result of an aviation activity under a condition specified in the policy approved by the department as provided by Article 3.42;

(3) limit the maximum amount payable on the death of a child younger than 15 years of age; and

(4) include any other provision not otherwise prohibited by this chapter. (V.T.I.C. Art. 3.52, Secs. 4, 5 (part).)

( ) In Chapter 1551, Insurance Code, as added by SECTION 2 of the bill (introduced version), strike Section 1551.064 and substitute the following:

Sec. 1551.064. CERTAIN GROUP HEALTH AND ACCIDENT POLICIES OR CONTRACTS. (a) This section applies only to a group policy or contract described by Section 3B(a), Article 3.51-6. A policy or contract executed under this chapter must provide that:

- (1) premium payments must be:
- (A) paid directly to the Employees Retirement System of Texas; and
  - (B) postmarked or received not later than the 10th day of the month for which the premium is due;
- (2) the premium for group continuation coverage under Section 3B, Article 3.51-6, may not exceed the level established for other surviving dependents of deceased employees and annuitants;
- (3) at the time the group policy or contract is delivered, issued for delivery, renewed, amended, or extended, the Employees Retirement System of Texas shall give notice of the continuation option to each state agency covered by the group benefits program; and
- (4) each state agency shall give written notice of the continuation option to each employee and dependent of an employee who is covered by the group benefits program.
- (b) A group policy or contract executed under this chapter must provide that, not later than the 15th day after the date of any severance of the family relationship that might activate the continuation option under Section 3B, Article 3.51-6, the group member shall give written notice of the severance to the employing state agency.
- (c) On receipt of notice under Subsection (b) or on the death of an employee, the employing state agency shall give written notice of the continuation option to each affected dependent. The notice must state the amount of the premium to be charged and must be accompanied by any necessary enrollment forms.
- (d) A covered dependent must exercise the continuation option not later than the 45th day after the date of:
- (1) the severance of the family relationship; or
  - (2) the retirement or death of the group member.
- (e) A covered dependent must provide written notice of the exercise of the continuation option to the employing state agency within the time prescribed by Subsection (d). Coverage under the policy or contract remains in effect during the period prescribed by Subsection (d) if the premiums are paid.
- (f) Any period of previous coverage under the policy or contract must be used in full or partial satisfaction of any required probationary or waiting periods provided in the policy or contract for dependent coverage. (V.T.I.C. Art. 3.51-6, Sec. 3B(m).)

Amendment No. 2 was adopted without objection.

Amendment No. 1, as amended, was adopted without objection.

**HB 2811**, as amended, was passed to engrossment.

**SB 1185 ON SECOND READING**  
**(Dukes - House Sponsor)**

**SB 1185**, A bill to be entitled An Act relating to the construction of certain telecommunications facilities.

**SB 1185** was considered in lieu of **HB 2977**.

**Amendment No. 1**

Representative Dukes offered the following amendment to **SB 1185**:

Amend **SB 1185** as follows:

(1) In SECTION 1 of the bill, at the end of proposed Section 246.001(3), Local Government Code, (Committee Printing, page 1, line 23), insert "The term does not include a flood control regulation."

(2) In SECTION 1 of the bill, in proposed Section 246.003(d)(2), Local Government Code (Committee Printing, page 3, line 19), strike "property" and substitute "expansion".

Amendment No. 1 was adopted without objection.

**Amendment No. 2**

Representative Dukes offered the following amendment to **SB 1185**:

Amend **SB 1185** in SECTION 1 of the bill, by striking proposed Section 246.002, Local Government Code (Committee Printing page 2, lines 15-16), and substituting the following:

Sec. 246.002 APPLICABILITY. This chapter applies only to a critical facility that:

(1) existed on April 1, 2001; and

(2) is being expanded to provide space and facilities for competing telecommunications utilities because of requirements in:

(A) the Communications Act of 1934, 47 U.S.C. Section 151 et seq., as amended; or

(B) Subchapters G and H, Chapter 60, Utilities Code.

Amendment No. 2 was adopted without objection.

**SB 1185**, as amended, was passed to third reading.

**HB 2977 - LAID ON THE TABLE SUBJECT TO CALL**

Representative Dukes moved to lay **HB 2977** on the table subject to call.

The motion prevailed without objection.

**CSHB 3333 ON SECOND READING**

**(by Woolley)**

**CSHB 3333**, A bill to be entitled An Act relating to permissible investments by deferred compensation plans for employees of political subdivisions.

**CSHB 3333** was passed to engrossment.

**CSHB 2477 ON SECOND READING**

**(by Counts)**

**CSHB 2477**, A bill to be entitled An Act relating to the Garza County Health Care District.

**CSHB 2477** was passed to engrossment.

**CSHB 3351 ON SECOND READING**  
(by Keffer, Homer, Clark, B. Turner, and Christian)

**CSHB 3351**, A bill to be entitled An Act relating to the regulation of immediate precursors and certain other chemicals used in the illicit manufacture of a controlled substance; providing penalties.

**Amendment No. 1**

Representative B. Turner offered the following amendment to **CSHB 3351**:

Amend **CSHB 3351** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION \_\_. Section 504.001(b), Health and Safety Code, is amended to read as follows:

(b) An offense under this section is a [~~state jail~~] felony of the third degree.

SECTION \_\_. Section 504.002(b), Health and Safety Code, is amended to read as follows:

(b) An offense under this section is a [~~state jail~~] felony of the third degree.

Amendment No. 1 was adopted without objection.

**CSHB 3351**, as amended, was passed to engrossment.

**HB 893 ON SECOND READING**  
(by Hinojosa, Coleman, et al.)

**HB 893**, A bill to be entitled An Act relating to an additional fee to support trauma centers to be collected when a motor vehicle is registered.

**Amendment No. 1 (Committee Amendment No. 1)**

On behalf of Representative Alexander, Representative Hinojosa offered the following committee amendment to **HB 893**:

Amend **HB 893** as follows:

(1) On page 1, line 10, strike "\$1" and substitute "\$5".

(2) On page 1, line 11, strike "The" and substitute "On the first Monday of each month, the".

(3) On page 1, between lines 13 and 14, insert:

(c) The county assessor-collector may retain for administrative costs an amount of not more than 10 percent of each fee collected under this section.

Amendment No. 1 was adopted without objection.

**HB 893**, as amended, was passed to engrossment. (Berman, Denny, Keel, Kuempel, Puente, E. Reyna, and Talton recorded voting no)

**CSHB 1869 ON SECOND READING**  
(by Wohlgemuth, Uresti, P. King, Averitt, Ehrhardt, et al.)

**CSHB 1869**, A bill to be entitled An Act relating to the acquisition of manufactured homes through financing or other means and to persons associated with those acquisitions.

Representative Carter raised a point of order against further consideration of **CSHB 1869** under Rule 4, Section 32(c)(3); Rule 4, Section 40; Rule 4, Section 32(c)(2) and (c)(4); and Rule 4, Section 33(d) of the House Rules.

The point of order was withdrawn.

Representative Wohlgemuth moved to postpone consideration of **CSHB 1869** until 3 p.m. today.

The motion prevailed without objection.

**CSHB 2301 ON SECOND READING**  
**(by Craddick)**

**CSHB 2301**, A bill to be entitled An Act relating to certain insurance coverage for school districts.

**CSHB 2301** was passed to engrossment.

**HB 3558 ON SECOND READING**  
**(by Junell)**

**HB 3558**, A bill to be entitled An Act relating to the sale, lease, and purchase of interests in real property for the permanent school fund.

