

HOUSE JOURNAL

EIGHTY-THIRD LEGISLATURE, REGULAR SESSION

PROCEEDINGS

EIGHTY-SECOND DAY — SUNDAY, MAY 26, 2013

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

The roll of the house was called and a quorum was announced present (Record 1286).

Present — Mr. Speaker; Alonzo; Anderson; Ashby; Aycock; Bell; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Dale; Darby; Davis, J.; Davis, S.; Deshotel; Dukes; Dutton; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Gutierrez; Harper-Brown; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miller, D.; Miller, R.; Morrison; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Riddle; Ritter; Rodriguez, E.; Rose; Sanford; Schaefer; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; White; Workman; Wu; Zedler; Zerwas.

Absent — Allen; Alvarado; Anchia; Bohac; Bonnen, D.; Coleman; Crownover; Davis, Y.; Eiland; Farrar; Giddings; Guillen; Harless; Hernandez Luna; Herrero; Laubenberg; Longoria; Lucio; Menéndez; Miles; Moody; Muñoz; Reynolds; Rodriguez, J.; Sheets; Smithee; Strama; Walle.

The speaker recognized Representative Howard who offered the invocation.

The speaker recognized Representative Howard who led the house in the pledges of allegiance to the United States and Texas flags.

PROCLAMATION BY THE GOVERNOR OF THE STATE OF TEXAS

The chair laid before the house and had read the following proclamation by the governor:

TO THE MEMBERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-THIRD TEXAS LEGISLATURE, REGULAR SESSION:

Pursuant to Article IV, Section 14 of the Texas Constitution, I, Rick Perry, governor of Texas, do hereby disapprove and veto **HB 535** of the 83rd Texas Legislature, Regular Session, due to the following objections:

HB 535 requires state agencies, when purchasing goods, to give preference to goods "manufactured" in Texas. Current law already requires state agencies to give preference to goods produced and grown in Texas. While I support and encourage our agencies to buy goods from Texas businesses, this bill simply does not change current law.

Since you remain gathered in regular session and continue to conduct formal business, I am delivering this disapproval message directly to you along with the official enrolled copy of the bill.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 25th day of May, 2013.

Rick Perry
Governor of Texas

(SEAL)
John Steen
Secretary of State

(Crownover, Guillen, and Harless now present)

HR 3010 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3010**, suspending the limitations on the conferees for **HB 3793**.

HR 3011 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3011**, suspending the limitations on the conferees for **HB 2741**.

HR 3012 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3012**, suspending the limitations on the conferees for **HB 5**.

HR 3013 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3013**, suspending the limitations on the conferees for **SB 7**.

HR 2841 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 2841**, suspending the limitations on the conferees for **HB 3153**.

HR 2982 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 2982**, suspending the limitations on the conferees for **SB 949**.

HR 2981 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 2981**, suspending the limitations on the conferees for **SB 1017**.

HR 3007 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3007**, suspending the limitations on the conferees for **HB 3459**.

HR 3009 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3009**, suspending the limitations on the conferees for **HB 508**.

HR 2910 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 2910**, suspending the limitations on the conferees for **HB 3106**.

LEAVE OF ABSENCE GRANTED

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

Lucio on motion of C. Turner.

MESSAGES FROM THE SENATE

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

NOTICE GIVEN

At 2:25 p.m., the speaker announced that Representative Hunter would, in at least one hour, be recognized for the purpose of suspending all necessary rules to take up conference committee reports and any accompanying resolutions to go outside the bounds before their eligibility and to allow consideration of each of these items beyond the midnight deadline.

(Anchia, Y. Davis, Eiland, Giddings, Herrero, Longoria, Muñoz, Reynolds, J. Rodriguez, Strama, and Walle now present)

PARLIAMENTARY INQUIRY

REPRESENTATIVE Y. DAVIS: The motion that was just read, whose motion is that?

SPEAKER STRAUS: Mr. Hunter's.

Y. DAVIS: Would he take a couple questions to explain what it is he's doing?

SPEAKER: Ms. Davis, the notice was just giving one-hour notice. It's not eligible at this time.

Y. DAVIS: Okay. One-hour notice to do what, though?

SPEAKER: To make a motion.

Y. DAVIS: What is he including in this motion—this notice? What was your notice? It rattled off several things.

SPEAKER: We'll ask the clerk to read the motion again.

READING CLERK: Pursuant to Rule 14, Section 4, this is one hour's notice of the chair's intent to recognize Representative Hunter for a motion to suspend all necessary rules and the regular order of business to take up the following measures out of their regular order: each bill or resolution on each of the items eligible calendars and any accompanying resolutions to go outside the bounds.

Further, he will move that the rules be suspended to allow consideration of each of these items eligible calendars and any accompanying resolution to go outside the bounds beyond the midnight deadline.

Y. DAVIS: Based on what the clerk just read, there would be no rules, essentially? Essentially, what we're doing now is saying that you don't have to follow the resolutions—the privileged resolutions. You don't have to—all rules are suspended, essentially? Is it your intent to just deal with timing and placement on the calendar, or did I understand it to go—

SPEAKER: That's correct, Ms. Davis. The timing and the midnight deadline.

Y. DAVIS: Based on what she read, I heard a suspension of all rules to take up, not only out of order, but also to take up resolutions, whether they've been timely filed or not. Is that correct?

SPEAKER: Would you state your question again?

Y. DAVIS: My question is, with this notice—the motion that was made—does it include, number one, that any privileged resolution that may be filed, or have not been filed, or will be filed—would the rules be suspended with regard to the notice that they need to lay out so that members will know what's going on with those bills? Would that include that?

SPEAKER: Ms. Davis, if it needs an outside the bounds resolution it will still need an outside the bounds resolution.

Y. DAVIS: No, no, what I'm asking you is, when they read the suspension, does that include privileged resolutions not having to have a layout period, and would they—fiscal note—

SPEAKER: No, it does not.

Y. DAVIS: So, let me then ask you—the total suspension that you just did, or the motion that you're going to bring forward, would have the net effect of doing what? Eliminating what—what rules are we now going to ignore based on the request that we—

SPEAKER: Extending the deadline—time limit for consideration of these measures, and allowing them to be taken up before their time eligible.

Y. DAVIS: So, if at midnight we've not finished the calendar, this rule—or the motion for this rule—would it include going beyond midnight?

SPEAKER: That's correct.

Y. DAVIS: Okay. And what other rules are we now changing based on this broad suspension?

SPEAKER: The necessary rules to help with the deadline—all necessary rules to extend the deadline of time.

Y. DAVIS: Okay, so we're only extending the deadline beyond midnight with that motion? Or isn't it also—

SPEAKER: And being able to take up the bills before they're eligible.

Y. DAVIS: And the ability to take up bills before they're eligible. So, if something's due at 2 o'clock—or 3 o'clock, we could take it up at 2 o'clock, is that correct?

SPEAKER: That's correct.

Y. DAVIS: Now, as it relates to privileged resolutions, it's my understanding that many of those resolutions have to be laid out for a period of time. Did that change with regard to us taking up or considering a bill when a resolution has not been laid out?

SPEAKER: Those do not change.

Y. DAVIS: That did not change?

SPEAKER: As far as we know, all the privileged resolutions are out.

Y. DAVIS: Okay.

REPRESENTATIVE SIMPSON: Did the announcement of the motion include **HR 2700**?

SPEAKER: Yes.

SIMPSON: **HR 2700** including—but it's only the time taken up and that's it?

SPEAKER: Mr. Simpson, it would be the time to take it up, and that it could be considered after midnight.

SIMPSON: Okay, but no other requirements?

SPEAKER: That's correct.

REMARKS ORDERED PRINTED

Representative Simpson moved to print remarks between Representative Y. Davis and the speaker and between Representative Simpson and the speaker.

The motion prevailed.

(Moody and Sheets now present)

SB 690 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Dutton submitted the conference committee report on **SB 690**.

Representative Dutton moved to adopt the conference committee report on **SB 690**.

The motion to adopt the conference committee report on **SB 690** prevailed by (Record 1287): 133 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alonzo; Anchia; Anderson; Ashby; Aycock; Bell; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez Fischer; McClendon; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodríguez, E.; Rodríguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Allen; Alvarado; Bohac; Bonnen, D.; Coleman; Farrar; Hernandez Luna; King, P.; Laubenberg; Martinez; Menéndez; Miles; Murphy; Parker; Smithee.

STATEMENTS OF VOTE

When Record No. 1287 was taken, I was in the house but away from my desk. I would have voted yes.

Alvarado

When Record No. 1287 was taken, I was temporarily out of the house chamber. I would have voted yes.

Bohac

When Record No. 1287 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1287 was taken, I was temporarily out of the house chamber. I would have voted yes.

Hernandez Luna

When Record No. 1287 was taken, I was in the house but away from my desk. I would have voted yes.

P. King

When Record No. 1287 was taken, my vote failed to register. I would have voted yes.

Parker

HR 2786 - ADOPTED
(by Callegari)

The following privileged resolution was laid before the house:

HR 2786

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 1458** (contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 2 of the bill, in added Section 824.702(c), Government Code, to read as follows:

(c) If the annuitant:

(1) is a retiree, or is a beneficiary under an optional retirement payment plan, to be eligible for the adjustment under this section:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been on or before August 31, 2004;

(2) is a beneficiary under Section 824.402(a)(3) or (4) or 824.502, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the date of death of the member of the retirement system must have been on or before August 31, 2004; or

(3) is an alternate payee under Section 804.005, the annuitant is eligible for the adjustment only if the effective date of the election to receive the annuity payment was on or before August 31, 2004.

Explanation: The change is necessary to ensure that the date used to determine eligibility for a cost-of-living adjustment across different categories of annuitants under Section 824.702, Government Code, is August 31, 2004, instead of August 31, 1999.

(2) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text on a matter not in disagreement and to add text on a matter not in disagreement in proposed SECTION 15 of the bill, the effective date provision of the bill, to read as follows:

SECTION 15. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2014.

(b) Section 824.702, Government Code, as added by this Act, Section 825.402, Government Code, as amended by this Act, and the repeal by this Act of Section 1579.103, Insurance Code, take effect September 1, 2013.

Explanation: The change in the effective date provision is a technical change necessary to ensure that Section 824.702, Government Code, adding a cost-of-living adjustment for certain annuitants under the Teacher Retirement System of Texas, takes effect in time to provide the adjustment provided for under that section.

HR 2786 was adopted by (Record 1288): 135 Yeas, 2 Nays, 1 Present, not voting.

Yeas — Alonzo; Anchia; Anderson; Ashby; Aycock; Bell; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson; Stickland.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Allen; Alvarado; Bohac; Bonnen, D.; Coleman; Farrar; Hernandez Luna; Laubenberg; Menéndez; Miles; Smithee.

STATEMENTS OF VOTE

When Record No. 1288 was taken, I was in the house but away from my desk. I would have voted yes.

Alvarado

When Record No. 1288 was taken, I was temporarily out of the house chamber. I would have voted yes.

Bohac

When Record No. 1288 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1288 was taken, I was temporarily out of the house chamber. I would have voted yes.

Hernandez Luna

I was shown voting no on Record No. 1288. I intended to vote yes.

Stickland

(Bohac now present)

SB 1458 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Callegari submitted the conference committee report on **SB 1458**.

Representative Callegari moved to adopt the conference committee report on **SB 1458**.

The motion to adopt the conference committee report on **SB 1458** prevailed by (Record 1289): 136 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alonzo; Anchia; Anderson; Ashby; Aycocock; Bell; Bohac; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Allen; Alvarado; Bonnen, D.; Coleman; Dale; Farrar; Hernandez Luna; Kleinschmidt; Laubenberg; Menéndez; Miles; Smithee.

STATEMENTS OF VOTE

When Record No. 1289 was taken, I was in the house but away from my desk. I would have voted yes.

Alvarado

When Record No. 1289 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1289 was taken, I was in the house but away from my desk. I would have voted yes.

Hernandez Luna

When Record No. 1289 was taken, I was temporarily out of the house chamber. I would have voted yes.

Laubenberg

(Hernandez Luna now present)

HB 630 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Larson submitted the following conference committee report on **HB 630**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 630** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Deuell
Van de Putte
Whitmire

Larson
R. Miller
Klick
Paddie
Springer

On the part of the senate

On the part of the house

HB 630, A bill to be entitled An Act relating to the filling of vacancies on a political party's county executive committee and the conduct of certain primary elections in the absence of a county executive committee.

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

SECTION 1. Sections 171.024(b) and (c), Election Code, are amended to read as follows:

(b) A ~~[Except as provided by Subsection (e), a]~~ majority of the committee's membership must participate in filling a vacancy in the office of county chair. To be elected, a person must receive a favorable vote of a majority of the members voting.

(c) Each party shall adopt rules to determine a percentage of committee membership that constitutes a quorum for purposes of filling a ~~[A]~~ vacancy in the office of precinct chair. To be elected, a person must receive a favorable vote of a majority of the members voting ~~[may be filled without participation of the majority of the committee membership if only one person is a candidate to fill the vacancy and the person:~~

~~[(1) was elected as a precinct chair in the most recent primary election in the county; and~~

~~[(2) is eligible to serve in the vacant office].~~

SECTION 2. Section 171.025, Election Code, is amended by adding Subsection (e) to read as follows:

(e) In a county with a population of less than 5,000, a vacancy in the office of county chair may be filled by appointment by the state chair of a person who is not a resident of the county if:

(1) the person resides in a county in this state with a population of less than 5,000 that is adjacent to the county in which the vacancy occurs; and

(2) the secretary of state approves the appointment of the person under procedures prescribed by the secretary of state.

SECTION 3. Subchapter E, Chapter 172, Election Code, is amended by adding Section 172.128 to read as follows:

Sec. 172.128. ALTERNATIVE PRIMARY PROCEDURE FOR COUNTIES WITHOUT COUNTY PARTY LEADERSHIP. (a) This section applies only to a primary election that is required for the nomination of a political party to a statewide office.

(b) The state chair of a political party may contract with a county clerk, county tax assessor-collector, or county elections administrator, as appropriate, to hold a primary election in a county in which:

(1) the office of county chair is vacant and there is an insufficient number of members serving on the county executive committee to fill a vacancy on the committee; and

(2) the party is unable to establish a temporary executive committee under Section 171.027.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Larson moved to adopt the conference committee report on **HB 630**.