**HB 3558** was passed to engrossment.

**CSHB 2852 ON SECOND READING**  
**(by Junell)**

**CSHB 2852**, 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.

**CSHB 2852** was passed to engrossment.

**HB 1328 ON SECOND READING**  
**(by Dutton)**

**HB 1328**, A bill to be entitled An Act relating to the setting of an execution date in a capital case.

**Amendment No. 1**

Representative Puente offered the following amendment to **HB 1328**:

Amend **HB 1328** by adding an appropriately numbered SECTION to read as follows and by renumbering existing SECTIONS accordingly:

SECTION \_\_\_\_\_. Chapter 37, Code of Criminal Procedure, is amended by adding Article 37.15 to read as follows:

Art. 37.15. TEXAS CAPITAL PUNISHMENT COMMISSION

Sec. 1. CREATION. The Texas Capital Punishment Commission is created.

Sec. 2. DUTIES. (a) The commission shall study capital punishment in this state, concentrating particularly on issues relating to the legal representation of inmates in capital cases, the certainty of the guilt of individuals convicted in capital cases, and the sufficiency of appellate review of convictions in capital cases.

(b) After completing the study, the commission shall propose legislation to correct any inequities in the capital punishment process in this state.

Sec. 3. COMPOSITION. (a) The commission is composed of nine members, three of whom are appointed by the governor, three of whom are

appointed by the lieutenant governor, and three of whom are appointed by the speaker of the house of representatives.

(b) Each member serves at the pleasure of the official by whom the member is appointed.

(c) The governor shall designate a member to serve as presiding officer.

(d) Each member of the commission must be generally experienced in criminal justice matters. In addition, there must be at least one member of the commission who is experienced in the prosecution of capital cases, one who is experienced in the defense of capital cases, and one who is experienced as a trial judge in capital cases. The appointing officials shall coordinate with one another to ensure that the commission members have the qualifications required by this subsection.

Sec. 4. REIMBURSEMENT. A member of the commission is not entitled to compensation but is entitled to reimbursement for the member's travel expenses as provided by Chapter 660, Government Code, and the General Appropriations Act.

Sec. 5. ASSISTANCE. The Texas Legislative Council, the Legislative Budget Board, and the Criminal Justice Policy Council shall assist the commission in performing the commission's duties.

Sec. 6. SUBMISSION. The commission shall submit the proposed legislation described by Section 2 to the lieutenant governor and the speaker of the house of representatives not later than December 1, 2002.

Sec. 7. INITIAL APPOINTMENTS. The governor, lieutenant governor, and speaker of the house of representatives shall make their appointments to the commission not later than October 1, 2001.

Sec. 8. OTHER LAW. The commission is not subject to Chapter 2110, Government Code.

Sec. 9. ABOLITION. The commission is abolished on January 1, 2003, and this article expires on that date.

Amendment No. 1 failed of adoption.

A record vote was requested.

**HB 1328**, failed to pass to engrossment by (Record 239): 53 Yeas, 89 Nays, 1 Present, not voting.

Yeas — Bailey; Burnam; Capelo; Chavez; Coleman; Danburg; Davis, Y.; Deshotel; Dukes; Dutton; Edwards; Ehrhardt; Farrar; Flores; Gallego; Garcia; Giddings; Gray; Hinojosa; Hochberg; Hodge; Jones, J.; Kitchen; Lewis, G.; Longoria; Luna; Martinez Fischer; Maxey; McCall; McClendon; Menendez; Moreno, J.; Moreno, P.; Naishtat; Najera; Noriega; Oliveira; Olivo; Pickett; Puente; Rangel; Reyna, A.; Sadler; Salinas; Solis; Thompson; Tillery; Turner, S.; Uresti; Villarreal; Wilson; Wise; Wolens.

Nays — Alexander; Averitt; Berman; Bonnen; Brimer; Brown, B.; Brown, F.; Callegari; Carter; Chisum; Christian; Clark; Cook; Corte; Counts; Crabb; Craddick; Crownover; Davis, J.; Delisi; Denny; Driver; Dunnam; Elkins; Ellis; Farabee; George; Geren; Goodman; Goolsby; Green; Grusendorf; Gutierrez; Haggerty; Hamric; Hardcastle; Heflin; Hilderbran; Hill; Homer; Hope; Hopson; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, E.; Junell;

Keel; Keffer; King, P.; King, T.; Kolkhorst; Krusee; Kuempel; Lewis, R.; Madden; Marchant; McReynolds; Merritt; Miller; Morrison; Mowery; Nixon; Pitts; Ramsay; Raymond; Reyna, E.; Ritter; Seaman; Shields; Smith; Smithee; Solomons; Swinford; Talton; Telford; Truitt; Turner, B.; Uher; Walker; West; Williams; Wohlgemuth; Woolley; Yarbrough; Zbraneck.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Bosse; Glaze; Hartnett; Hawley.

### STATEMENTS OF VOTE

When Record No. 239 was taken, I was temporarily out of the house chamber. I would have voted no.

Hawley

I was shown voting yes on Record No. 239. I intended to vote no.

Wise

### POSTPONED BUSINESS

The following bill was laid before the house as postponed business:

#### CSHB 1869 ON SECOND READING

(by Wohlgemuth, Uresti, P. King, Averitt, Ehrhardt, et al.)

**CSHB 1869**, A bill to be entitled An Act relating to the acquisition of manufactured homes through financing or other means and to persons associated with those acquisitions.

**CSHB 1869** was read second time earlier today and was postponed until this time.

Representative Carter raised a point of order against further consideration of **CSHB 1869** under Rule 4, Section 32(c)(3) of the House Rules on the grounds that the bill grants rulemaking authority but the rulemaking authority statement in the bill analysis states that the bill does not grant additional rulemaking authority.

The speaker overruled the point of order.

Representative Carter raised a point of order against further consideration of **CSHB 1869** under Rule 4, Section 40 of the House Rules on the grounds that the committee substitute is not germane to the original bill.

The speaker overruled the point of order.

Representative Carter raised a point of order against further consideration of **CSHB 1869** under Rule 4, Section 32(c)(2) and (c)(4) of the House Rules on the grounds that the bill analysis fails to analyze all sections of the bill and the comparison of the original to the substitute fails to describe all changes made in the substitute.

The speaker overruled the point of order.

Representative Carter raised a point of order against further consideration of **CSHB 1869** under Rule 4, Section 33(d) of the House Rules on the grounds that the fiscal note on the committee substitute does not accurately reflect the fiscal implications of the committee substitute.

The speaker overruled the point of order.

### **Amendment No. 1**

Representative Wohlgemuth offered the following amendment to **CSHB 1869**:

Amend **CSHB 1869** (committee printing) as follows:

(1) On page 1, strike lines 8-14 and substitute the following:

Sec. 19A. CERTAIN MANUFACTURED HOMES CONSIDERED REAL PROPERTY. (a) A manufactured home that is permanently attached to real property is classified and taxed as real property if the real property to which the home is attached is titled in the name of the consumer under a deed or contract for sale. A manufactured home is considered permanently attached to real property if the home is secured to a foundation and connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater services.

(2) On page 1, line 23, after the period, add "The installation of a new manufactured home must meet, in addition to applicable state standards, the manufacturer's specifications required to validate the manufacturer's warranty."

(3) On page 2, line 2, between "home" and "placed", insert "permanently attached to real property before September 1, 2001, or".

(4) On page 2, between lines 4 and 5, insert the following subsection:

(f) This section does not require a retailer or retailer's agent to obtain a license under The Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes).

(5) On page 3, line 1, between "lots," and "may", insert "may prohibit the placement of homes within a certain distance from property lines.".

(6) On page 4, line 18, after the semicolon, add "and".