The motion to adopt the conference committee report on **HB 630** prevailed by (Record 1290): 134 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alonzo; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, G.; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Oliveira; Orr; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Allen; Alvarado; Bonnen, D.; Branch; Coleman; Farrar; Hernandez Luna; Klick; Laubenberg; Menéndez; Miles; Nevárez; Otto; Smithee.

STATEMENTS OF VOTE

When Record No. 1290 was taken, I was in the house but away from my desk. I would have voted yes.

Alvarado

When Record No. 1290 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1290 was taken, I was in the house but away from my desk. I would have voted yes.

Hernandez Luna

When Record No. 1290 was taken, I was temporarily out of the house chamber. I would have voted yes.

Laubenberg

HR 3025 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3025**, suspending the limitations on the conferees for **SB 1747**.

(Alvarado, D. Bonnen, and Coleman now present)

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. 44 and Senate List No. 34).

(Miles now present)

SB 359 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Eiland submitted the conference committee report on **SB 359**.

Representative Eiland moved to adopt the conference committee report on **SB 359**.

The motion to adopt the conference committee report on **SB 359** prevailed by (Record 1291): 140 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Allen; Farias; Farrar; Hernandez Luna; Laubenberg; Menéndez; Raymond; Smithee.

STATEMENT OF VOTE

When Record No. 1291 was taken, I was temporarily out of the house chamber. I would have voted yes.

Laubenberg

SB 64 - HOUSE DISCHARGES CONFEREES

Representative Zerwas moved to discharge the conferees on **SB 64**.

The motion to discharge the conferees on **SB 64** prevailed.

HB 2152 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Callegari submitted the following conference committee report on **HB 2152**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2152** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Lucio
Deuell
Ellis
Eltife
Seliger

Callegari
Dutton
Frullo
Orr

On the part of the senate

On the part of the house

HB 2152, A bill to be entitled An Act relating to fees charged to certain recreational vehicle parks.

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

SECTION 1. Section 13.087, Water Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) A municipally owned utility that provides nonsubmetered master metered utility service to a recreational vehicle park shall determine the rates for that service on the same basis the utility uses to determine the rates for other commercial businesses[~~, including hotels and motels,~~] that serve transient customers and receive nonsubmetered master metered utility service from the utility.

(b-1) A municipally owned utility that provides nonsubmetered master metered utility service to a recreational vehicle park may not charge a recreational vehicle park a fee that the utility does not charge other commercial businesses that serve transient customers and receive nonsubmetered master metered utility service from the utility.

SECTION 2. Section 49.351, Water Code, is amended by adding Subsection (m) to read as follows:

(m) Notwithstanding any other provision of this section, a district may not charge a fee to a recreational vehicle park, as defined by Section 13.087, on the basis of connections the park provides for the park's transient customers. A fee charged to a recreational vehicle park must be based on the park's nonsubmetered master meter connection.

SECTION 3. This Act takes effect September 1, 2013.

Representative Callegari moved to adopt the conference committee report on **HB 2152**.

The motion to adopt the conference committee report on **HB 2152** prevailed by (Record 1292): 140 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Allen; Coleman; Eiland; Farrar; Hughes; Laubenberg; Menéndez; Smithee.

STATEMENTS OF VOTE

When Record No. 1292 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1292 was taken, I was in the house but away from my desk. I would have voted yes.

Hughes

When Record No. 1292 was taken, I was temporarily out of the house chamber. I would have voted yes.

Laubenberg

(Menéndez now present)

(Keffer in the chair)

SB 217 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Anchia submitted the conference committee report on **SB 217**.

Representative Anchia moved to adopt the conference committee report on **SB 217**.

The motion to adopt the conference committee report on **SB 217** prevailed by (Record 1293): 109 Yeas, 31 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Ashby; Aycock; Bohac; Bonnen, D.; Branch; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Flynn; Frank; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Howard; Huberty; Hunter; Johnson; Kacal; King, K.; King, S.; King, T.; Kuempel; Larson; Lewis; Longoria; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Patrick; Perez; Perry; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Stephenson; Strama; Taylor; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Anderson; Bonnen, G.; Burkett; Creighton; Fletcher; Goldman; Gooden; Hilderbran; Hughes; Isaac; King, P.; Kleinschmidt; Klick; Kolkhorst; Krause; Lavender; Leach; Miller, R.; Morrison; Paddie; Parker; Phillips; Schaefer; Simpson; Springer; Stickland; Thompson, E.; Toth; Turner, E.S.; White; Zedler.

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

Absent, Excused — Lucio.

Absent — Allen; Bell; Farrar; Laubenberg; Lozano; Menéndez; Smithee.

STATEMENTS OF VOTE

When Record No. 1293 was taken, I was in the house but away from my desk. I would have voted no.

Bell

I was shown voting yes on Record No. 1293. I intended to vote no.

Crownover

When Record No. 1293 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

I was shown voting yes on Record No. 1293. I intended to vote no.

Harless

When Record No. 1293 was taken, I was temporarily out of the house chamber. I would have voted no.

Laubenberg

When Record No. 1293 was taken, I was in the house but away from my desk. I would have voted yes.

Lozano

(Smithee now present)

HB 1897 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Eiland submitted the following conference committee report on **HB 1897**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1897** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Carona
West
Deuell
Taylor

Eiland
Anchia
Harless
Huberty
Kacal

On the part of the senate

On the part of the house

HB 1897, A bill to be entitled An Act relating to the exemption from ad valorem taxation of pollution control property.

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

SECTION 1. Section 11.31, Tax Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) The executive director shall issue a determination letter required by Subsection (d) to the person seeking the exemption, and the commission shall take final action on the initial appeal under Subsection (e) if an appeal is made, not later than the first anniversary of the date the executive director declares the application to be administratively complete.

SECTION 2. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.311 to read as follows:

Sec. 11.311. TEMPORARY EXEMPTION: LANDFILL-GENERATED GAS CONVERSION FACILITIES. (a) This section applies only to real and personal property that is used in the manner described by Subsection (b) on January 1, 2014.

(b) A person is entitled to an exemption from taxation of the real and personal property the person owns that is located on or in close proximity to a landfill and is used to:

(1) collect gas generated by the landfill;

(2) compress and transport the gas;

(3) process the gas so that it may be:

(A) delivered into a natural gas pipeline; or

(B) used as a transportation fuel in methane-powered on-road or off-road vehicles or equipment; and

(4) deliver the gas:

(A) into a natural gas pipeline; or

(B) to a methane fueling station.

(c) Property described by this section is considered to be property used as a facility, device, or method for the control of air, water, or land pollution.

(d) This section expires December 31, 2015.

SECTION 3. Section 42.43, Tax Code, is amended by adding Subsections (j) and (k) to read as follows:

(j) A property owner is not entitled to a refund under this section resulting from the final determination of an appeal of the denial of an exemption under Section 11.31, wholly or partly, unless the property owner is entitled to the refund under Subsection (a) or has entered into a written agreement with the chief appraiser that authorizes the refund as part of an agreement related to the taxation of the property pending a final determination by the Texas Commission on Environmental Quality under Section 11.31.

(k) Not later than the 10th day after the date a property owner and the chief appraiser enter into a written agreement described by Subsection (j), the chief appraiser shall provide to each taxing unit that taxes the property a copy of the agreement. The agreement is void if a taxing unit that taxes the property objects in writing to the agreement on or before the 60th day after the date the taxing unit receives a copy of the agreement.

SECTION 4. Section 403.302(d), Government Code, is amended to read as follows:

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax Code, on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(5) the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone:

(i) created on or before December 31, 2008, by a municipality with a population of less than 18,000; and

(ii) the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;

(B) generates school district taxes that are paid into a tax increment fund created under Chapter 311, Tax Code; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(6) the total dollar amount of any exemptions granted under Section 11.251 or 11.253, Tax Code;

(7) the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

(8) the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(9) a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state, other than Section 11.311, Tax Code, that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at

market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter;

(10) the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(11) the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.06, Tax Code;

(12) the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.065, Tax Code; and

(13) the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section.

SECTION 5. The legislature finds that current unique market forces are a deterrent to landfill methane capture, and the limited exemption in Section 11.311, Tax Code, as added by this Act, will prevent the loss of facilities that help the state in reducing pollution. The legislature further finds that the addition of Section 11.311, Tax Code, is not an expression of legislative opinion regarding current rules adopted by the Texas Commission on Environmental Quality relating to the qualification of property for an exemption from taxation under Section 11.31, Tax Code.

SECTION 6. Not later than September 1, 2014, the Texas Commission on Environmental Quality shall adopt rules to implement Section 11.31(e-1), Tax Code, as added by this Act.

SECTION 7. Section 42.43(k), Tax Code, as added by this Act, applies only to an agreement between a property owner and a chief appraiser entered into on or after the effective date of this Act.

SECTION 8. Section 11.311, Tax Code, as added by this Act, applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2014.

SECTION 9. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Eiland moved to adopt the conference committee report on **HB 1897**.

The motion to adopt the conference committee report on **HB 1897** prevailed by (Record 1294): 80 Yeas, 62 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Bohac; Bonnen, D.; Burnam; Callegari; Canales; Coleman; Collier; Cortez; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Flynn; Frank; Giddings; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Howard; Hunter; Isaac; Johnson; Kacal; King, S.; King, T.; Kleinschmidt; Longoria; Márquez; Martinez; Martinez Fischer; McClendon;

Miles; Miller, D.; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Patrick; Perez; Perry; Pickett; Pitts; Raney; Raymond; Reynolds; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Simmons; Simpson; Smith; Strama; Thompson, S.; Turner, C.; Turner, S.; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Anderson; Ashby; Aycock; Bell; Bonnen, G.; Branch; Burkett; Button; Capriglione; Carter; Clardy; Cook; Craddick; Creighton; Crownover; Dale; Fallon; Farney; Fletcher; Frullo; Geren; Goldman; Gonzales; Gooden; Harper-Brown; Hilderbran; Hughes; King, K.; King, P.; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Lozano; Miller, R.; Morrison; Paddie; Parker; Phillips; Price; Ratliff; Riddle; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Smithee; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Toth; Turner, E.S.; Villalba; White; Zedler.

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

Absent, Excused — Lucio.

Absent — Allen; Farrar; Huberty; Laubenberg; Menéndez.

STATEMENTS OF VOTE

I was shown voting no on Record No. 1294. I intended to vote yes.

Cook

I was shown voting yes on Record No. 1294. I intended to vote no.

Darby

When Record No. 1294 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

I was shown voting yes on Record No. 1294. I intended to vote no.

Harless

When Record No. 1294 was taken, I was temporarily out of the house chamber. I would have voted no.

Huberty

I was shown voting yes on Record No. 1294. I intended to vote no.

S. King

When Record No. 1294 was taken, I was temporarily out of the house chamber. I would have voted no.

Laubenberg

I was shown voting no on Record No. 1294. I intended to vote yes.

Lozano

I was shown voting yes on Record No. 1294. I intended to vote no.

Perry

I was shown voting yes on Record No. 1294. I intended to vote no.

Simmons

I was shown voting no on Record No. 1294. I intended to vote yes.

E. Thompson

HB 3093 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Elkins submitted the following conference committee report on **HB 3093**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3093** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Zaffirini
Birdwell
Carona
Schwertner
Van de Putte

Elkins
Button
Gonzales
Reynolds

On the part of the senate

On the part of the house

HB 3093, A bill to be entitled An Act relating to the powers and duties of the Department of Information Resources and the Legislative Budget Board regarding information resources technologies of state agencies.

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

SECTION 1. Section 2054.051, Government Code, is amended by adding Subsection (h) to read as follows:

(h) The department shall:

(1) coordinate with the quality assurance team to develop contracting standards for information resources technologies acquisition and purchased services; and

(2) work with state agencies to ensure deployment of standardized contracts.

SECTION 2. Section 2054.055, Government Code, is amended by amending Subsection (b) and adding Subsection (b-2) to read as follows:

(b) The report must:

(1) assess the progress made toward meeting the goals and objectives of the state strategic plan for information resources management;

(2) describe major accomplishments of the state or a specific state agency in information resources management;

(3) describe major problems in information resources management confronting the state or a specific state agency;

(4) provide a summary of the total expenditures for information resources and information resources technologies by the state;

(5) make recommendations for improving the effectiveness and cost-efficiency of the state's use of information resources;

(6) describe the status, progress, benefits, and efficiency gains of the state electronic Internet portal project, including any significant issues regarding contract performance;

(7) provide a financial summary of the state electronic Internet portal project, including project costs and revenues;

(8) provide a summary of the amount and use of Internet-based training conducted by each state agency and institution of higher education;

(9) provide a summary of agency and statewide results in providing access to electronic and information resources to individuals with disabilities as required by Subchapter M; ~~and~~

(10) assess the progress made toward accomplishing the goals of the plan for a state telecommunications network and developing a system of telecommunications services as provided by Subchapter H;

(11) identify proposed major information resources projects for the next state fiscal biennium, including project costs through stages of the project and across state fiscal years from project initiation to implementation;

(12) examine major information resources projects completed in the previous state fiscal biennium to determine the performance of the implementing state agency, cost and value effectiveness, timeliness, and other performance criteria necessary to assess the quality and value of the investment; and

(13) examine major information resources projects after the second anniversary of the project's completion to determine progress toward meeting performance goals and operating budget savings.

(b-2) The information required under Subsection (b)(11) must include:

(1) final total cost of ownership budget data for the entire life cycle of the major information resources project, including capital and operational costs that itemize staffing costs, contracted services, hardware purchased or leased, software purchased or leased, travel, and training;

(2) the original project schedule and the final actual project schedule;

(3) data on the progress toward meeting the original goals and performance measures of the project, specifically those related to operating budget savings;

(4) lessons learned on the project, performance evaluations of any vendors used in the project, and reasons for project delays or cost increases; and

(5) the benefits, cost avoidance, and cost savings generated by major technology resources projects.