(7) On page 5, line 3, strike "; and" and substitute "."

(8) On page 5, strike lines 4-9.

(9) Beginning on page 5, line 25, and ending on page 7, line 18, strike SECTION 3 of the bill and substitute the following:

SECTION 3. Section 2.001, Property Code, is amended to read as follows:

Sec. 2.001. MANUFACTURED HOUSING. (a) Except as provided by Subsection (b), a manufactured home is real [~~personal~~] property.

(b) A manufactured home is personal [~~real~~] property if the home is placed:

(1) on a lot, whether permanently or temporarily, that is not titled in the name of the consumer under a deed or contract for sale [~~the home is permanently attached to real property~~]; or [~~and~~]

(2) in a manufactured home rental community as defined by Section 232.007, Local Government Code [~~the manufacturer's certificate of origin or the original document of title is surrendered for cancellation and a certificate of attachment described by the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes) is filed in the real property records of the county in which the home is located~~].

(c) In this section, "consumer," "document of title," "first retail sale," "manufactured home," and "mobile home" have [has] the meanings [meaning] assigned by the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes).

(d) This section does not affect or change the classification of a manufactured home as personal or real property if the manufactured home was permanently affixed to real property before September 1, 2001 [~~January 1, 1996~~].

(e) The Texas Department of Housing and Community Affairs may not issue a document of title for a new and untitled manufactured home at the first retail sale of the home if the home is to be permanently installed by a retailer directly on real property titled in the name of the consumer under a deed or contract for sale. Before installation, the consumer must provide the retailer with a legible copy of the deed containing a legal description of the real property. The retailer is not required to determine the validity of the legal description of the real property. A title company or attorney at law conducting the closing of a transaction under Section 19A, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), or the retailer or retailer's agent shall file in the public land records for the county in which the real property is located a notice of installation not later than the 10th working day after the date the installation is completed and shall forward the manufacturer's certificate of origin and a copy of the notice of installation to the Texas Department of Housing and Community Affairs. The notice of installation serves as a completed cancellation application.

(f) For a manufactured home that is being resold by a financial institution or a retailer and that is to be permanently installed directly on real property titled in the name of the consumer under a deed or contract for sale, a title company or attorney at law conducting the closing of a transaction under Section 19A, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), or the retailer or retailer's agent shall file in the public land records for the county in which the real property is located a notice of installation not later than the 10th working day after the date the installation is completed and shall forward the document of title and a copy of the notice of installation to the Texas Department of Housing and Community Affairs. The notice of installation serves as a completed cancellation application.

(g) A notice of installation filed under this section must:

(1) be notarized;

(2) be on a form prescribed by the Texas Department of Housing and Community Affairs;

(3) contain a description of the manufactured home, including, as applicable, the home's make, model, dimensions, federal label number, state seal number, and identification or serial number;

(4) include a verification of the installation of the manufactured home as prescribed by Section 19A(c), Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes);

(5) include the wind zone designation of the county in which the manufactured home was installed, if known; and

(6) be signed by:

(A) the retailer, for a manufactured home described by Subsection (e); or

(B) the installer, for a manufactured home described by Subsection (f).

(h) Subsections (e), (f), and (g) do not apply to a mobile home.

(i) This section does not require a retailer or retailer's agent to obtain a license under The Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes).

Amendment No. 1 was adopted without objection.

A record vote was requested.

**CSHB 1869**, as amended, was passed to engrossment by (Record 240): 99 Yeas, 43 Nays, 2 Present, not voting.

Yeas — Averitt; Bailey; Berman; Bonnen; Brimer; Brown, B.; Burnam; Callegari; Capelo; Chavez; Chisum; Christian; Clark; Coleman; Craddick; Crownover; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Ehrhardt; Farabee; Farrar; Flores; Gallego; Garcia; George; Geren; Giddings; Gray; Green; Hamric; Hardcastle; Hartnett; Hochberg; Hodge; Hope; Hopson; Howard; Hupp; Isett; Janek; Jones, D.; Jones, E.; Jones, J.; Junell; Keffer; King, P.; Kitchen; Kolkhorst; Krusee; Lewis, G.; Longoria; Madden; Martinez Fischer; Maxey; McCall; McClendon; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Najera; Nixon; Noriega; Olivo; Pickett; Pitts; Rangel; Reyna, E.; Ritter; Sadler; Salinas; Seaman; Shields; Smith; Solis; Swinford; Talton; Thompson; Tillery; Truitt; Uresti; Villarreal; Walker; Williams; Wilson; Wise; Wohlgenuth; Wolens; Woolley; Zbranek.

Nays — Alexander; Bosse; Brown, F.; Carter; Cook; Corte; Counts; Crabb; Danburg; Edwards; Elkins; Ellis; Glaze; Goodman; Goolsby; Grusendorf; Gutierrez; Haggerty; Heflin; Hilderbran; Hill; Hinojosa; Homer; Hunter; Keel; King, T.; Kuempel; Lewis, R.; Luna; McReynolds; Menendez; Merritt; Oliveira; Puente; Ramsay; Raymond; Reyna, A.; Telford; Turner, B.; Turner, S.; Uher; West; Yarbrough.

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

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Hawley; Marchant; Smithee.

#### STATEMENTS OF VOTE

When Record No. 240 was taken, I was temporarily out of the house chamber. I would have voted yes.

Hawley

When Record No. 240 was taken, I was temporarily out of the house chamber. I would have voted no.

Smithee

**GENERAL STATE CALENDAR**  
**(consideration continued)**

(Speaker pro tempore in the chair)

**CSHB 3230 ON SECOND READING**  
**(by Walker)**

**CSHB 3230**, A bill to be entitled An Act relating to the administration of the weather modification program and grants for weather modification and control activities.

Representative Walker moved to postpone consideration of **CSHB 3230** until 9 a.m. Thursday, May 3.

The motion prevailed without objection.

**CSHB 3458 ON SECOND READING**  
**(by Brimer)**

**CSHB 3458**, A bill to be entitled An Act relating to the operation of the Texas Workers' Compensation Insurance Fund as a domestic mutual insurance company and to the continuation of that entity as the Texas Mutual Insurance Company.

**Amendment No. 1**

Representative Brimer offered the following amendment to **CSHB 3458**:

Amend **CSHB 3458** as follows:

(1) On page 2, strike line 27 and substitute the following:

(b) The company is subject to Chapter 15 of this code, other than Article 15.22 of this code. In the event of a conflict between this article and Chapter 15 of this code or another law of this state applicable to a nonlife mutual insurance company, this article controls.

(2) On page 3, strike lines 1 and 2.

(3) On page 4, line 24, strike "established under this article" and substitute "[~~established under this article~~]".

(4) On page 5, lines 4 and 5, strike "except by action of the legislature".

(5) On page 7, lines 21 and 22, strike "exists if the chair is an appointed board member." and substitute "exists."

(6) On page 28, line 25, strike "Article 1.25" and substitute "Section 32.021 [~~Article 1.25~~]".

(7) On page 36, line 8, strike "reserve" and substitute "reserves".

(8) On page 36, line 16, strike "reserve" and substitute "reserves".

(9) On page 38, lines 8 and 9, strike "company's [~~fund's~~] rules" and substitute "company's requirements [~~fund's rules~~]".

(10) On page 39, line 2, strike "fund" and substitute "company [~~fund~~]".

(11) On page 47, line 1, strike "those" and substitute "the initial board".

Amendment No. 1 was adopted without objection.

**CSHB 3458**, as amended, was passed to engrossment.

**CSHB 3603 ON SECOND READING**  
(by Capelo)

**CSHB 3603**, A bill to be entitled An Act relating to the paid leave and the return to duty for certain municipal peace officers and firefighters in certain circumstances.