SECTION 3. Subchapter C, Chapter 2054, Government Code, is amended by adding Section 2054.066 to read as follows:

Sec. 2054.066. DEPARTMENT REVIEW. (a) The department, in consultation with the quality assurance team, the Information Technology Council for Higher Education, and the Legislative Budget Board, shall review

existing statutes, procedures, data, and organizational structures to identify opportunities to increase efficiency, customer service, and transparency in information resources technologies. The department must:

(1) identify and address financial data needed to comprehensively evaluate information resources technologies spending from an enterprise perspective;

(2) review best practices in information resources technologies governance, including private sector practices and lessons learned from other states; and

(3) review existing statutes regarding information resources technologies governance, standards, and financing to identify inconsistencies between current law and best practices.

(b) The department shall report its findings and recommendations to the governor, lieutenant governor, speaker of the house of representatives, Senate Committee on Government Organization, and House Technology Committee not later than December 1, 2014.

SECTION 4. Section 2054.102, Government Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) The Legislative Budget Board, in consultation with the department and the Information Technology Council for Higher Education, shall establish criteria to evaluate state agency biennial operating plans. In developing the criteria, the board shall include criteria on:

(1) the feasibility of proposed information resources projects for the biennium;

(2) the consistency of the plan with the state strategic plan;

(3) the appropriate provision of public electronic access to information;

(4) evidence of business process streamlining and gathering of business and technical requirements; and

(5) services, costs, and benefits.

SECTION 5. This Act takes effect September 1, 2013.

Representative Elkins moved to adopt the conference committee report on **HB 3093**.

The motion to adopt the conference committee report on **HB 3093** prevailed by (Record 1295): 140 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Hughes; Hunter; Isaac; Johnson; Kacal; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martínez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz;

Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Allen; Farrar; Huberty; Laubenberg; Menéndez; Smithee.

STATEMENTS OF VOTE

When Record No. 1295 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1295 was taken, I was temporarily out of the house chamber. I would have voted yes.

Huberty

I was shown voting yes on Record No. 1295. I intended to vote no.

Schaefer

HB 870 - HOUSE DISCHARGES CONFEREES HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 870, A bill to be entitled An Act relating to Prairie View A&M University's eligibility to participate in the research development fund.

Representative Bell moved to discharge the conferees and concur in the senate amendments to **HB 870**.

The motion to discharge the conferees and concur in the senate amendments to **HB 870** prevailed by (Record 1296): 129 Yeas, 10 Nays, 5 Present, not voting.

Yeas — Alvarado; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Deshotel; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick;

Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zedler; Zerwas.

Nays — Alonzo; Anchia; Coleman; Collier; Davis, Y.; Gonzalez, N.; Miles; Reynolds; Rose; White.

Present, not voting — Mr. Speaker; Dukes; Giddings; Keffer(C); Turner, S.

Absent, Excused — Lucio.

Absent — Allen; Farrar; Laubenberg; Menéndez; Murphy.

STATEMENTS OF VOTE

When Record No. 1296 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

I was shown voting no on Record No. 1296. I intended to vote present, not voting.

Rose

Senate Committee Substitute

CSHB 870, A bill to be entitled An Act relating to Prairie View A&M University's eligibility to participate in the research development fund.

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

SECTION 1. Section 62.003(1), Education Code, is amended to read as follows:

(1) Except as otherwise provided by Subchapters C, D, E, F, and G, "eligible institution" means the eligible agencies and institutions of higher education listed in Article VII, Section 17(b), of the Constitution of Texas, and any institution or agency of higher education that is later made eligible to participate in the disbursement of funds pursuant to Article VII, Section 17(c), of the Constitution of Texas.

SECTION 2. Section 62.092(2), Education Code, is amended to read as follows:

(2) "Eligible institution" means a general academic teaching institution, as defined by Section 61.003, other than The University of Texas at Austin or Texas A&M University [~~or Prairie View A&M University~~].

SECTION 3. Subchapter E, Chapter 62, Education Code, is amended by adding Section 62.0925 to read as follows:

Sec. 62.0925. ELIGIBILITY OF PRAIRIE VIEW A&M UNIVERSITY. Notwithstanding Section 62.092(2), Prairie View A&M University is an eligible institution for purposes of eligibility for a distribution from the research development fund under this subchapter for a state fiscal year only if:

(1) the university is not an eligible institution for that fiscal year for purposes of eligibility for an appropriation or distribution from the Texas competitive knowledge fund established under other law; and

(2) the legislature has specifically appropriated to the university for that fiscal year its proportional share of the research development fund in accordance with the methodology prescribed by Section 62.095.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **CSHB 870** (senate committee printing) by striking page 1, lines 39 through 51, and substituting the following:

Sec. 62.0925. ELIGIBILITY OF PRAIRIE VIEW A&M UNIVERSITY. (a) Notwithstanding Section 62.092(2), Prairie View A&M University is an eligible institution for purposes of eligibility for a distribution from the research development fund under this subchapter for a state fiscal year only if the university is not an eligible institution for that fiscal year for purposes of eligibility for an appropriation or distribution from the Texas competitive knowledge fund established under other law.

(b) Notwithstanding Section 62.092(2) or Subsection (a) of this section, for the state fiscal biennium ending August 31, 2017, Prairie View A&M University is an eligible institution for purposes of eligibility for a distribution from the research development fund under this subchapter only if the total amount of money appropriated for that state fiscal biennium for distributions from the fund to those eligible institutions that received distributions from the fund in the preceding state fiscal biennium is not less than the total amount of money that was appropriated for distributions from the fund to those eligible institutions for that preceding state fiscal biennium, such that the distribution to Prairie View A&M University of the proportionate share of the fund to which the university is entitled under the methodology prescribed by Section 62.095 for the state fiscal biennium ending August 31, 2017, does not have the effect of reducing the amounts from the fund to which the other eligible institutions are entitled for that state fiscal biennium. This subsection expires January 1, 2018.

(Laubenberg now present)

HB 3903 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Isaac submitted the following conference committee report on **HB 3903**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3903** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Campbell
Hinojosa
Hegar
Taylor

Isaac
Workman
D. Bonnen
Clardy
Ashby

On the part of the senate

On the part of the house

HB 3903, A bill to be entitled An Act relating to the Hays Trinity Groundwater Conservation District; providing authority to increase certain fees; authorizing a fee.

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

SECTION 1. Section 8843.051(b), Special District Local Laws Code, is amended to read as follows:

(b) Directors serve staggered four-year ~~[two-year]~~ terms.

SECTION 2. Section 8843.053, Special District Local Laws Code, is amended to read as follows:

Sec. 8843.053. ELECTION DATE. On the uniform election date in November ~~[May]~~ of each even-numbered year, the appropriate number of directors shall be elected.

SECTION 3. Section 8843.103, Special District Local Laws Code, is amended to read as follows:

Sec. 8843.103. WELL CONSTRUCTION NOTIFICATION [PERMIT]. Notwithstanding Section 8843.104, a landowner must notify the district before [Except as provided by Sections 8843.104(b) and (c), the district may require a permit for] the construction of a new well that is to be completed after September 1, 2013 ~~[2001]~~.

SECTION 4. Section 8843.104, Special District Local Laws Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

(a) Groundwater withdrawals from the ~~[The]~~ following wells ~~[are exempt from the requirements of Chapter 36, Water Code, and]~~ may not be regulated, permitted, or metered by the district:

(1) a well used for domestic use by a single private residential household and incapable of producing more ~~[less]~~ than 25,000 gallons per day; and

(2) a well used for conventional farming and ranching activities, including such intensive operations as aquaculture, livestock feedlots, or poultry operations.

(b) The district may not charge or collect a well construction fee for ~~[require a permit to construct]~~ a well described by Subsection (a)(2).

(b-1) A well owner must obtain a permit and pay any required fees, including a well construction fee, before using any groundwater withdrawn from a well for purposes other than those exempted by this section.

SECTION 5. Section 8843.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8843.151. WELL CONSTRUCTION [~~PERMIT~~] FEE. The district may charge and collect a new well construction [~~permit~~] fee not to exceed \$1,000 [~~\$300~~] for a new well [~~for which the district requires a permit under Section 8843.103~~].

SECTION 6. Subchapter D, Chapter 8843, Special District Local Laws Code, is amended by adding Section 8843.1515 to read as follows:

Sec. 8843.1515. PERMIT RENEWAL APPLICATION FEE. The district may charge and collect a permit renewal application fee not to exceed \$400.

SECTION 7. Section 8843.152(b), Special District Local Laws Code, is amended to read as follows:

(b) The district may levy and collect a water utility service connection fee not to exceed \$1,000 [~~\$300~~] for each new water service connection made after September 1, 2013 [~~2004~~].

SECTION 8. Sections 8843.102 and 8843.155, Special District Local Laws Code, are repealed.

SECTION 9. Section 8843.151, Special District Local Laws Code, as amended by this Act, applies only to a well for which construction begins on or after the effective date of this Act. A well for which construction begins before that date is governed by the law in effect when the construction began, and that law is continued in effect for that purpose.

SECTION 10. The change in law made by Section 8843.1515, Special District Local Laws Code, as added by this Act, applies only to an application for the renewal of a permit submitted to the Hays Trinity Groundwater Conservation District after September 1, 2013. An application submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 11. To establish staggered four-year terms of office as required by Sections 8843.051(b) and 8843.053, Special District Local Laws Code, as amended by this Act, a director elected in November 2012 shall serve a term expiring December 1, 2014, and a director elected in November 2013 shall serve a term expiring December 1, 2016.

SECTION 12. This Act takes effect September 1, 2013.

Representative Isaac moved to adopt the conference committee report on **HB 3903**.

The motion to adopt the conference committee report on **HB 3903** prevailed by (Record 1297): 137 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard;

Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Miles; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Miller, D.; Schaefer.

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

Absent, Excused — Lucio.

Absent — Allen; Coleman; Dale; Farrar; Gonzales; Harless; Menéndez; Murphy.

STATEMENTS OF VOTE

When Record No. 1297 was taken, my vote failed to register. I would have voted yes.

Dale

When Record No. 1297 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

SB 213 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Price submitted the conference committee report on **SB 213**.

Representative Price moved to adopt the conference committee report on **SB 213**.

The motion to adopt the conference committee report on **SB 213** prevailed by (Record 1298): 140 Yeas, 2 Nays, 1 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycoc; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; King, K.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle;

SECTION 1. Section 1701.151, Occupations Code, is amended to read as follows:

Sec. 1701.151. GENERAL POWERS OF COMMISSION; RULEMAKING AUTHORITY. The commission may:

(1) adopt rules for the administration of this chapter and for the commission's internal management and control;

(2) establish minimum standards relating to competence and reliability, including education, training, physical, mental, and moral standards, for licensing as an officer, county jailer, ~~or~~ public security officer, or ~~employment as a~~ telecommunicator;

(3) report to the governor and legislature on the commission's activities, with recommendations on matters under the commission's jurisdiction, and make other reports that the commission considers desirable;

(4) require a state agency or a county, special district, or municipality in this state that employs officers, telecommunicators, or county jailers to submit reports and information;

(5) contract as the commission considers necessary for services, facilities, studies, and reports required for:

(A) cooperation with municipal, county, special district, state, and federal law enforcement agencies in training programs; and

(B) performance of the commission's other functions; and

(6) conduct research and stimulate research by public and private agencies to improve law enforcement and police administration.

SECTION 2. Sections 1701.251(a) and (c), Occupations Code, are amended to read as follows:

(a) The commission shall establish and maintain training programs for officers, ~~and~~ county jailers, and telecommunicators. The training shall be conducted by the commission staff or by other agencies and institutions the commission considers appropriate.

(c) The commission may:

(1) issue or revoke the license of a school operated by or for this state or a political subdivision of this state specifically for training officers, county jailers, ~~or~~ recruits, or telecommunicators;

(2) operate schools and conduct preparatory, in-service, basic, and advanced courses in the schools, as the commission determines appropriate, for officers, county jailers, ~~and~~ recruits, and telecommunicators;

(3) issue a license to a person to act as a qualified instructor under conditions that the commission prescribes; and

(4) consult and cooperate with a municipality, county, special district, state agency or other governmental agency, or a university, college, junior college, or other institution, concerning the development of schools and training programs for officers, ~~and~~ county jailers, and telecommunicators.

SECTION 3. Section 1701.301, Occupations Code, is amended to read as follows:

Sec. 1701.301. LICENSE REQUIRED. Except as provided by Sections 1701.310, ~~and~~ 1701.311, and 1701.405, a person may not appoint or employ a person to serve as an officer, county jailer, ~~or~~ public security officer, or telecommunicator unless the person ~~appointed~~ holds an appropriate license issued by the commission.

SECTION 4. Section 1701.303, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) A person who appoints or employs a telecommunicator licensed by the commission shall notify the commission not later than the 30th day after the date of the appointment or employment. If the person appoints or employs an individual who previously served as a telecommunicator and the appointment or employment occurs after the 180th day after the last date of service as a telecommunicator, the person must have on file in a form readily accessible to the commission:

- (1) new criminal history record information; and
- (2) two completed fingerprint cards.

SECTION 5. The heading to Section 1701.307, Occupations Code, is amended to read as follows:

Sec. 1701.307. ISSUANCE OF OFFICER OR COUNTY JAILER LICENSE.

SECTION 6. Section 1701.307(a), Occupations Code, is amended to read as follows:

(a) The commission shall issue an appropriate officer or county jailer license to a person who, as required by this chapter:

- (1) submits an application;
- (2) completes the required training;
- (3) passes the required examination;
- (4) is declared to be in satisfactory psychological and emotional health and free from drug dependency or illegal drug use; and
- (5) demonstrates weapons proficiency.

SECTION 7. Subchapter G, Chapter 1701, Occupations Code, is amended by adding Section 1701.3071 to read as follows:

Sec. 1701.3071. ISSUANCE OF TELECOMMUNICATOR LICENSE. (a) The commission shall issue a telecommunicator license to a person who:

- (1) submits an application;
- (2) completes the required training;
- (3) passes the required examination; and
- (4) meets any other requirement of this chapter and the rules prescribed by the commission to qualify as a telecommunicator.

(b) The commission may issue a temporary or permanent license to a person to act as a telecommunicator.