**CSHB 3603** was passed to engrossment.

**CSHB 1599 ON SECOND READING**  
(by Danburg, et al.)

**CSHB 1599**, A bill to be entitled An Act relating to certain procedures for counting and recounting voting system ballots.

**Amendment No. 1**

Representative Madden offered the following amendment to **CSHB 1599**:

Amend **CSHB 1599** by inserting a new Section 1 as follows, renumbering the subsequent sections, lines, pages, etc., accordingly:

SECTION 1. Section 2.002, Election Code, is amended by amending Subsections (a) and (b) and adding Subsection (i) to read as follows:

(a) Except as provided by Subsection (f), ~~or~~ (g), or (i), in an election requiring a plurality vote, if two or more candidates for the same office tie for the number of votes required to be elected, a second election to fill the office shall be held.

(b) Not later than the fifth day after the date the automatic recount required by Subsection (i) is completed or the final canvass following the automatic recount [for the first election] is completed, if applicable, the authority responsible for ordering the first election shall order the second election. The second election shall be held not earlier than the 20th day or later than the 30th day after the date the automatic recount required by Subsection (i) is completed or the final canvass following the automatic recount [for the first election] is completed, if applicable.

(i) If the tie vote is not resolved under Subsection (f) or (g), an automatic recount shall be conducted in accordance with Chapter 216 before the second election is held. If the recount resolves the tie, the second election is not held.

SECTION 1. Section 211.002, Election Code, is amended by adding Subdivision (11) to read as follows:

(11) "Automatic recount" means a recount conducted under Chapter 216.

SECTION 2. Title 13, Election Code, is amended by adding Chapter 216 to read as follows:

CHAPTER 216. AUTOMATIC RECOUNT

Sec. 216.001. APPLICABILITY OF CHAPTER. This chapter applies only to an election that results in a tie vote as provided by Section 2.002(i).

Sec. 216.002. CONDUCT OF AUTOMATIC RECOUNT GENERALLY. Except as otherwise provided by this chapter, this title applies to a recount conducted under this chapter with appropriate modifications as prescribed by the secretary of state.

Sec. 216.003. INITIATING AUTOMATIC RECOUNT. For purposes of initiating an automatic recount, the authority designated under Section

212.026 shall request the recount in the same manner as a recount petitioner under this title.

Sec. 216.004. COUNTING PROCEDURES. The method of counting votes in an automatic recount is the same method of counting used in the election that resulted in the tie vote.

Sec. 216.005. COST OF AUTOMATIC RECOUNT. (a) Subchapter E, Chapter 212, does not apply to an automatic recount.

(b) The costs of an automatic recount shall be paid by each political subdivision or county executive committee, as applicable, served by a presiding officer designated under Section 213.001.

SECTION 3. This Act takes effect September 1, 2001.

Amendment No. 1 was adopted without objection.

**CSHB 1599**, as amended, was passed to engrossment.

**CSHB 3572 ON SECOND READING**  
**(by George, Puente, and E. Jones)**

**CSHB 3572**, A bill to be entitled An Act relating to establishing an unrelated donor umbilical cord blood bank.

**CSHB 3572** was passed to engrossment.

**CSHB 1187 ON SECOND READING**  
**(by Olivo, Rangel, Chavez, Naishtat, and Shields)**

**CSHB 1187**, A bill to be entitled An Act relating to the Parents as Scholars pilot program for certain recipients of temporary assistance for needy families.

**CSHB 1187** was passed to engrossment. (Chisum and Delisi recorded voting no)

**CSHB 1006 ON SECOND READING**  
**(by Naishtat)**

**CSHB 1006**, A bill to be entitled An Act relating to exemptions and exceptions from work or employment activity requirements under the temporary assistance for needy families program.

**Amendment No. 1**

Representative Hilderbran offered the following amendment to **CSHB 1006**:

Amend the House Committee Substitute for **CSHB 1006** as follows:

(1) On page 1, line 21, between "who" and the colon, insert ", after periodic review DHS determines".

(2) On page 1, line 22, strike Subsection (1) and replace with "has reached full retirement age under the federal Social Security program".

(3) On page 1, line 23, strike Subsection (2) and replace with "is the caretaker of a child or adult who has a permanent illness, physical disability, or mental disability lasting longer than 180 days and who requires the caretaker's substantial presence;"

(4) Strike page 3, line 3 through page 4, line 16.

Representative Naishtat moved to table Amendment No. 1.

The motion to table prevailed.

**Amendment No. 2**

Representative Wohlgemuth offered the following amendment to **CSHB 1006**:

Amend **CSHB 1006** as follows:

On page 2, beginning at line 26, strike subsection (e) and insert the following:

(e) The department by rule shall establish criteria for good cause noncompliance and for notification procedures regarding participation in work or employment activities under this section.

Representative Naishtat moved to table Amendment No. 2.

The motion to table prevailed.

**Amendment No. 3**

Representative Hilderbran offered the following amendment to **CSHB 1006**:

Amend **CSHB 1006** as follows:

(1) On page 3, line 7, strike lines 7 and 8.

(2) Redesignate added Subdivisions (C)-(I), Section 31.012(e), Transportation Code, (page 3, line 7-page 4, line 6), as Subdivisions (B)-(H).

Representative Naishtat moved to table Amendment No. 3.

The motion to table was withdrawn.

**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. 3).

**CSHB 1006-(consideration continued)**

Amendment No. 3 was withdrawn.

**Amendment No. 4**

Representative Hilderbran offered the following amendment to **CSHB 1006**:

Amend **CSHB 1006** as follows:

(1) On page 3, strike lines 7 and 8 and substitute the following:

(B) is one parent in a two-parent family and the other parent is incarcerated;

(C) is required to appear in court;"

(2) Redesignate existing Subdivisions (C)-(I), Section 31.012(e), Transportation Code (page 3, line 7-page 4, line 6), as Subdivisions (D)-(J).

Amendment No. 4 was adopted without objection.

**Amendment No. 5**

Representative Wohlgemuth offered the following amendment to **CSHB 1006**:

Amend **CSHB 1006** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 31.0031(c), Human Resources Code, is amended to read as follows:

(c) Subject to the requirements of Sections 31.00321 and 31.00322, the [The] department shall adopt rules governing sanctions and penalties under this section to or for:

(1) a person who fails to comply with each applicable requirement of the responsibility agreement prescribed by this section; and

(2) the family of a person who fails to comply with each applicable requirement of the responsibility agreement.

SECTION \_\_\_\_\_. Sections 31.0032(a) and (c), Human Resources Code, are amended to read as follows:

(a) Except as provided by Section 231.115, Family Code, and Section 31.00331 [as added by Chapter 911, Acts of the 75th Legislature, Regular Session, 1997], if after an investigation the department or the Title IV-D agency determines that a person is not complying with a requirement of the responsibility agreement required under Section 31.0031, the department immediately shall apply appropriate sanctions or penalties regarding the assistance provided to or for that person and the person's family under this chapter.

(c) This section does not prohibit the department from providing medical assistance, child care, or any other social or support services for a person who or a family that is [an individual] subject to sanctions or penalties under this chapter.

SECTION \_\_\_\_\_. Subchapter A, Chapter 31, Human Resources Code, is amended by adding Sections 31.00321 and 31.00322 to read as follows:

Sec. 31.00321. PENALTIES AND SANCTIONS FOR NONCOMPLIANCE WITH CERTAIN REQUIREMENTS. (a) This section applies only to the application of sanctions or penalties to a person who, without good cause as determined under Section 31.0033, fails or refuses to comply with a requirement of the responsibility agreement under Section 31.0031, other than a requirement of the responsibility agreement under Section 31.0031(d)(1).