SECTION 8. Section 1701.352, Occupations Code, is amended by adding Subsection (i) to read as follows:

(i) A state agency, county, special district, or municipality that appoints or employs a telecommunicator shall provide training to the telecommunicator of not less than 20 hours during each 24-month period of employment. The training must be approved by the commission and consist of topics selected by the commission and the employing entity.

SECTION 9. Section 1701.401(c), Occupations Code, is amended to read as follows:

(c) The commission shall adopt rules for issuing achievement awards to peace officers, reserve peace officers, jailers, ~~or~~ custodial officers, or telecommunicators who are licensed by the commission. The commission's rules shall require recommendations from an elected official of this state or a political subdivision, an administrator of a law enforcement agency, or a person holding a license issued by the commission.

SECTION 10. Section 1701.405, Occupations Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (b-2) to read as follows:

(b) This state or a political subdivision of this state may not employ a person to act as a telecommunicator unless the person:

(1) has had at least 40 hours of telecommunicator training as determined by the commission;

(2) is at least 18 years of age; ~~and~~

(3) holds a high school diploma or high school equivalency certificate;

and

(4) holds a license to act as a telecommunicator or agrees to obtain the license not later than the first anniversary of the date of employment.

(b-1) A person employed to act as a telecommunicator who has not obtained a license to act as a telecommunicator under this chapter may not continue to act as a telecommunicator after the first anniversary of the date of employment unless the person obtains the license.

(b-2) Notwithstanding this section, an officer is not required to obtain a telecommunicator license to act as a telecommunicator.

SECTION 11. Section 1701.551(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person appoints or retains another person as an officer, ~~or~~ county jailer, or telecommunicator in violation of Section 1701.301, 1701.303, ~~or~~ 1701.306, or 1701.405.

SECTION 12. (a) Not later than December 31, 2013, the Commission on Law Enforcement Officer Standards and Education shall adopt rules, standards, and procedures necessary to implement Chapter 1701, Occupations Code, as amended by this Act, and Subsection (b) of this section.

(b) Notwithstanding Chapter 1701, Occupations Code, as amended by this Act, a person employed as a certified telecommunicator on January 1, 2014, is exempt from the requirements for an initial telecommunicator license under that chapter, and the Commission on Law Enforcement Officer Standards and

Education shall issue a telecommunicator license to the person on receipt of an application showing that the person was employed as a certified telecommunicator on that date.

SECTION 13. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2014.

(b) Section 12 of this Act takes effect September 1, 2013.

Representative S. Thompson moved to adopt the conference committee report on **HB 1951**.

The motion to adopt the conference committee report on **HB 1951** prevailed by (Record 1299): 109 Yeas, 34 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Burkett; Callegari; Canales; Capriglione; Carter; Coleman; Collier; Cook; Cortez; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Flynn; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Howard; Hunter; Johnson; Kacal; King, S.; King, T.; Kleinschmidt; Kolkhorst; Krause; Laubenberg; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Patrick; Perez; Perry; Pickett; Pitts; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Smith; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zedler; Zerwas.

Nays — Bonnen, G.; Branch; Button; Clardy; Craddick; Creighton; Fletcher; Frank; Goldman; Hilderbran; Huberty; Hughes; Isaac; King, K.; King, P.; Klick; Kuempel; Larson; Lavender; Leach; Paddie; Parker; Phillips; Price; Schaefer; Sheffield, R.; Simmons; Simpson; Smithee; Springer; Stephenson; Stickland; Toth; White.

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

Absent, Excused — Lucio.

Absent — Allen; Burnam; Farrar; Menéndez.

STATEMENT OF VOTE

When Record No. 1299 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

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. 36).

RESOLUTIONS ADOPTED

Representative McClendon moved to suspend all necessary rules to take up and consider at this time the following congratulatory resolutions:

HR 2711 (by Smith), Honoring the Sampson Masonic Lodge No. 231 in Highlands.

HR 2712 (by Smith), Recognizing June 5-11, 2013, as Public Relations Week in Austin.

HR 2713 (by Eiland), Congratulating Ida M. Wilson Langham of Galveston on her 80th birthday.

HR 2714 (by Martinez Fischer), Congratulating Los Paisanos on their induction into the Guadalupe Cultural Arts Center Conjunto Music Hall of Fame.

HR 2717 (by Springer), Congratulating Riley Smith for her fourth place victory in the girls' 2300-meter.

HR 2718 (by Springer), Congratulating Kaleb Rochelle on placing third in the web design event at the Business Professionals of America National Leadership Conference.

HR 2719 (by Springer), Congratulating Logan Taylor on placing third in the web design event at the Business Professionals of America National Leadership Conference.

HR 2721 (by Button), Congratulating Martha Beam on her retirement as the assistant principal of Apollo Junior High School in Richardson.

HR 2722 (by Button), Congratulating Jack Noteware on his retirement as the principal of Apollo Junior High School in Richardson.

HR 2724 (by Herrero), Congratulating Mike Shaw Toyota on its 2013 receipt of the Toyota President's Award.

HR 2725 (by Herrero), Honoring Barrera's Fried Chicken of Robstown.

HR 2726 (by Herrero), Congratulating Akeyla Mitchell of West Oso High School on winning state titles in the girls' 3A 100-meter dash and 200-meter dash.

HR 2727 (by Herrero), Congratulating Dr. Sonia Adriana Noyola of Corpus Christi on her receipt of a 2013 Educational Leader Award from the Dr. Hector P. Garcia Founding Chapter of the American GI Forum of Texas.

HR 2728 (by Herrero), Congratulating Cassandra Alvarado on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2729 (by Herrero), Congratulating Megan Garcia on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2730 (by Herrero), Congratulating Elizabeth Garcia on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2731 (by Herrero), Congratulating Ernest Morales on his selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2732 (by Herrero), Congratulating Rolando Hinojosa on his selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2733 (by Herrero), Congratulating Aaron M. Garcia of Corpus Christi on achieving the rank of Eagle Scout.

HR 2734 (by Herrero), Congratulating Judge Samuel Loyd Neal, Jr., of Corpus Christi on his receipt of a 2013 Educational Leader Award from the Dr. Hector P. Garcia Founding Chapter of the American GI Forum of Texas.

HR 2735 (by Herrero), Congratulating Brianda Macias on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2736 (by Herrero), Congratulating Zoe Babe Alaniz, valedictorian of the Class of 2013 at W. B. Ray High School in Corpus Christi.

HR 2737 (by Herrero), Congratulating Luisandrea H. Diaz, valedictorian of the Class of 2013 at Foy H. Moody High School in Corpus Christi.

HR 2738 (by Herrero), Congratulating Priscilla Ibarra, valedictorian of the Class of 2013 at Roy Miller High School in Corpus Christi.

HR 2739 (by Herrero), Congratulating Elizabeth Renee Valdez, valedictorian of the Class of 2013 at West Oso High School in Corpus Christi.

HR 2740 (by Herrero), Congratulating Lauren Clark, valedictorian of the Class of 2013 at Tuloso-Midway High School in Corpus Christi.

HR 2741 (by Herrero), Congratulating Kaitlyn E. Upton, valedictorian of the Class of 2013 at Mary Carroll High School in Corpus Christi.

HR 2742 (by Herrero), Congratulating Gissel Idaly Gardea, valedictorian of the Class of 2013 at Collegiate High School in Corpus Christi.

HR 2743 (by Herrero), Congratulating Milca Guajardo on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2744 (by Herrero), Congratulating Bianca Quezada on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2745 (by Herrero), Congratulating Cassandra Torres on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2746 (by Herrero), Congratulating Adriana Vasquez on her selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2747 (by Herrero), Congratulating Xavier Zamora on his selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2748 (by Herrero), Congratulating the Richard M. Borchard Regional Fairgrounds on a successful year.

HR 2750 (by Herrero), Honoring Taco Rico restaurant in Corpus Christi.

HR 2751 (by Herrero), Honoring Romeo Garcia of Texas A&M University–Corpus Christi for earning a full graduate fellowship to Syracuse University.

HR 2752 (by Herrero), Commemorating the 39th annual Beach to Bay Relay Marathon in Corpus Christi in May 2014.

HR 2753 (by Herrero), Congratulating Ryan Hoffman on his selection as a 2013 Dr. Hector P. Garcia Scholar.

HR 2755 (by Herrero), Honoring Jennie Sue Krause for her support of her husband, Representative Matt Krause, during the 83rd Texas Legislative Session.

HR 2804 (by Raymond), Congratulating Jessica Aquino on her graduation from Texas A&M University.

HR 2805 (by Muñoz), Congratulating Felicia Juarez of Weslaco East High School on her selection as a Youth of the Year in the U.S. Border Patrol Head of the Class program.

HR 2807 (by Price), Congratulating Austin Keeton on placing first in the 2012 University Interscholastic League Class 3A Ready Writing contest.

HR 2808 (by Price), Congratulating Keylee Mayfield and Shelby Schilling of Panhandle High School on earning the best overall-group prize for their entry in the Friends of the Governor's Mansion It's Your History Contest.

HR 2809 (by Price), Honoring the Panhandle High School yearbook staff on its participation in the Friends of the Governor's Mansion It's Your History Contest.

HR 2810 (by Price), Commemorating the 2013 Dogie Days celebration organized by the Dumas Noon Lions Club.

HR 2811 (by Price), Congratulating the Bushland High School girls' cross-country team on winning the 2012 UIL 2A state championship.

The motion to suspend all necessary rules prevailed, and the resolutions were adopted.

RESOLUTIONS ADOPTED

Representative McClendon moved to suspend all necessary rules to take up and consider at this time the following memorial resolutions:

HR 2720 (by Pickett, et al.), In memory of Salina Ann Rios of El Paso.

HR 2749 (by Herrero), In memory of former Corpus Christi Independent School District police chief Alfred Ortiz.

HR 2756 (by Zedler), In memory of William Peterson Bandy of Dallas.

HR 2806 (by Fallon), In memory of Richard Ned Byrd of Paris, Texas.

The motion to suspend all necessary rules prevailed, and the resolutions were unanimously adopted by a rising vote.

HR 3036 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the chair announced the introduction of **HR 3036**, suspending the limitations on the conferees for **HB 1675**.

HR 3035 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the chair announced the introduction of **HR 3035**, suspending the limitations on the conferees for **HB 912**.

RESOLUTIONS ADOPTED

Representative McClendon moved to suspend all necessary rules to take up and consider at this time the following congratulatory resolutions:

HR 2812 (by Price), Congratulating Ellie Daniels of Stratford High School on placing fifth in the 2012 UIL 1A Feature Writing contest.

HR 2813 (by Price), Commemorating Father's Day 2013 and honoring fathers.

HR 2814 (by Price), Recognizing September 17, 2013, as Constitution Day.

HR 2815 (by Price), Commemorating the 24th anniversary of the fall of the Berlin Wall.

HR 2816 (by Price), Commemorating Thanksgiving 2013.

HR 2817 (by Price), Commemorating Christmas 2013.

HR 2818 (by Price), Congratulating Ninia Ritchie, Andrew Bivins, and the JA Ranch for receiving a 2013 Lone Star Land Steward Award from the Texas Parks and Wildlife Department.

HR 2819 (by Price), Honoring President Ronald Reagan on the 103rd anniversary of his birth.

HR 2820 (by Price), Commemorating the 2013 season of Texas the Outdoor Musical Drama at Palo Duro Canyon State Park.

HR 2821 (by Price), Recognizing May 1, 2014, as National Day of Prayer in Texas.

HR 2822 (by Price), Commemorating Mother's Day 2014.

HR 2823 (by Price), Recognizing May 17, 2014, as Armed Forces Day.

HR 2824 (by Price), Commemorating Memorial Day 2014.

HR 2825 (by Price), Commemorating Flag Day on June 14, 2014.

HR 2826 (by Price), Commemorating Father's Day 2014 and honoring fathers.

HR 2827 (by Price), Commemorating the Fourth of July, 2014.

HR 2828 (by Price), Commemorating Patriot Day 2014.

HR 2829 (by Price), Recognizing September 17, 2014, as Constitution Day.

HR 2830 (by Price), Commemorating Thanksgiving 2014.

HR 2831 (by Price), Commemorating Christmas 2014.

HR 2832 (by Johnson), Commending Victoria Cottongim for her service as an intern in the office of State Representative Eric Johnson during the 83rd Texas Legislature.

HR 2833 (by Johnson), Honoring Rebecca Kuang of the Greenhill School in Addison on her achievements in debate.

HR 2834 (by Craddick), Congratulating the Midland Christian School boys' and girls' track teams on winning TAPPS 4A state championships for 2013.

HR 2835 (by Craddick), Congratulating the Grady High School boys' track team on winning the 2013 UIL 1A Division 2 state championship.

HR 2836 (by Villalba), Honoring United Way of Metropolitan Dallas on the 90th anniversary of its founding.

HR 2837 (by Muñoz), Congratulating Victor Alonzo on being named Elementary Teacher of the Year by the Mission Independent School District.

HR 2838 (by Muñoz), Congratulating Rolando Sayo Balotro on being named the Pharr-San Juan-Alamo ISD Secondary Teacher of the Year.

HR 2839 (by Muñoz), Congratulating Laura Trevino Rodriguez on being named the 2013 Elementary Teacher of the Year by the Pharr-San Juan-Alamo ISD.

HR 2840 (by Wu), Congratulating Jacqueline Travlos Dunbar on the birth of her daughter, Helena Leimomi Travlos.

HR 2843 (by Miles), Honoring Alexandra Rosales for her service as a McClendon Scholar in the office of State Representative Borris L. Miles.

HR 2844 (by Miles), Commending Jeremiah Bailey for his service as a legislative intern in the office of State Representative Borris L. Miles.

HR 2845 (by Miles), Commending Arthur Huggins, Jr., for his service in the office of State Representative Borris Miles as a participant in the Texas Legislative Internship Program.

HR 2846 (by Menéndez), Commending Travis Miller for his service as a McClendon Scholar in the office of State Representative Jose Menendez.

HR 2847 (by Herrero), Congratulating Judge Samuel Loyd Neal, Jr., of Corpus Christi on his receipt of a 2013 Educational Leader Award from the Dr. Hector P. Garcia Founding Chapter of the American GI Forum of Texas.

HR 2848 (by Herrero), Congratulating the Veterans Band of Corpus Christi on the occasion of its 27th anniversary.

HR 2849 (by Herrero), Congratulating Clarissa M. Martinez, valedictorian of the Agua Dulce High School Class of 2013.

HR 2850 (by Herrero), Congratulating Bianca Buitron, valedictorian of the Banquete High School Class of 2013.

HR 2851 (by Herrero), Congratulating Andrea Valdez, valedictorian of the Dr. M. L. Garza-Gonzalez Charter School Class of 2013.

HR 2852 (by Herrero), Congratulating the Very Reverend Pete Elizardo on being named an Angel of the Arts by the Corpus Christi Cathedral.

HR 2854 (by Price), Commending the Sunset Advisory Commission staff members on the criminal justice agencies sunset team.

HR 2855 (by Price), Commending the Sunset Advisory Commission staff members on the Texas State Board of Public Accountancy, Texas Board of Professional Engineers, and Texas Board of Architectural Examiners sunset team.

HR 2856 (by Price), Commending the Sunset Advisory Commission staff members on the Texas Board of Architectural Examiners sunset team.

HR 2857 (by Price), Commending the Sunset Advisory Commission staff members on the Texas Board of Professional Engineers sunset team.

HR 2858 (by Price), Commending the Sunset Advisory Commission staff members on the Texas Commission on the Arts sunset team.

HR 2859 (by Price), Commending the Sunset Advisory Commission staff members on the State Preservation Board sunset team.

HR 2860 (by Price), Commending John Sneed, executive director of the State Preservation Board, for his work relating to the agency's sunset bill.

HR 2861 (by Price), Congratulating Cheyenne Grantz of Sanford-Fritch High School on placing sixth in the accounting competition at the 2012 UIL Conference 2A academic state meet.

HR 2862 (by Price), Congratulating Molly Riddell of Bushland High School on her performances in the 2012 University Interscholastic League Ready Writing and girls' wrestling contests.

HR 2863 (by Price), Congratulating Kristina Kirby of Sanford-Fritch High School on placing third in the computer applications competition at the 2012 UIL Conference 2A academic state meet.

HR 2864 (by Price), Congratulating the Boys Ranch High School boys' cross-country team on finishing in fifth place among the 2A schools participating in the 2012 UIL State Championships.

HR 2865 (by Price), Congratulating the Sunray High School girls' cross-country team on finishing in sixth place among the 1A schools participating in the 2012 UIL State Championships.

HR 2866 (by Anderson), Honoring Lorena High School FFA members for their performance at the 2013 Invitational Career Development Events.

HR 2867 (by Anderson), Congratulating the members of the University High School boys' soccer team on winning the 2013 UIL 4A state championship.

HR 2868 (by Anderson), Congratulating Catherine Boyce of Robinson on her retirement as organist of the First Baptist Church.

HR 2869 (by Anderson), Congratulating Dallas Rushing of Axtell High School on winning state titles in the 800- and 3,200-meter races and on setting a new state record in the 800-meter event at the 2013 UIL Track & Field State Meet.

HR 2870 (by Anderson), Congratulating the One-Act Play team of Connally High School in Waco on advancing to the UIL state finals.

HR 2871 (by Anderson), Congratulating Macey McMinn of Hewitt on her selection as the 2013 Miss Heart O' Texas Fair & Rodeo.

HR 2872 (by Anderson), Commemorating the 2013 Juneteenth Family Fun Day in the Park in Waco.

HR 2873 (by Anderson), Congratulating the One-Act Play team of China Spring High School on advancing to the UIL state finals.

HR 2874 (by Anderson), Congratulating Ann Marie Dunlap of Crawford High School on becoming the 2013 2A state champion in the 800-meter and 1,600-meter races at the UIL Track & Field State Meet.

HR 2875 (by Anderson), Congratulating Angela Gutierrez on her induction into the Phi Kappa Phi honor society.

HR 2876 (by Anderson), Congratulating Midway Middle School students on their achievements in the 2013 Texas History Day competition.

HR 2877 (by Huberty), Congratulating Karina Cabrera, valedictorian of the Humble High School Class of 2013.

HR 2878 (by Huberty), Congratulating Mieola Easter, salutatorian of the Humble High School Class of 2013.

HR 2879 (by Huberty), Congratulating Adam Romero, salutatorian of the Holy Trinity Episcopal School Class of 2013.

HR 2880 (by Howard), Recognizing May 2013 as Stroke Awareness Month.

HR 2882 (by Carter), Congratulating Dr. John Sibert of The University of Texas at Dallas for being inducted into The University of Texas System Academy of Distinguished Teachers.

HR 2883 (by Carter), Commending conductor George W. Jones and the Richardson Community Band.

HR 2885 (by Carter), Congratulating Dr. Sheila Amin Gutierrez de Pineres of UT Dallas on her induction into the UT System Academy of Distinguished Teachers.

HR 2886 (by Carter), Congratulating Tracy Eubanks on his selection as CEO of Metrocrest Social Services.

HR 2887 (by Carter), Commending LaFayette Moses-Wilkins for her service as a member of the Dallas Area Rapid Transit Board of Directors.

HR 2888 (by Carter), Congratulating Preston Iglinsky on the occasion of his graduation from Winfree Academy Richardson.

HR 2889 (by Carter), Congratulating Delores Turner on her retirement as supervisor in the audit division of the Texas comptroller's office.

HR 2890 (by Carter), Honoring the Dallas County North Republican Club for its service to the community.

HR 2891 (by Carter), Congratulating Kim Aman on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2892 (by Carter), Congratulating Candice Nichols on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2893 (by Carter), Congratulating NaKaydria Buckner-Johnson on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2894 (by Carter), Congratulating Oswaldo Rivera-Ortiz on his receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2895 (by Carter), Congratulating Jennifer Barbknecht on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2896 (by Carter), Congratulating Leah McDonough on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2897 (by Carter), Congratulating Jeni Dillingham on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2898 (by Carter), Congratulating Ryan Ratcliff on his receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2899 (by Carter), Congratulating Tobi Brooks on her receipt of a STARS Teacher Recognition Award from the Richardson ISD Excellence in Education Foundation.

HR 2902 (by Raymond), Congratulating Nicole Wong of Laredo on being named the 2013 U.S. Border Patrol Youth of the Year.

HR 2903 (by Hughes), Congratulating Sam White on his receipt of the 2013 Quitman Pilot Club Humanitarian Award.

HR 2904 (by Hughes), Commemorating the First National Bank of Winnsboro on its 120th anniversary.

HR 2905 (by Hughes), Paying tribute to the life of Dr. Warren Thad Murley of Winnsboro.

HR 2906 (by Hughes), Congratulating Betty Traylor on being named Administrator of the Year by the Texas Health Care Association.

HR 2907 (by Farney), Honoring Travis Greenfield for his service as a legislative intern in the office of Representative Marsha Farney.

HR 2908 (by Farney), Congratulating Jake B. Schrum on his retirement as president of Southwestern University.

HR 2909 (by Farney), Congratulating Bethni King on her appointment as children's librarian at the Georgetown Public Library.

HR 2911 (by Allen), Honoring Tomas Leon for his service as a legislative intern in the office of State Representative Alma Allen.

HR 2912 (by Carter), Congratulating Laura Maczka on her election as mayor of Richardson.

HR 2913 (by Farney), Honoring Anthony Stephens for his service on the Liberty Hill Independent School District Board of Trustees.

HR 2914 (by M. González), Congratulating Socorro High School student Atzimba Casas on signing a national letter of intent to play soccer at The University of Texas at El Paso.

HR 2915 (by E. Rodriguez), Recognizing members of the delegation from Aarhus Business College in Denmark as honorary Texans.

HR 2916 (by Huberty), Congratulating Krysten Barnes, salutatorian of the Summer Creek High School Class of 2013.

HR 2917 (by Huberty), Congratulating Jason Zhang on being named valedictorian of the Atascocita High School Class of 2013.

HR 2918 (by Huberty), Congratulating Monika Winkler, valedictorian of the Holy Trinity Episcopal School Class of 2013.

HR 2919 (by Isaac), Congratulating Pete and Rita Anderson of Wimberley on the occasion of their 55th wedding anniversary.

HR 2920 (by Collier), Congratulating Karla Alvarado on being named valedictorian of the Trimble Technical High School Class of 2013.

HR 2921 (by Collier), Congratulating Kimberly Bui on being named salutatorian of the Trimble Technical High School Class of 2013.

HR 2922 (by Collier), Congratulating Priscilla Mendez on her selection as a 2013 Meadowbrook Elementary School Teacher of the Year.

HR 2923 (by Collier), Congratulating Marie-Lise Mosbeaux on her selection as a 2013 Oaklawn Elementary School Teacher of the Year.

HR 2924 (by Collier), Congratulating Veronica Bautista on her selection as a 2013 Vera Williams Elementary School Teacher of the Year by Fort Worth ISD.

HR 2925 (by Collier), Congratulating Judy Taylor on her selection as a 2013 Eastern Hills High School Teacher of the Year by Fort Worth ISD.

HR 2926 (by Collier), Congratulating Ann Wettengel-Wood on her selection as a 2013 Trimble Tech High School Teacher of the Year by the Fort Worth Independent School District.

HR 2927 (by Collier), Congratulating Ethel Robinson on her selection as a 2013 O.D. Wyatt High School Teacher of the Year by Fort Worth ISD.

HR 2928 (by Collier), Congratulating Karen Galley on her selection as a 2013 Success High School Teacher of the Year by Fort Worth ISD.

HR 2929 (by Collier), Congratulating Joanne Campbell on her selection as a 2013 Hommel Elementary School Teacher of the Year.

HR 2930 (by Collier), Congratulating Latoya Love on her selection as the 2013 Teacher of the Year for Dunbar Middle School by the Fort Worth Independent School District.

HR 2931 (by Collier), Congratulating Lester Simpa on his selection as the 2013 Teacher of the Year for George C. Clarke Elementary School by the Fort Worth Independent School District.

HR 2932 (by Collier), Congratulating Latoya Griffin on her selection as the 2013 Teacher of the Year for Young Women's Leadership Academy by the Fort Worth Independent School District.

HR 2933 (by Collier), Honoring Democratic Party precinct chair Tina S. Napier of Precinct 1440 in Tarrant County.

HR 2934 (by Collier), Honoring Democratic Party precinct chair Michael Cotton of Precinct 1460 in Tarrant County.

HR 2935 (by Collier), Honoring Democratic Party precinct chair Albert M. McCombs of Precinct 1559 in Tarrant County.

HR 2936 (by Collier), Honoring Democratic Party precinct chair Courtney Maxwell-Ransom of Precinct 1578 in Tarrant County.

HR 2937 (by Collier), Honoring Democratic Party precinct chair John A. J. Boeglin of Precinct 4006 in Tarrant County.

HR 2938 (by Collier), Honoring Democratic Party precinct chair Eric A. Faulkner of Precinct 1295 in Tarrant County.

HR 2939 (by Collier), Honoring Democratic Party precinct chair Mary S. Criss of Precinct 1297 in Tarrant County.

HR 2940 (by Collier), Honoring Democratic Party precinct chair Nelda F. Harris of Precinct 1279 in Tarrant County.

HR 2941 (by Collier), Honoring Democratic Party precinct chair Dollie Gentry of Precinct 1301 in Tarrant County.

HR 2942 (by Collier), Honoring Democratic Party precinct chair Ellen J. Chase of Precinct 1311 in Tarrant County.

HR 2943 (by Collier), Honoring Democratic Party precinct chair Cathie Wincovitch of Precinct 1407 in Tarrant County.

HR 2944 (by Collier), Honoring Democratic Party precinct chair Diane M. Viviana of Precinct 1437 in Tarrant County.

HR 2945 (by Collier), Honoring Democratic Party precinct chair Larry Vosberg of Precinct 1277 in Tarrant County.

HR 2946 (by Collier), Honoring Democratic Party precinct chair Paul D. Way of Precinct 1189 in Tarrant County.

HR 2947 (by Collier), Honoring Democratic Party precinct chair Melinda Hamilton of Precinct 1188 in Tarrant County.

HR 2948 (by Collier), Honoring Democratic Party precinct chair Charlie Ray Smith of Precinct 1154 in Tarrant County.

HR 2949 (by Collier), Honoring Democratic Party precinct chair Dulani Masimini of Precinct 1153 in Tarrant County.

HR 2950 (by Collier), Honoring Democratic Party precinct chair Dollye Starr-Thomas of Precinct 1151 in Tarrant County.

HR 2951 (by Collier), Honoring Democratic Party precinct chair Deralyn Riles Davis of Precinct 1149 in Tarrant County.

HR 2952 (by Collier), Honoring Democratic Party precinct chair Aurora LaShay Threats of Precinct 1146 in Tarrant County.

HR 2953 (by Collier), Honoring Democratic Party precinct chair Sebastiene Guinn of Precinct 1104 in Tarrant County.

HR 2954 (by Collier), Honoring Democratic Party precinct chair Frances L. Sauls of Precinct 1127 in Tarrant County.

HR 2955 (by Collier), Recognizing the retirement of Kathy Bernal as band director at Eastern Hills High School in Fort Worth.

HR 2956 (by Collier), Congratulating Demetrius Tate of Paul Lawrence Dunbar High School for winning 1st place in the 2013 Safe City Art Contest.

HR 2957 (by Collier), Honoring Democratic Party precinct chair Ruth Tunstle of Precinct 1078 in Tarrant County.

HR 2958 (by Collier), Honoring Democratic Party precinct chair R.C. Johnson of Precinct 1090 in Tarrant County.

HR 2959 (by Collier), Honoring Democratic Party precinct chair Martha Davis of Precinct 1089 in Tarrant County.

HR 2960 (by Collier), Honoring Democratic Party precinct chair Sandy Joyce of Precinct 1059 in Tarrant County.

HR 2961 (by Collier), Honoring Democratic Party precinct chair Benjamin L. Willis of Precinct 1056 in Tarrant County.

HR 2962 (by Collier), Honoring Democratic Party precinct chair Roy Griffin of Precinct 1013 in Tarrant County.

HR 2963 (by Collier), Honoring Democratic Party precinct chair Edwardean Harris-Clark of Precinct 1005 in Tarrant County.

HR 2964 (by Collier), Honoring Democratic Party precinct chair Nina Baker of Precinct 1001 in Tarrant County.