(b) On a person's first failure or refusal to comply with a requirement of the responsibility agreement to which this section applies, the department shall reduce the amount of financial assistance provided to or for each adult person in the family who is not in compliance for a period of two months or until each adult member of the family complies, whichever is later.

(c) On a person's second failure or refusal to comply with a requirement of the responsibility agreement to which this section applies, the department shall, subject to the requirements of Section 31.00331, terminate the total amount of financial assistance provided to or for the person and the person's family.

(d) If the department terminates the total amount of financial assistance provided to or for a person and the person's family under Subsection (c), the person and the person's family are ineligible for subsequent financial

assistance for a period of six months from the date the department terminated the previous financial assistance.

Sec. 31.00322. PENALTIES AND SANCTIONS FOR NONCOMPLIANCE WITH CHILD SUPPORT ENFORCEMENT REQUIREMENTS. (a) This section applies only to the application of sanctions or penalties to a person who, without good cause as determined under Section 31.0033, fails or refuses to comply with a requirement of the responsibility agreement under Section 31.0031(d)(1).

(b) On a person's first failure or refusal to comply with a requirement of the responsibility agreement under Section 31.0031(d)(1), the department shall, on the recommendation of the Title IV-D agency, terminate the total amount of financial assistance provided to or for the person and the person's family.

SECTION \_\_\_\_\_. Section 31.0033(c), Human Resources Code, is amended to read as follows:

(c) If the department finds that good cause for noncompliance was not shown at a hearing, the department shall apply appropriate sanctions or penalties to or for that person or that person and the person's family until the department, or the Title IV-D agency in a Title IV-D case, determines that the person is in compliance with the terms of the responsibility agreement.

SECTION \_\_\_\_\_. Subchapter A, Chapter 31, Human Resources Code, is amended by adding Section 31.00331 to read as follows:

Sec. 31.00331. CASE REVIEW FOLLOWING NONCOMPLIANCE WITH CERTAIN REQUIREMENTS. (a) Before terminating all financial assistance for a person and the person's family under Section 31.00321(c), the department shall conduct a case review to determine:

(1) the reasons for the noncompliance of the person or a member of the person's family with a requirement of the responsibility agreement under Section 31.0031, other than the requirement under Section 31.0031(d)(1); and

(2) support services that will enable the person or the member of the person's family to comply with that requirement or prevent future noncompliance.

(b) A representative of the department shall conduct the case review in person at the residence of the person or the person's family member whose failure to comply with the requirement of the responsibility agreement is the basis for the termination of financial assistance.

SECTION \_\_\_\_\_. Section 31.014, Human Resources Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) The department shall provide financial assistance, in accordance with department rules, to a two-parent family if the primary wage earner parent is registered in the job opportunities and basic skills (JOBS) training program under Part F, Subchapter IV, Social Security Act (42 U.S.C. Section 682), or is registered with the Texas Workforce ~~[Employment]~~ Commission.

(d) Notwithstanding any other law, the department shall allow a two-parent family to satisfy the requirements for work or employment activity participation under Section 31.0031(d)(3) or (4) or Section 31.012 through the participation of the primary wage-earner in a work or employment activity, or through the combined participation of both the primary and secondary wage-earners in work or employment activities.

(Counts in the chair)

Representative Naishtat moved to table Amendment No. 5.

A record vote was requested.

The motion to table prevailed by (Record 241): 78 Yeas, 65 Nays  
2 Present, not voting.

Yeas — Alexander; Bailey; Bosse; Burnam; Capelo; Carter; Chavez; Coleman; Cook; Danburg; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; Giddings; Glaze; Goodman; Gray; Gutierrez; Hawley; Hinojosa; Hochberg; Hodge; Homer; Hopson; Jones, D.; Jones, J.; Junell; King, T.; Kitchen; Lewis, G.; Lewis, R.; Longoria; Luna; Martinez Fischer; Maxey; McClendon; McReynolds; Menendez; Moreno, J.; Moreno, P.; Naishtat; Najera; Noriega; Oliveira; Olivo; Pickett; Puente; Ramsay; Rangel; Raymond; Reyna, A.; Ritter; Sadler; Salinas; Solis; Telford; Thompson; Tillery; Turner, B.; Turner, S.; Uher; Uresti; Villarreal; Wilson; Wise; Wolens; Yarbrough; Zbranek.

Nays — Averitt; Berman; Bonnen; Brimer; Brown, B.; Brown, F.; Callegari; Chisum; Christian; Clark; Crabb; Craddick; Crownover; Davis, J.; Delisi; Denny; Driver; Elkins; George; Geren; Goolsby; Green; Grusendorf; Haggerty; Hamric; Hardcastle; Hartnett; Heflin; Hilderbran; Hill; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, E.; Keel; Keffer; King, P.; Kolkhorst; Krusee; Kuempel; Madden; Marchant; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Pitts; Reyna, E.; Seaman; Shields; Smith; Smithee; Solomons; Swinford; Talton; Truitt; West; Williams; Wohlgemuth; Woolley.

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

Absent, Excused — Allen; Eiland; Hilbert.

Absent — Corte; Walker.

### STATEMENT OF VOTE

When Record No. 241 was taken, I was in the house but away from my desk. I would have voted no.

Corte

A record vote was requested.

**CSHB 1006**, as amended, was passed to engrossment by (Record 242):  
77 Yeas, 67 Nays, 3 Present, not voting.

Yeas — Alexander; Bailey; Bosse; Burnam; Capelo; Chavez; Coleman; Cook; Danburg; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ehrhardt; Ellis; Farabee; Farrar; Flores; Gallego; Garcia; Giddings; Glaze; Goodman; Gray; Gutierrez; Haggerty; Hawley; Hinojosa; Hochberg; Hodge; Homer; Hopson; Jones, J.; Junell; King, T.; Kitchen; Lewis, G.; Lewis, R.; Longoria; Luna; Martinez Fischer; Maxey; McClendon; McReynolds; Menendez; Moreno, J.; Moreno, P.; Naishtat; Najera; Noriega; Oliveira; Olivo; Pickett; Puente; Ramsay; Rangel; Raymond; Reyna, A.; Ritter; Sadler; Salinas; Solis; Telford; Thompson; Tillery; Turner, B.; Turner, S.; Uher; Uresti; Villarreal; Wilson; Wise; Wolens; Yarbrough; Zbranek.

Nays — Averitt; Berman; Bonnen; Brimer; Brown, B.; Brown, F.; Callegari; Chisum; Christian; Clark; Corte; Crabb; Craddick; Crownover; Davis, J.; Delisi; Denny; Driver; Elkins; George; Geren; Goolsby; Green; Grusendorf; Hamric; Hardcastle; Hartnett; Heflin; Hilderbran; Hill; Hope; Howard; Hunter; Hupp; Isett; Janek; Jones, D.; Jones, E.; Keel; Keffer; King, P.; Kolkhorst; Krusee; Kuempel; Madden; Marchant; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Pitts; Reyna, E.; Seaman; Shields; Smith; Smithee; Solomons; Swinford; Talton; Truitt; Walker; West; Williams; Wohlgemuth; Woolley.

Present, not voting — Mr. Speaker; Carter; Counts(C).

Absent, Excused — Allen; Eiland; Hilbert.