HR 2965 (by Collier), Honoring Democratic Party precinct chair Carol S. Cordell of Precinct 1300 in Tarrant County.

HR 2966 (by Collier), Congratulating Cynthia Cruz on her selection as the 2013 Teacher of the Year for Carter Park Elementary School by the Fort Worth Independent School District.

HR 2967 (by Collier), Congratulating Kim Nelles on her selection as the 2013 Teacher of the Year for McClung Middle School by the Fort Worth Independent School District.

HR 2968 (by Collier), Congratulating Brandi Williams on her selection as the 2013 Teacher of the Year for Morningside Middle School by the Fort Worth Independent School District.

HR 2969 (by Price), Congratulating the Stratford High School girls' cross-country team on finishing in fifth place among the 1A schools participating in the 2012 UIL State Championships.

HR 2970 (by Price), Congratulating Benjamin Sharp of Borger High School on winning fourth place at the 2013 UIL Academic State Meet in literary criticism.

HR 2971 (by Price), Commending Audrey Rhynerson for her volunteerism in the office of State Representative Four Price.

HR 2972 (by Price), Congratulating the Gruver High School spelling and vocabulary team on winning the 2013 UIL Conference 1A state championship.

HR 2973 (by Price), Commemorating Veterans Day 2014.

HR 2974 (by Price), Commending Gold Star Mother Oleta Smith of Dumas for participating in the groundbreaking ceremony for the Texas Capitol Vietnam Veterans Memorial on March 25, 2013.

HR 2975 (by Price), Honoring the heroic sacrifice of U.S. Army Sergeant James Warren Smith during the Vietnam War.

HR 2976 (by Price), Commemorating Veterans Day 2013.

HR 2977 (by Johnson), Commending Jamie Kings for her service as an intern in the office of State Representative Eric Johnson.

HR 2978 (by McClendon), Commending Josiah Biggs for his service as a legislative aide in the office of State Representative Ruth Jones McClendon.

HR 2979 (by Branch), Honoring former senator Kay Bailey Hutchison for her service to the citizens of Texas.

HR 2983 (by Johnson), Commending Ryan Biggs for his service as an intern in the office of State Representative Eric Johnson.

HR 2984 (by Collier), Commending Democratic Party precinct chair Rosie L. Williams of Precinct 1211 in Tarrant County.

HR 2985 (by Collier), Congratulating the Nolan Catholic High School boys and girls track teams for their award-winning performances at the TAPPS track and field state championships.

HR 2986 (by Collier), Congratulating Kristin Thrasher on her selection as a 2013 Forest Oak Middle School Teacher of the Year by Fort Worth ISD.

HR 2987 (by Collier), Congratulating Cody Hayes of Fort Worth for winning the silver medal in the shot put at the 2013 UIL state track and field championships in Austin.

HR 2988 (by Collier), Congratulating Rocky Buchanan on his selection as the 2013 South Hills High School Teacher of the Year by the Fort Worth Independent School District.

HR 2989 (by Collier), Congratulating Marc Alcorn on his selection as a 2013 Everman High School Teacher of the Year by the Fort Worth Independent School District.

HR 2990 (by Collier), Congratulating the Eastern Hills High School chess team for its first place win at the Fort Worth ISD Spring Chess Championship.

HR 2991 (by Collier), Congratulating Bill Navarre on his selection as a 2013 Dunbar Elementary School Teacher of the Year by the Fort Worth Independent School District.

HR 2992 (by Collier), Congratulating Manuel Grimaldo on his selection as a 2013 T.A. Simms Elementary School Teacher of the Year by Fort Worth ISD.

HR 2993 (by Collier), Congratulating Edwin Valencia on his selection as a 2013 Morningside Elementary School Teacher of the Year by Fort Worth ISD.

HR 2994 (by Collier), Honoring Democratic Party precinct chair Gregory Scott of Precinct 1291 in Tarrant County.

HR 2995 (by Collier), Congratulating Darien Tennon of Trimble Technical High School on winning the gold medal in the Class 4A Boy's 300 meter at the 2013 UIL State Track and Field Championships in Austin.

HR 2996 (by Collier), Congratulating Ida Mingo of Paul Lawrence Dunbar High School for writing the theatrical production "Breakthrough".

HR 2997 (by Collier), Congratulating Melissa Rubak on her selection as the 2013 Teacher of the Year for Worth Heights Elementary School by the Fort Worth Independent School District.

HR 2998 (by Collier), Honoring Opal Lee for her contributions and efforts in organizing the Fort Worth Juneteenth Celebration.

HR 2999 (by Collier), Honoring Tarrant County Democratic Party Chairman Steve Maxwell for his service.

HR 3000 (by Allen), Commemorating the Delphian Scholarship Gala on February 8, 2014.

HR 3001 (by Allen), Commending LaVonda Russell for her service as financial secretary of the Thurgood Marshall School of Law Public Interest Law Association.

HR 3002 (by Allen), Congratulating Cecilia Garcia Wofford on her retirement from Almeda Elementary School in Houston.

HR 3003 (by Allen), Congratulating Elta Alvarez on her retirement from Almeda Elementary School in Houston.

HR 3004 (by Price), Congratulating Jaylea Leatherman of Sanford-Fritch High School on winning second place at the 2013 UIL Academic State Meet in computer applications.

HR 3006 (by Price), Commending the members of the Department of Aging and Disability Services staff who provided assistance to the legislature in its consideration of legislation relating to DADS.

HR 3008 (by Allen), Commending Elizabeth Deiandria Smith for her service as president of the Thurgood Marshall School of Law Public Interest Law Association.

The motion to suspend all necessary rules prevailed, and the resolutions were adopted.

RESOLUTIONS ADOPTED

Representative McClendon moved to suspend all necessary rules to take up and consider at this time the following memorial resolutions:

HR 2842 (by Callegari), In memory of Stephen R. Callegari, Sr., of Lafayette, Louisiana.

HR 2881 (by Carter), In memory of Dolores Lehmann of Dallas.

HR 2884 (by Carter), In memory of Bob Perry of Houston.

HR 2900 (by T. King), In memory of Michael Anthony Ramos of Uvalde.

HR 2901 (by T. King), In memory of Nicholas Rey Hernandez of Uvalde.

HR 2980 (by Menéndez), In memory of Brian H. Eckler of San Antonio.

HR 3005 (by Price), In memory of U.S. Marine Major Nathan W. Anderson of Amarillo.

HR 3021 (by Burnam), In memory of Lylian Randy Berry, Jr., of Fort Worth.

The motion to suspend all necessary rules prevailed, and the resolutions were unanimously adopted by a rising vote.

SB 910 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Morrison submitted the conference committee report on **SB 910**.

Representative Morrison moved to adopt the conference committee report on **SB 910**.

The motion to adopt the conference committee report on **SB 910** prevailed by (Record 1300): 142 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Allen; Farrar; Harper-Brown; Martinez Fischer; Smith.

STATEMENTS OF VOTE

When Record No. 1300 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1300 was taken, I was in the house but away from my desk. I would have voted yes.

Harper-Brown

(Kuempel in the chair)

HB 2982 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Keffer submitted the following conference committee report on **HB 2982**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2982** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Duncan
 Davis
 Seliger
 Uresti

Keffer
 Wu
 Lozano
 T. King
 Ritter

On the part of the senate

On the part of the house

HB 2982, A bill to be entitled An Act relating to the power of the Railroad Commission of Texas to adopt and enforce safety standards applicable to the transportation by pipeline of hazardous liquids, carbon dioxide, and natural gas in rural locations.

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

SECTION 1. The heading to Section 117.011, Natural Resources Code, is amended to read as follows:

Sec. 117.011. JURISDICTION UNDER DELEGATED FEDERAL AUTHORITY.

SECTION 2. Sections 117.012(a), (b), and (h), Natural Resources Code, are amended to read as follows:

(a) The commission shall adopt rules that include safety standards [~~for and practices~~] applicable to the intrastate transportation of hazardous liquids or carbon dioxide by pipeline and intrastate hazardous liquid or carbon dioxide pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches. Rules adopted under this subsection that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations must be based only on the risks the transportation and the facilities present to the public safety, except that the commission shall revise the rules as necessary to comply with Subsection (c) and to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts rules that include safety standards applicable to the transportation and facilities.

(b) Rules that adopt safety standards do not apply to [~~movement of hazardous liquids or carbon dioxide through gathering lines in rural locations or~~] production, refining, or manufacturing facilities or storage or in-plant piping systems associated with any of those facilities.

(h) The commission shall require operators of hazardous liquid and carbon dioxide pipeline facilities or the [~~their~~] designated representatives of such operators to communicate and conduct liaison activities with fire, police, and other appropriate public emergency response officials. The liaison activities must be conducted by meetings in person except as provided by this section. An operator or the operator's representative may conduct required community liaison

activities as provided by Subsection (i) only if the operator or the operator's representative has made an effort, by one of the following methods, to conduct a community liaison meeting in person with the officials:

- (1) mailing a written request for a meeting in person to the appropriate officials by certified mail, return receipt requested;
- (2) sending a request for a meeting in person to the appropriate officials by facsimile transmission; or
- (3) making one or more telephone calls or e-mail message transmissions to the appropriate officials to request a meeting in person.

SECTION 3. The heading to Section 121.201, Utilities Code, is amended to read as follows:

Sec. 121.201. SAFETY RULES;[~~;~~] RAILROAD COMMISSION POWER UNDER DELEGATED FEDERAL AUTHORITY.

SECTION 4. Section 121.201(a), Utilities Code, is amended to read as follows:

(a) The railroad commission may:

(1) by rule prescribe or adopt safety standards for the transportation of gas and for gas pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches;

(2) by rule require an operator that does not file operator organization information under Section 91.142, Natural Resources Code, to provide the information to the commission in the form of an application;

(3) by rule require record maintenance and reports;

(4) inspect records and facilities to determine compliance with safety standards prescribed or adopted under Subdivision (1);

(5) make certifications and reports from time to time;

(6) seek designation by the United States secretary of transportation as an agent to conduct safety inspections of interstate gas pipeline facilities located in this state; [~~and~~]

(7) by rule take any other requisite action in accordance with 49 U.S.C. Section 60101 et seq., or a succeeding law; and

(8) by rule establish safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5:

(A) based only on the risks the facilities and activities present to the public safety, to the extent consistent with federal law; or

(B) as necessary to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5.

SECTION 5. Before September 1, 2015, the Railroad Commission of Texas may implement the changes in law made by this Act to Chapter 117, Natural Resources Code, or Chapter 121, Utilities Code, or rules adopted under those chapters, as amended by this Act, only:

(1) to provide a process for the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety and to require an operator to submit a plan to remediate an accident, incident, threat, or complaint;

(2) to require reports necessary to allow the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety; or

(3) to require operators to provide information to the commission that the commission determines is necessary to determine the risks presented to the public safety by:

(A) the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipeline facilities in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations; and

(B) gas gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5.

SECTION 6. This Act takes effect September 1, 2013.

(Allen now present)

Representative Keffer moved to adopt the conference committee report on **HB 2982**.

The motion to adopt the conference committee report on **HB 2982** prevailed by (Record 1301): 144 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Allen; Farrar; Fletcher.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1301. I intended to vote no.

Callegari

When Record No. 1301 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1301 was taken, my vote failed to register. I would have voted yes.

Fletcher

MESSAGE FROM THE SENATE

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

SB 215 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Anchia submitted the conference committee report on **SB 215**.

Representative Anchia moved to adopt the conference committee report on **SB 215**.

The motion to adopt the conference committee report on **SB 215** prevailed by (Record 1302): 135 Yeas, 5 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Larson; Laubenberg; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Schaefer; Sheets; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zerwas.

Nays — Klick; Lavender; Phillips; Springer; Zedler.

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

Absent, Excused — Lucio.

Absent — Anderson; Farrar; Krause; Morrison; Sanford; Sheffield, J.; Thompson, S.

STATEMENTS OF VOTE

When Record No. 1302 was taken, I was in the house but away from my desk. I would have voted yes.

Anderson

When Record No. 1302 was taken, I was temporarily out of the house chamber. I would have voted yes.

Farrar

When Record No. 1302 was taken, I was in the house but away from my desk. I would have voted yes.

S. Thompson

(Farrar now present)

HB 2818 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative R. Sheffield submitted the following conference committee report on **HB 2818**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2818** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Carona
Van de Putte
Hancock

R. Sheffield
S. Thompson
Geren
Kuempel
Johnson

On the part of the senate

On the part of the house

HB 2818, A bill to be entitled An Act relating to certain local option elections and the permits and licenses that can be issued in areas that approved the sale of certain alcoholic beverages in a local option election.

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

SECTION 1. Chapter 25, Alcoholic Beverage Code, is amended by adding Section 25.14 to read as follows:

Sec. 25.14. ISSUANCE OF PERMIT AUTHORIZED FOR CERTAIN AREAS. (a) Notwithstanding any other provision of this code, a permit under this chapter may be issued for a premises in an area in which the voters have approved the following alcoholic beverage ballot issues in a local option election:

(1) "The legal sale of beer and wine for off-premise consumption only."; and

(2) either:

(A) "The legal sale of mixed beverages."; or

(B) "The legal sale of mixed beverages in restaurants by food and beverage certificate holders only."

(b) A premises that qualifies for a permit under this chapter because it is located in an area that approved the ballot issue described by Subsection (a)(2)(B) may be issued a permit under this chapter only if the premises is issued a food and beverage certificate.

SECTION 2. Chapter 69, Alcoholic Beverage Code, is amended by adding Section 69.17 to read as follows:

Sec. 69.17. ISSUANCE OF LICENSE AUTHORIZED FOR CERTAIN AREAS. (a) Notwithstanding any other provision of this code, a license under this chapter may be issued for a premises in an area in which the voters have approved the following alcoholic beverage ballot issues in a local option election:

(1) "The legal sale of beer and wine for off-premise consumption only."; and

(2) either:

(A) "The legal sale of mixed beverages."; or

(B) "The legal sale of mixed beverages in restaurants by food and beverage certificate holders only."

(b) A premises that qualifies for a license under this chapter because it is located in an area that approved the ballot issue described by Subsection (a)(2)(B) may be issued a license under this chapter only if the premises is issued a food and beverage certificate.

SECTION 3. Chapter 70, Alcoholic Beverage Code, is amended by adding Section 70.04 to read as follows:

Sec. 70.04. ISSUANCE OF LICENSE AUTHORIZED FOR CERTAIN AREAS. (a) Notwithstanding any other provision of this code, a license under this chapter may be issued for a premises in an area in which the voters have approved the following alcoholic beverage ballot issues in a local option election:

(1) "The legal sale of beer and wine for off-premise consumption only."; and

(2) either:

(A) "The legal sale of mixed beverages."; or

(B) "The legal sale of mixed beverages in restaurants by food and beverage certificate holders only."

(b) A premises that qualifies for a license under this chapter because it is located in an area that approved the ballot issue described by Subsection (a)(2)(B) may be issued a license under this chapter only if the premises is issued a food and beverage certificate.

SECTION 4. Section 251.72, Alcoholic Beverage Code, is amended to read as follows:

Sec. 251.72. CHANGE OF STATUS. Except as provided in Sections ~~[Section]~~ 251.73 and 251.80 ~~[of this code]~~, an authorized voting unit that has exercised or may exercise the right of local option retains the status adopted, whether absolute prohibition or legalization of the sale of alcoholic beverages of one or more of the various types and alcoholic contents on which an issue may be submitted under the terms of Section 501.035, Election Code, until that status is changed by a subsequent local option election in the same authorized voting unit.

SECTION 5. Section 251.80, Alcoholic Beverage Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A local option election held in a justice precinct shall be held in the territory comprising the justice precinct at the time the election is held. If a justice precinct has established ~~[Whenever]~~ a local option status as a result of a previous local option election ~~[is once legally put into effect as the result of the vote]~~ in the ~~[a]~~ justice precinct, such status shall remain in effect until the status is changed as the result of a subsequent local option election ~~[vote]~~ in the ~~[same territory that comprised the]~~ precinct ~~[when such status was established]~~. If the boundaries of the justice precinct have changed since such status was established, ~~[the commissioners court shall, for purposes of]~~ a subsequent local option election will only change the local option status in the territory that is part of the justice ~~[; define the boundaries of the original]~~ precinct on the date of the subsequent local option election~~[. A local option election may be held within the territory defined by the commissioners court as constituting such original precinct].~~

~~(a-1) For purposes of a local option election, a newly created justice precinct shall be considered to have not held a local option election on the sale of alcoholic beverages. Any local option status established in the territory comprising the new justice precinct that resulted from a local option election held in the territory when the territory was part of another justice precinct remains in effect until that status is changed by a local option election held in the new justice precinct.~~

SECTION 6. Section 251.80(c), Alcoholic Beverage Code, is repealed.

SECTION 7. Sections 25.14, 69.17, and 70.04, Alcoholic Beverage Code, as added by this Act, apply to a permit or license issued on or after the effective date of this Act regardless of when the local option election approving the sale of mixed beverages was held.

SECTION 8. This Act takes effect September 1, 2013.

Representative R. Sheffield moved to adopt the conference committee report on **HB 2818**.

The motion to adopt the conference committee report on **HB 2818** prevailed by (Record 1303): 141 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton;

Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Schaefer; Sheets; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Coleman; Crownover; Krause; Sanford; Sheffield, J.

HB 3142 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Bell submitted the following conference committee report on **HB 3142**:

Austin, Texas, May 23, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3142** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Estes
Schwertner
Uresti
Hinojosa
Hegar

On the part of the senate

Bell
Flynn
Nevárez
Pickett
Sheets

On the part of the house

HB 3142, A bill to be entitled An Act relating to handguns used to demonstrate proficiency in handgun use for purposes of obtaining a concealed handgun license.

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

SECTION 1. Section 11.041(a), Alcoholic Beverage Code, is amended to read as follows:

(a) Each holder of a permit who is not otherwise required to display a sign under Section 411.204, Government Code, shall display in a prominent place on the permit holder's premises a sign giving notice that it is unlawful for a person to carry a weapon on the premises unless the weapon is a concealed handgun ~~[of the same category]~~ the person is licensed to carry under Subchapter H, Chapter 411, Government Code.

SECTION 2. Section 11.61(e), Alcoholic Beverage Code, is amended to read as follows:

(e) Except as provided by Subsection (f) or (i), the commission or administrator shall cancel an original or renewal permit if it is found, after notice and hearing, that the permittee knowingly allowed a person to possess a firearm in a building on the licensed premises. This subsection does not apply to a person:

(1) who holds a security officer commission issued under Chapter 1702, Occupations Code, if:

(A) the person is engaged in the performance of the person's duties as a security officer;

(B) the person is wearing a distinctive uniform; and

(C) the weapon is in plain view;

(2) who is a peace officer;

(3) who is a permittee or an employee of a permittee if the person is supervising the operation of the premises; or

(4) who possesses a concealed handgun ~~[of the same category]~~ the person is licensed to carry under Subchapter H, Chapter 411, Government Code, unless the person is on the premises of a business described by Section 46.035(b)(1), Penal Code.

SECTION 3. Section 61.11(a), Alcoholic Beverage Code, is amended to read as follows:

(a) Each holder of a license who is not otherwise required to display a sign under Section 411.204, Government Code, shall display in a prominent place on the license holder's premises a sign giving notice that it is unlawful for a person to carry a weapon on the premises unless the weapon is a concealed handgun ~~[of the same category]~~ the person is licensed to carry under Subchapter H, Chapter 411, Government Code.

SECTION 4. Section 61.71(f), Alcoholic Beverage Code, is amended to read as follows:

(f) Except as provided by Subsection (g) or (j), the commission or administrator shall cancel an original or renewal dealer's on-premises or off-premises license if it is found, after notice and hearing, that the licensee knowingly allowed a person to possess a firearm in a building on the licensed premises. This subsection does not apply to a person:

(1) who holds a security officer commission issued under Chapter 1702, Occupations Code, if:

(A) the person is engaged in the performance of the person's duties as a security officer;

(B) the person is wearing a distinctive uniform; and

- (C) the weapon is in plain view;
- (2) who is a peace officer;
- (3) who is a licensee or an employee of a licensee if the person is supervising the operation of the premises; or
- (4) who possesses a concealed handgun ~~[of the same category]~~ the person is licensed to carry under Subchapter H, Chapter 411, Government Code, unless the person is on the premises of a business described by Section 46.035(b)(1), Penal Code.

SECTION 5. Section 411.177(a), Government Code, is amended to read as follows:

(a) The department shall issue a license to carry a concealed handgun to an applicant if the applicant meets all the eligibility requirements and submits all the application materials. ~~[The department may issue a license to carry handguns only of the categories for which the applicant has demonstrated proficiency in the form and manner required by the department.]~~ The department shall administer the licensing procedures in good faith so that any applicant who meets all the eligibility requirements and submits all the application materials shall receive a license. The department may not deny an application on the basis of a capricious or arbitrary decision by the department.

SECTION 6. Section 411.179(a), Government Code, is amended to read as follows:

(a) The department by rule shall adopt the form of the license. A license must include:

- (1) a number assigned to the license holder by the department;
- (2) a statement of the period for which the license is effective;
- (3) ~~[a statement of the category or categories of handguns the license holder may carry as provided by Subsection (b);~~
- ~~[(4)]~~ a color photograph of the license holder;
- (4) ~~[(5)]~~ the license holder's full name, date of birth, hair and eye color, height, weight, and signature;
- (5) ~~[(6)]~~ the license holder's residence address or, as provided by Subsection (d), the street address of the courthouse in which the license holder or license holder's spouse serves as a federal judge or the license holder serves as a state judge; and
- (6) ~~[(7)]~~ the number of a driver's license or an identification certificate issued to the license holder by the department.

SECTION 7. Section 411.187(a), Government Code, is amended to read as follows:

(a) The department shall suspend a license under this section if the license holder:

- (1) is charged with the commission of a Class A or Class B misdemeanor or equivalent offense, or of an offense under Section 42.01, Penal Code, or equivalent offense, or of a felony under an information or indictment;
- (2) fails to notify the department of a change of address, name, or status as required by Section 411.181;

(3) ~~carries a concealed handgun under the authority of this subchapter of a different category than the license holder is licensed to carry;~~

~~[(4) fails to return a previously issued license after a license is modified as required by Section 411.184(d);~~

~~[(5)]~~ commits an act of family violence and is the subject of an active protective order rendered under Title 4, Family Code; or

(4) ~~[(6)]~~ is arrested for an offense involving family violence or an offense under Section 42.072, Penal Code, and is the subject of an order for emergency protection issued under Article 17.292, Code of Criminal Procedure.

SECTION 8. Sections 411.188(a) and (d), Government Code, are amended to read as follows:

(a) The director by rule shall establish minimum standards for handgun proficiency and shall develop a course to teach handgun proficiency and examinations to measure handgun proficiency. The course to teach handgun proficiency must contain training sessions divided into two parts. One part of the course must be classroom instruction and the other part must be range instruction and an actual demonstration by the applicant of the applicant's ability to safely and proficiently use a ~~[the applicable category of]~~ handgun. An applicant must be able to demonstrate, at a minimum, the degree of proficiency that is required to effectively operate a handgun of .32 caliber or above. The department shall distribute the standards, course requirements, and examinations on request to any qualified handgun instructor.

(d) Only a qualified handgun instructor may administer the proficiency examination to obtain or to renew a license. The proficiency examination must include:

(1) a written section on the subjects listed in Subsection (b); and

(2) a physical demonstration of proficiency in the use of one or more handguns ~~[of specific categories]~~ and in handgun safety procedures.

SECTION 9. Section 411.1882(a), Government Code, is amended to read as follows:

(a) A person who is serving in this state as a judge or justice of a federal court, as an active judicial officer, as defined by Section 411.201, or as a district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, or assistant county attorney may establish handgun proficiency for the purposes of this subchapter by obtaining from a handgun proficiency instructor approved by the Commission on Law Enforcement Officer Standards and Education for purposes of Section 1702.1675, Occupations Code, a sworn statement that~~[-~~

~~[(1)]~~ indicates that the person, during the 12-month period preceding the date of the person's application to the department, demonstrated to the instructor proficiency in the use of handguns~~[- and~~

~~[(2) designates the categories of handguns with respect to which the person demonstrated proficiency].~~

SECTION 10. Section 411.199(e), Government Code, is amended to read as follows:

(e) A retired peace officer who obtains a license under this subchapter must maintain ~~[, for the category of weapon licensed,]~~ the proficiency required for a peace officer under Section 1701.355, Occupations Code. The department or a local law enforcement agency shall allow a retired peace officer of the department or agency an opportunity to annually demonstrate the required proficiency. The proficiency shall be reported to the department on application and renewal.

SECTION 11. Sections 62.082(d) and (e), Parks and Wildlife Code, are amended to read as follows:

(d) Section 62.081 does not apply to:

- (1) an employee of the Lower Colorado River Authority;
- (2) a person authorized to hunt under Subsection (c);
- (3) a peace officer as defined by Article 2.12, Code of Criminal

Procedure; or

(4) a person who:

(A) possesses a concealed handgun and a license issued under Subchapter H, Chapter 411, Government Code, to carry a concealed handgun ~~[of the same category as a handgun the person is carrying];~~ or

(B) under circumstances in which the person would be justified in the use of deadly force under Chapter 9, Penal Code, shoots a handgun ~~[of the same category as a handgun]~~ the person is licensed to carry under Subchapter H, Chapter 411, Government Code.

(e) A state agency, including the department, the Department of Public Safety, and the Lower Colorado River Authority, may not adopt a rule that prohibits a person who possesses a license issued under Subchapter H, Chapter 411, Government Code, from entering or crossing the land of the Lower Colorado River Authority while:

(1) possessing a concealed handgun ~~[of the same category as a handgun the person is licensed to carry];~~ or

(2) under circumstances in which the person would be justified in the use of deadly force under Chapter 9, Penal Code, shooting a handgun ~~[of the same category as a handgun the person is licensed to carry].~~

SECTION 12. Section 30.05(f), Penal Code, is amended to read as follows:

(f) It is a defense to prosecution under this section that:

(1) the basis on which entry on the property or land or in the building was forbidden is that entry with a handgun was forbidden; and

(2) the person was carrying a concealed handgun and a license issued under Subchapter H, Chapter 411, Government Code, to carry a concealed handgun ~~[of the same category the person was carrying].~~

SECTION 13. Section 46.15(b), Penal Code, is amended to read as follows:

(b) Section 46.02 does not apply to a person who:

(1) is in the actual discharge of official duties as a member of the armed forces or state military forces as defined by Section 431.001, Government Code, or as a guard employed by a penal institution;

(2) is traveling;

(3) is engaging in lawful hunting, fishing, or other sporting activity on the immediate premises where the activity is conducted, or is en route between the premises and the actor's residence, motor vehicle, or watercraft, if the weapon is a type commonly used in the activity;

(4) holds a security officer commission issued by the Texas Private Security Board, if the person is engaged in the performance of the person's duties as an officer commissioned under Chapter 1702, Occupations Code, or is traveling to or from the person's place of assignment and is wearing the officer's uniform and carrying the officer's weapon in plain view;

(5) acts as a personal protection officer and carries the person's security officer commission and personal protection officer authorization, if the person:

(A) is engaged in the performance of the person's duties as a personal protection officer under Chapter 1702, Occupations Code, or is traveling to or from the person's place of assignment; and

(B) is either:

(i) wearing the uniform of a security officer, including any uniform or apparel described by Section 1702.323(d), Occupations Code, and carrying the officer's weapon in plain view; or

(ii) not wearing the uniform of a security officer and carrying the officer's weapon in a concealed manner;

(6) is carrying a concealed handgun and a valid license issued under Subchapter H, Chapter 411, Government Code, to carry a concealed handgun ~~[of the same category as the handgun the person is carrying]~~;

(7) holds an alcoholic beverage permit or license or is an employee of a holder of an alcoholic beverage permit or license if the person is supervising the operation of the permitted or licensed premises; or

(8) is a student in a law enforcement class engaging in an activity required as part of the class, if the weapon is a type commonly used in the activity and the person is:

(A) on the immediate premises where the activity is conducted; or

(B) en route between those premises and the person's residence and is carrying the weapon unloaded.