**HB 2153 ON SECOND READING**  
(by Averitt)

**HB 2153**, A bill to be entitled An Act relating to the directors and authority of the Texas Public Finance Authority.

(Speaker pro tempore in the chair)

**HB 2153** was passed to engrossment.

**CSHB 2243 ON SECOND READING**  
(by Bosse)

**CSHB 2243**, A bill to be entitled An Act relating to the Vehicle Storage Facility Act.

**Amendment No. 1**

Representative Bosse offered the following amendment to **CSHB 2243**:

Amend **CSHB 2243**, on page 4, line 13, by striking “Section 13(j)” and substituting “Section 13”.

Amendment No. 1 was adopted without objection.

**Amendment No. 2**

Representative Wilson offered the following amendment to **CSHB 2243**:

Amend **CSHB 2243** on page 1, line 20, by striking “eight” and substituting “15”.

Amendment No. 2 was adopted without objection.

**CSHB 2243**, as amended, was passed to engrossment.

**HB 2071 ON SECOND READING**  
(by Junell)

**HB 2071**, A bill to be entitled An Act relating to establishing a billing procedure to ensure that each state agency is billed for the cost of support services allocated to the agency under the statewide cost allocation plan.

**HB 2071** was passed to engrossment.

**HB 3313 ON SECOND READING**  
**(by Dunnam)**

**HB 3313**, A bill to be entitled An Act relating to elementary class size limits in public schools.

**Amendment No. 1**

Representative Crownover offered the following amendment to **HB 3313**:

Amend **HB 3313** as follows:

(1) On page 1, line 10, strike “for” and substitute “for<sub>2</sub>”.

(2) On page 1, strike lines 11 and 12 and substitute the following:

(1) more than one semester at a time; or

(2) more than two consecutive semesters, except that this limitation does not apply to a school district in which the average daily attendance has increased by 10 percent or more in the preceding two-year period.

(3) On page 2, between lines 7 and 8, insert the following:

(c) This section does not apply to a school district in which the average daily attendance has increased by 10 percent or more in the preceding two-year period.

Amendment No. 1 was adopted without objection.

**Amendment No. 2**

Representative Garcia offered the following amendment to **HB 3313**:

Amend **HB 3313**, on page 1, line 19, between “must” and the colon, insert “be in conspicuous bold or underlined print and”.

Amendment No. 2 was adopted without objection.

**Amendment No. 3**

Representative Delisi offered the following amendment to **HB 3313**:

Amend **HB 3313**, SECTION 3, by inserting Section 39.183(5) to read as follows:

(5) the number of classes at each campus that are currently being taught by individuals who are not certified in the content areas of their respective classes.

Amendment No. 3 was adopted without objection.

**HB 3313**, as amended, was passed to engrossment.

**CSHB 3312 ON SECOND READING**  
**(by Dunnam)**

**CSHB 3312**, A bill to be entitled An Act relating to establishing a pilot program for state emergency medical dispatch resource centers.

**CSHB 3312** was passed to engrossment.

**CSSB 1596 ON SECOND READING**  
**(Rangel - House Sponsor)**

**CSSB 1596**, A bill to be entitled An Act relating to the establishment and operation of the Toward EXcellence, Access, & Success (TEXAS) II grant program.

**CSSB 1596** was considered in lieu of **HB 3050**.

**CSSB 1596** was passed to third reading.

**HB 3050 - LAID ON THE TABLE SUBJECT TO CALL**

Representative Rangel moved to lay **HB 3050** on the table subject to call.

The motion prevailed without objection.

**CSHB 3185 ON SECOND READING**

(by **B. Turner, Ellis, S. Turner, Hopson, Geren, et al.**)

**CSHB 3185**, A bill to be entitled An Act relating to certain personnel policies of the Texas Department of Criminal Justice.

**CSHB 3185** was passed to engrossment.

**CSHB 258 ON SECOND READING**

(by **Christian and E. Reyna**)

**CSHB 258**, A bill to be entitled An Act relating to displaying a deadly weapon in order to hinder an official proceeding or prevent or disrupt a lawful meeting, gathering, or procession; providing penalties.

**CSHB 258** failed to pass to engrossment. (Hupp recorded voting no)

**CSHB 3590 ON SECOND READING**

(by **Hunter**)

**CSHB 3590**, A bill to be entitled An Act relating to establishing the Texas Fund for Geography Education to support geography education at public institutions of higher education.

**Amendment No. 1**

Representative Telford offered the following amendment to **CSHB 3590**:

Amend **CSHB 3590** as follows:

On page 2, line 20 after “education” insert the following:

and private or independent institutions of higher education as defined by Section 61.003(15).

On page 3, line 2 after “education” insert the following:

and private or independent institutions of higher education as defined by Section 61.003(15).

Amendment No. 1 was adopted without objection.

**CSHB 3590**, as amended, was passed to engrossment.

**HB 3671 ON SECOND READING**

(by **Denny**)

**HB 3671**, A bill to be entitled An Act relating to the creation of municipal courts of record in Trophy Club located in Tarrant and Denton counties.

**HB 3671** was passed to engrossment.

**HB 1539 ON SECOND READING**  
**(by R. Lewis)**

**HB 1539**, A bill to be entitled An Act relating to the restoration of the civil rights of certain individuals convicted of offenses allegedly committed in other countries.

Representative R. Lewis moved to postpone consideration of **HB 1539** until 10 a.m. Wednesday, May 2.

The motion prevailed without objection.

**HB 1697 ON SECOND READING**  
**(by Ellis)**

**HB 1697**, A bill to be entitled An Act relating to the erection and maintenance of outdoor advertising by certain nonprofit organizations.

**Amendment No. 1**

Representative Ellis offered the following amendment to **HB 1697**:

Amend **HB 1697** on page 1 by striking lines 7-12 and substituting the following:

Sec. 391.037. OUTDOOR ADVERTISING BY CERTAIN COUNTY AGRICULTURAL FAIRS. Outdoor advertising that is an outdoor sign may include the logo or emblem of an entity if:

(1) the sign is erected or maintained by:

(A) a nonprofit county agricultural fair;

(B) a public or private elementary or secondary school; or

(C) a public or private institution of higher education;

(2) the entity sponsors or provides significant funding to the agricultural fair, school, or institution of higher education; and

(3) the entity's logo or emblem occupies less than 25 percent of the area of the sign.

Amendment No. 1 was adopted without objection.

**HB 1697**, as amended, was passed to engrossment.

**CSHB 2087 ON SECOND READING**  
**(by Clark and Homer)**

**CSHB 2087**, A bill to be entitled An Act relating to civil liability for the manufacture of methamphetamine.

**CSHB 2087** was passed to engrossment.

**HB 2111 ON SECOND READING**  
**(by Gallego)**

**HB 2111**, A bill to be entitled An Act relating to the Office of Court Administration of the Texas Judicial System, the Judicial Committee on Information Technology, and the Texas Judicial Council.

**HB 2111** was passed to engrossment.

**CSHB 2114 ON SECOND READING**  
(by Allen)

**CSHB 2114**, A bill to be entitled An Act relating to interment of a victim and an individual convicted of the murder of the victim in the same cemetery; providing a civil penalty.

**CSHB 2114** was passed to engrossment.

**HB 2331 ON SECOND READING**  
(by Uresti and Menendez)

**HB 2331**, A bill to be entitled An Act relating to the suspension of certain alcoholic beverage licenses and permits for certain violations relating to minors.

**Amendment No. 1**

On behalf of Representative Solis, Representative Uresti offered the following amendment to **HB 2331**:

Amend **HB 2331** by adding the following appropriately numbered Section to the bill and renumbering the remaining Sections of the bill as appropriate:  
SECTION \_\_. Section 106.06(c), Alcoholic Beverage Code, is amended to read as follows:

(c) An offense under this section is a Class A [B] misdemeanor.

Amendment No. 1 was adopted without objection.

**HB 2331**, as amended, was passed to engrossment.

**HB 2336 ON SECOND READING**  
(by Danburg, Denny, and Madden)

**HB 2336**, A bill to be entitled An Act relating to the distribution of federal funds made available to assist the state in the administration of elections.

**Amendment No. 1 (Committee Amendment No. 1)**

On behalf of Representative Denny, Representative Danburg offered the following committee amendment to **HB 2336**:

Amend **HB 2336** as follows:

On line 16, strike Section 2. and substitute the following:

“Section 2. EMERGENCY. 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.

Amendment No. 1 was adopted without objection.

**HB 2336**, as amended, was passed to engrossment.

**CSHB 2475 ON SECOND READING**  
(by Kolkhorst)

**CSHB 2475**, A bill to be entitled An Act relating to eligibility for a special license issued by the State Board of Veterinary Medical Examiners.

**CSHB 2475** was passed to engrossment.

**CSHB 2677 ON SECOND READING**  
**(by Bailey and Edwards)**

**CSHB 2677**, A bill to be entitled An Act relating to the right of certain municipalities to maintain local control over wages, hours, and other terms of employment of certain municipal employees.

(Speaker in the chair)

**CSHB 2677** was passed to engrossment. (Berman, Delisi, Denny, Hill, Hupp, Nixon, Shields, and Woolley recorded voting no)

**CSHB 101 ON SECOND READING**  
**(by Maxey, Naishtat, Luna, Danburg, Villarreal, et al.)**

**CSHB 101**, A bill to be entitled An Act relating to medical assistance for certain persons in need of treatment for breast or cervical cancer.

Representative Maxey moved to postpone consideration of **CSHB 101** until 10 a.m. Monday, May 7.

The motion prevailed without objection.

**PROVIDING FOR A LOCAL, CONSENT,**  
**AND RESOLUTIONS CALENDAR**

Representative Y. Davis moved to set a local, consent, and resolutions calendar for 10 a.m. Saturday, May 5.

The motion prevailed without objection.

**HCR 266 - ADOPTED**  
**(by Wise)**

Representative Wise moved to suspend all necessary rules to take up and consider at this time **HCR 266**.

The motion prevailed without objection.

The following resolution was laid before the house:

**HCR 266**, Posthumously conferring the Texas Legislative Medal of Honor on Master Sergeant Roy P. Benavidez.

**HCR 266** was adopted without objection.

**RULES SUSPENDED**

Representative Driver moved to suspend the 5-day posting rule to allow the Select Committee on Constitutional Revision to consider **HJR 69**.

The motion prevailed without objection.

**COMMITTEE MEETING ANNOUNCEMENTS**

The following committee meetings were announced:

Juvenile Justice and Family Issues, upon adjournment today, Desk 45, for a formal meeting, to consider pending business, **HB 336**, **SB 769**, and **SB 1683**.

Human Services, upon adjournment today, E2.030, for a public hearing, to consider regular business.

Natural Resources, upon adjournment today, Desk 9, for a formal meeting, to consider **HB 3684**, **HB 3685**, **HB 3693**, **SB 1339**, **SB 1444**, and **SB 1600**.

State Recreational Resources, upon adjournment today, Desk 28, for a formal meeting, to consider **HB 305**, **HB 1915**, and **HB 3209**.

**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.)

**ADJOURNMENT**

Representative Thompson moved that the house adjourn until 10 a.m. tomorrow.

The motion prevailed without objection.

The house accordingly, at 6:52 p.m., adjourned until 10 a.m. tomorrow.

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**ADDENDUM**

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**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**

**HB 3695** (By Merritt), Relating to the creation of an additional county court at law in Gregg County.

To County Affairs.

**HB 3696** (By Hinojosa), Relating to the creation of the County Court at Law No. 5 of Hidalgo County and the County Criminal Court at Law of Hidalgo County, to redesignating the County Court at Law No. 3 of Hidalgo County as the Probate Court of Hidalgo County, and to the jurisdiction of the statutory county courts in Hidalgo County.

To Judicial Affairs.

**HR 878** (By Garcia), In memory of Richard Chavez III.

To Rules & Resolutions.

**HR 879** (By Hopson), In memory of Leon County Deputy Loutricia Bonfanti.

To Rules & Resolutions.

**HR 880** (By Hilderbran), In memory of Dr. Luther W. Ross of Kerrville.  
To Rules & Resolutions.

**HR 881** (By Hilderbran), In memory of Louis Albert Schreiner II of Mountain Home.

To Rules & Resolutions.

**HR 882** (By Hilderbran), In memory of Carl Donald Meek, Sr., of Kerrville.

To Rules & Resolutions.

**HR 884** (By Miller), Congratulating Stephenville High School for winning the Division I state powerlifting championship.

To Rules & Resolutions.

**HR 886** (By Kitchen), Congratulating the Austin Baptist Women troupe on its 15th anniversary.

To Rules & Resolutions.

**HR 887** (By Tillery), Congratulating Carl Tillery on his service to the United Auto Workers.

To Rules & Resolutions.

**HR 888** (By Chavez), Paying tribute to the participants in the Mother-Daughter Program.

To Rules & Resolutions.

**HR 889** (By Dunnam), In memory of Johnnie Benjamon Oldham of Waco.

To Rules & Resolutions.

**HR 890** (By Hodge), Congratulating Yulia Alexandrovna Polansky of Austin on her high school graduation.

To Rules & Resolutions.

**HR 891** (By Delisi), Honoring the memory of Dr. Charles F. Kallina III of Temple.

To Rules & Resolutions.

**HR 893** (By Clark), Honoring Judge Carol M. Siebman of Grayson County.

To Rules & Resolutions.

**SB 56** to Criminal Jurisprudence.

**SB 57** to Criminal Jurisprudence.

**SB 58** to Criminal Jurisprudence.

**SB 63** to Ways & Means.

**SB 70** to Juvenile Justice & Family Issues.

**SB 129** to Judicial Affairs.

**SB 248** to Ways & Means.

**SB 275** to Economic Development.

**SB 379** to Urban Affairs.

- SB 440** to Insurance.
- SB 478** to Juvenile Justice & Family Issues.
- SB 520** to State Affairs.
- SB 532** to Public Health.
- SB 535** to Human Services.
- SB 700** to Juvenile Justice & Family Issues.
- SB 776** to Juvenile Justice & Family Issues.
- SB 828** to Environmental Regulation.
- SB 869** to Judicial Affairs.
- SB 894** to Public Health.
- SB 904** to Criminal Jurisprudence.
- SB 932** to Criminal Jurisprudence.
- SB 944** to Ways & Means.
- SB 954** to Judicial Affairs.
- SB 985** to Ways & Means.
- SB 988** to Financial Institutions.
- SB 998** to Public Education.
- SB 1033** to Criminal Jurisprudence.
- SB 1036** to Natural Resources.
- SB 1041** to Public Health.
- SB 1053** to Public Health.
- SB 1064** to Juvenile Justice & Family Issues.
- SB 1080** to Juvenile Justice & Family Issues.
- SB 1113** to Judicial Affairs.
- SB 1119** to Criminal Jurisprudence.
- SB 1175** to Agriculture & Livestock.
- SB 1189** to Ways & Means.
- SB 1207** to Natural Resources.
- SB 1213** to Public Safety.
- SB 1245** to Human Services.
- SB 1260** to Higher Education.
- SB 1268** to State Affairs.
- SB 1272** to Ways & Means.
- SB 1293** to Economic Development.

- SB 1294** to Economic Development.
- SB 1299** to Public Health.
- SB 1302** to Land & Resource Management.
- SB 1331** to Natural Resources.
- SB 1386** to Public Health.
- SB 1390** to Environmental Regulation.
- SB 1446** to Public Education.
- SB 1497** to Ways & Means.
- SB 1524** to Licensing & Administrative Procedures.
- SB 1535** to Ways & Means.
- SB 1598** to Insurance.
- SB 1632** to Civil Practices.
- SB 1656** to Economic Development.
- SB 1658** to Insurance.
- SB 1677** to Land & Resource Management.
- SB 1684** to Licensing & Administrative Procedures.
- SB 1705** to Public Education.
- SB 1708** to Land & Resource Management.
- SB 1710** to Ways & Means.
- SB 1711** to Ways & Means.
- SB 1726** to Public Education.
- SB 1727** to Public Education.
- SB 1731** to Public Education.
- SB 1736** to Ways & Means.
- SB 1737** to Ways & Means.
- SB 1740** to Business & Industry.
- SB 1758** to Natural Resources.
- SB 1759** to Financial Institutions.
- SB 1771** to Natural Resources.
- SB 1772** to County Affairs.
- SB 1773** to County Affairs.
- SB 1775** to Natural Resources.
- SB 1776** to Natural Resources.
- SB 1777** to Natural Resources.

- SB 1780** to County Affairs.  
**SB 1781** to County Affairs.  
**SB 1782** to County Affairs.  
**SB 1784** to Natural Resources.  
**SB 1785** to Public Education.  
**SB 1789** to County Affairs.  
**SB 1792** to Energy Resources.  
**SB 1800** to State Affairs.  
**SB 1802** to Transportation.  
**SJR 3** to Judicial Affairs.

### **SIGNED BY THE SPEAKER**

The following bills and resolutions were today signed in the presence of the house by the speaker:

#### **House List No. 39**

**HB 120, HB 271, HB 477, HB 753, HB 1569, HB 1573, HB 1754, HCR 11**

#### **Senate List No. 18**

**SB 184, SB 277, SB 405, SB 648, SB 777, SB 1166, SB 1468, SCR 30, SCR 31**

### **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

Monday, April 30, 2001

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 1840** Junell SPONSOR: Ellis, Rodney  
 Relating to authorizing the comptroller to waive penalties and interest relating to the delivery of certain delinquent unclaimed property.  
 (COMMITTEE SUBSTITUTE)

**SB 857** Madla

Relating to exempting renewable energy devices from the sales and use tax.

**SB 957** Brown, J. E. "Buster"

Relating to loss damage waivers in certain rental-purchase agreements.

**SB 1002** Zaffirini

Relating to the transfer of certain state property from the Texas Department of Mental Health and Mental Retardation to the Border Region MHMR Community Center.

**SB 1690** Ellis, Rodney

Relating to the taxation of insurance companies and certain insurance agents.

THE SENATE HAS CONCURRED IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

**SB 184** (viva-voce vote)

**SB 277** (viva-voce vote)

**SB 777** (viva-voce vote)

**SB 1468** (viva-voce vote)

Respectfully,

Betty King  
Secretary of the Senate

**Message No. 2**

MESSAGE FROM THE SENATE  
SENATE CHAMBER

Austin, Texas

Monday, April 30, 2001 - 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 1629** Cook SPONSOR: Armbrister

Relating to the provision of water by the Lower Colorado River Authority to a municipality outside the Colorado River basin.

(COMMITTEE SUBSTITUTE)

**HCR 252** Goodman SPONSOR: Bivins

Honoring the memory of Julian Harris Zimmerman of Austin.

**HCR 259** Davis, John SPONSOR: Jackson

Welcoming the visiting students and staff from North Pointe Elementary School in Clear Lake City to the State Capitol on April 26, 2001.

**HCR 261** Craddick SPONSOR: Bivins  
Congratulating Dee K. Carter of Midland on his election as president of the Texas Association of Insurance and Financial Advisors.

Respectfully,

Betty King  
Secretary of the Senate

**Message No. 3**

MESSAGE FROM THE SENATE  
SENATE CHAMBER  
Austin, Texas  
Monday, April 30, 2001 - 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:

**SB 312** Zaffirini  
Relating to the review and functions of the Texas Water Development Board.

**SB 508** Shapleigh  
Relating to establishing task forces in certain border communities to study impediments to trade in the border region.

**SB 638** Barrientos  
Relating to the taking of a specimen from a person arrested for, charged with, or convicted of certain offenses for the purposes of DNA analysis; providing penalties.

**SB 962** Moncrief  
Relating to a pilot project to address the need for more child protective services workers in certain regions of the state.

**SB 1678** Jackson  
Relating to exempting certain electronic information services from the sales and use tax.

**SB 1720** Cain  
Relating to the regulation of card-minding devices used to play bingo.

Respectfully,

Betty King  
Secretary of the Senate

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**APPENDIX**

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**STANDING COMMITTEE REPORTS**

Favorable reports have been filed by committees as follows:

**April 27**

Corrections - **HB 331, SB 1048**

Criminal Jurisprudence - **HB 279, HB 553, HB 1813, HB 1955, HB 2696, SB 600, SB 795, SB 1262**

Economic Development - **HB 2086, HB 2593**

Energy Resources - **HB 1317**

Financial Institutions - **SB 272**

Higher Education - **HB 1387, HB 2268, SB 386, SB 555, SB 924, SB 1057, SB 1190, SB 1596**

Insurance - **HB 1347, HB 3455**

Judicial Affairs - **HB 1766, HB 3649, HB 3694**

Pensions & Investments - **HB 1428, HB 3147**

State Affairs - **SB 188**

Transportation - **HB 15, SB 1162, SB 1680**

Ways & Means - **HB 1468, HB 1694, HB 2682, HB 2782, HB 2833, HB 3006, HB 3019, HB 3049, HB 3123, HB 3140, HB 3184**

**ENGROSSED**

**April 27 - HB 119, HB 195, HB 298, HB 548, HB 560, HB 602, HB 628, HB 840, HB 981, HB 998, HB 1128, HB 1348, HB 1368, HB 1592, HB 1651, HB 1680, HB 1681, HB 1799, HB 1838, HB 1851, HB 1874, HB 1939, HB 1985, HB 1995, HB 1999, HB 2005, HB 2040, HB 2049, HB 2054, HB 2092, HB 2127, HB 2146, HB 2152, HB 2167, HB 2175, HB 2239, HB 2277, HB 2327, HB 2412, HB 2439, HB 2446, HB 2459, HB 2484, HB 2532, HB 2557, HB 2580, HB 2602, HB 2616, HB 2751, HB 2756, HB 2761, HB 2784, HB 2793, HB 2794, HB 2812, HB 2813, HB 2814, HB 2817, HB 2864, HB 2877, HB 2881, HB 2908, HB 2988, HB 3015, HB 3024, HB 3044, HB 3144, HB 3162, HB 3192, HB 3193, HB 3247, HB 3265, HB 3285, HB 3355, HB 3383, HB 3404, HB 3413, HB 3414, HB 3421, HB 3451, HB 3491, HB 3567, HB 3586, HB 3627, HB 3634, HB 3639, HB 3640, HB 3642, HB 3646, HB 3647, HB 3651, HB 3652, HB 3655, HB 3661, HB 3662, HB 3664, HB 3674, HCR 84**

**ENROLLED**

**April 27 - HB 120, HB 271, HB 477, HB 753, HB 782, HB 1569, HB 1573, HB 1619, HB 1754, HCR 11**

**SENT TO THE GOVERNOR****April 27 - HB 782, HB 1619****RECOMMENDATIONS FILED WITH THE SPEAKER****April 27 - HB 3633, HB 3639, HB 3653, HB 3674, HB 3675, HB 3681**