SECTION 14. The following provisions of the Government Code are repealed:

(1) Section 411.171(1);

(2) Section 411.179(b);

(3) Section 411.184; and

(4) Sections 411.188(e) and (h).

SECTION 15. (a) The change in law made by this Act to Subchapter H, Chapter 411, Government Code, applies only to a license issued or renewed under that subchapter on or after the effective date of this Act.

(b) The changes in law made by this Act to the Alcoholic Beverage Code, Parks and Wildlife Code, and Penal Code, apply only to civil or criminal proceedings involving the carrying of a handgun on or after the effective date of this Act by a person licensed to carry a concealed handgun under Subchapter H, Chapter 411, Government Code, as amended by this Act.

SECTION 16. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Bell moved to adopt the conference committee report on **HB 3142**.

The motion to adopt the conference committee report on **HB 3142** prevailed by (Record 1304): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Bonnen, D.; Dukes; Márquez; Otto.

STATEMENT OF VOTE

When Record No. 1304 was taken, I was in the house but away from my desk. I would have voted yes.

Otto

HB 773 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Farney submitted the following conference committee report on **HB 773**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 773** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Schwertner
Campbell
Lucio
Patrick

Farney
Aycock
Branch

On the part of the senate

On the part of the house

HB 773, A bill to be entitled An Act relating to the recitation of the pledges of allegiance to and display of the United States and state flags at and the observation of a moment of silence at open-enrollment charter schools and other public schools.

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

SECTION 1. Section 25.082, Education Code, is amended by amending Subsections (b), (c), and (d) and adding Subsection (b-1) to read as follows:

(b) The board of trustees of each school district and the governing board of each open-enrollment charter school shall require students, once during each school day at each campus [~~school in the district~~], to recite:

(1) the pledge of allegiance to the United States flag in accordance with 4 U.S.C. Section 4[~~, and its subsequent amendments~~]; and

(2) the pledge of allegiance to the state flag in accordance with Subchapter C, Chapter 3100, Government Code.

(b-1) The board of trustees of each school district and the governing board of each open-enrollment charter school shall require that the United States and Texas flags be prominently displayed in accordance with 4 U.S.C. Sections 5-10 and Chapter 3100, Government Code, in each campus classroom to which a student is assigned at the time the pledges of allegiance to those flags are recited. A district or school is not required to spend federal, state, or local district or school funds to acquire flags required under this subsection. A district or school may raise money or accept gifts, grants, and donations to acquire flags required under this subsection.

(c) On written request from a student's parent or guardian, a school district or open-enrollment charter school shall excuse the student from reciting a pledge of allegiance under Subsection (b).

(d) The board of trustees of each school district and the governing board of each open-enrollment charter school shall provide for the observance of one minute of silence at each campus [~~school in the district~~] following the recitation of the pledges of allegiance to the United States and Texas flags under Subsection (b). During the one-minute period, each student may, as the student chooses, reflect, pray, meditate, or engage in any other silent activity that is not likely to interfere with or distract another student. Each teacher or other school employee in charge of students during that period shall ensure that each of those students remains silent and does not act in a manner that is likely to interfere with or distract another student.

SECTION 2. (a) Sections 25.082(b), (c), and (d), Education Code, as amended by this Act, apply beginning with the 2013-2014 school year.

(b) Section 25.082(b-1), Education Code, as added by this Act, applies beginning with the 2016-2017 school year.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Farney moved to adopt the conference committee report on **HB 773**.

The motion to adopt the conference committee report on **HB 773** prevailed by (Record 1305): 140 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; Gonzalez, N.; Gooden; Guerra; Guillen; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zerwas.

Nays — Simpson; Stickland.

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

Absent, Excused — Lucio.

Absent — Branch; Dukes; González, M.; Gutierrez; Zedler.

STATEMENTS OF VOTE

When Record No. 1305 was taken, my vote failed to register. I would have voted yes.

Branch

When Record No. 1305 was taken, I was in the house but away from my desk. I would have voted yes.

Dukes

When Record No. 1305 was taken, my vote failed to register. I would have voted yes.

M. González

When Record No. 1305 was taken, my vote failed to register. I would have voted yes.

Gutierrez

I was shown voting no on Record No. 1305. I intended to vote yes.

Stickland

When Record No. 1305 was taken, I was in the house but away from my desk. I would have voted yes.

Zedler

HR 3042 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the chair announced the introduction of **HR 3042**, suspending the limitations on the conferees for **HB 12**.

HB 586 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Workman submitted the following conference committee report on **HB 586**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 586** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Deuell
Duncan
Eltife
Lucio
Van de Putte

Workman
Farrar
Leach
Menéndez

On the part of the senate

On the part of the house

HB 586, A bill to be entitled An Act relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies.

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

SECTION 1. Title 5, Civil Practice and Remedies Code, is amended by adding Chapter 114 to read as follows:

CHAPTER 114. ADJUDICATION OF CLAIMS ARISING UNDER WRITTEN CONTRACTS WITH STATE AGENCIES

Sec. 114.001. DEFINITIONS. In this chapter:

(1) "Adjudication" of a claim means the bringing of a civil suit and prosecution to final judgment in county or state court.

(2) "Contract subject to this chapter" means a written contract stating the essential terms of the agreement for providing goods or services to the state agency that is properly executed on behalf of the state agency. The term does not include a contract that is subject to Section 201.112, Transportation Code.

(3) "State agency" means an agency, department, commission, bureau, board, office, council, court, or other entity that is in any branch of state government and that is created by the constitution or a statute of this state, including a university system or a system of higher education. The term does not include a county, municipality, court of a county or municipality, special purpose district, or other political subdivision of this state.

Sec. 114.002. APPLICABILITY. This chapter applies only to a claim for breach of a written contract for engineering, architectural, or construction services or for materials related to engineering, architectural, or construction services brought by a party to the written contract, in which the amount in controversy is not less than \$250,000, excluding penalties, costs, expenses, prejudgment interest, and attorney's fees.

Sec. 114.003. WAIVER OF IMMUNITY TO SUIT FOR CERTAIN CLAIMS. A state agency that is authorized by statute or the constitution to enter into a contract and that enters into a contract subject to this chapter waives sovereign immunity to suit for the purpose of adjudicating a claim for breach of an express provision of the contract, subject to the terms and conditions of this chapter.

Sec. 114.004. LIMITATIONS ON ADJUDICATION AWARDS. (a) The total amount of money awarded in an adjudication brought against a state agency for breach of an express provision of a contract subject to this chapter is limited to the following:

(1) the balance due and owed by the state agency under the contract as it may have been amended, including any amount owed as compensation for the increased cost to perform the work as a direct result of owner-caused delays or acceleration if the contract expressly provides for that compensation;

(2) the amount owed for written change orders;

(3) reasonable and necessary attorney's fees based on an hourly rate that are equitable and just if the contract expressly provides that recovery of attorney's fees is available to all parties to the contract; and

(4) interest at the rate specified by the contract or, if a rate is not specified, the rate for postjudgment interest under Section 304.003(c), Finance Code, but not to exceed 10 percent.

(b) Damages awarded in an adjudication brought against a state agency arising under a contract subject to this chapter may not include:

(1) consequential damages;

(2) exemplary damages; or

(3) damages for unabsorbed home office overhead.

Sec. 114.005. CONTRACTUAL ADJUDICATION PROCEDURES ENFORCEABLE. Adjudication procedures, including requirements for serving notices or engaging in alternative dispute resolution proceedings before bringing a suit or an arbitration proceeding, that are stated in the contract subject to this

chapter or that are established by the state agency and expressly incorporated into the contract are enforceable, except to the extent those procedures conflict with the terms of this chapter.

Sec. 114.006. NO WAIVER OF OTHER DEFENSES. This chapter does not waive a defense or a limitation on damages available to a party to a contract, other than a bar against suit based on sovereign immunity.

Sec. 114.007. NO WAIVER OF IMMUNITY TO SUIT IN FEDERAL COURT. This chapter does not waive sovereign immunity to suit in federal court.

Sec. 114.008. NO WAIVER OF IMMUNITY TO SUIT FOR TORT LIABILITY. This chapter does not waive sovereign immunity to a claim arising from a cause of action for negligence, fraud, tortious interference with a contract, or any other tort.

Sec. 114.009. EMPLOYMENT CONTRACTS EXEMPT. This chapter does not apply to an employment contract between a state agency and an employee of that agency.

Sec. 114.010. VENUE. A suit under this chapter may be brought in a district court in:

(1) a county in which the events or omissions giving rise to the claim occurred; or

(2) a county in which the principal office of the state agency is located.

Sec. 114.011. LIMITATION ON REMEDIES. Satisfaction and payment of any judgment under this chapter may not be paid from funds appropriated to the state agency from general revenue unless the funds are specifically appropriated for that purpose. Property of the state or any agency, department, or office of the state is not subject to seizure, attachment, garnishment, or any other creditors' remedy to satisfy a judgment taken under this chapter.

Sec. 114.012. EXCLUSIVE REMEDY. A claim to which this chapter applies may not be brought under Chapter 2260, Government Code, against the state or a unit of state government as defined by Section 2260.001, Government Code.

Sec. 114.013. REPORT. Before January 1 of each even-numbered year, each state agency shall report to the governor, the comptroller, and each house of the legislature the cost of defense to the state agency and the office of the attorney general in an adjudication brought against the agency under a contract subject to this chapter. Included in the report shall be the amount claimed in any adjudication pending on the date of the report.

SECTION 2. Section 2260.002, Government Code, is amended to read as follows:

Sec. 2260.002. APPLICABILITY. This chapter does not apply to:

(1) a claim for personal injury or wrongful death arising from the breach of a contract; ~~or~~

(2) a contract executed or awarded on or before August 30, 1999; or

(3) a claim for breach of contract to which Chapter 114, Civil Practice and Remedies Code, applies.

SECTION 3. (a) Chapter 114, Civil Practice and Remedies Code, as added by this Act, applies only to a claim arising under a contract executed on or after September 1, 2013. A claim that arises under a contract executed before September 1, 2013, is governed by the law applicable to the claim immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(b) Nothing in this Act is intended to create, rescind, expand, or limit any waiver of sovereign immunity to suit applicable to any contract executed before September 1, 2013.

SECTION 4. This Act takes effect September 1, 2013.

Representative Workman moved to adopt the conference committee report on **HB 586**.

The motion to adopt the conference committee report on **HB 586** prevailed by (Record 1306): 145 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Dukes; McClendon.

STATEMENTS OF VOTE

When Record No. 1306 was taken, I was in the house but away from my desk. I would have voted yes.

Dukes

When Record No. 1306 was taken, I was in the house but away from my desk. I would have voted yes.

McClendon

SB 1173 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative White submitted the conference committee report on **SB 1173**.

Representative White moved to adopt the conference committee report on **SB 1173**.

The motion to adopt the conference committee report on **SB 1173** prevailed by (Record 1307): 140 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burnam; Button; Callegari; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Pickett; Pitts; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Burkett; Carter; King, P.; Phillips.

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

Absent, Excused — Lucio.

Absent — Larson; Nevárez; Price.

HB 3520 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Branch submitted the following conference committee report on **HB 3520**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3520** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Carona
Campbell
Hancock

Branch
Sheets
Button
Burkett
Villalba

On the part of the senate

On the part of the house

HB 3520, A bill to be entitled An Act relating to the designation of a segment of U.S. Highway 75 in Dallas County as the Presidential Library Expressway.

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

SECTION 1. Subchapter B, Chapter 225, Transportation Code, is amended by adding Section 225.0331 to read as follows:

Sec. 225.0331. GEORGE W. BUSH EXPRESSWAY. (a) Notwithstanding Section 225.001(c), the portion of U.S. Highway 75 in Dallas County between its intersection with Knox Street/North Henderson Avenue and its intersection with Northwest Highway is designated as the George W. Bush Expressway. The designation is in addition to any other designation.

(b) Subject to Subsection (d), the department shall:

(1) design and construct markers indicating the designation as the George W. Bush Expressway and any other appropriate information; and

(2) erect a marker at each end of the highway and at appropriate intermediate sites along the highway.

(c) The department shall accept a grant or donation made to assist in financing the construction and maintenance of a marker under this section.

(d) The department may not design, construct, or erect a marker under this section unless a grant or donation of funds is made to the department to cover the cost of the design, construction, and erection of the marker.

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

Representative Branch moved to adopt the conference committee report on **HB 3520**.

The motion to adopt the conference committee report on **HB 3520** prevailed by (Record 1308): 142 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Kacal; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff;

Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Johnson.

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

Absent, Excused — Lucio.

Absent — Coleman; Keffer; Murphy; Simpson.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1308. I intended to vote no.

Burnam

I was shown voting yes on Record No. 1308. I intended to vote no.

Gutierrez

When Record No. 1308 was taken, I was in the house but away from my desk. I would have voted yes.

Simpson

HB 194 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Farias submitted the following conference committee report on **HB 194**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 194** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hinojosa
Birdwell
Taylor
West
Zaffirini

Farias
Guillen
R. Miller
Sheets
Menéndez

On the part of the senate

On the part of the house

HB 194, A bill to be entitled An Act relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.

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

SECTION 1. Section 2161.001(3), Government Code, is amended to read as follows:

(3) "Economically disadvantaged person" means a person who:

(A) is economically disadvantaged because of the person's identification as a member of a certain group, including:

(i) Black Americans;

(ii) Hispanic Americans;

(iii) women;

(iv) Asian Pacific Americans;

(v) Native Americans; and

(vi) veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); and

(B) who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

SECTION 2. Section 2161.002, Government Code, is amended by adding Subsection (d) to read as follows:

(d) The comptroller shall adopt rules to provide goals for increasing the contract awards for the purchase of goods or services by the commission and other state agencies to businesses that qualify as historically underutilized businesses because the businesses are owned or owned, operated, and controlled, as applicable, wholly or partly by one or more veterans as defined by 38 U.S.C. Section 101(2) who have a service-connected disability as defined by 38 U.S.C. Section 101(16). The goals established under this subsection are in addition to the goals established under Subsection (c) and the goals established under Subsection (c) may not be reduced as a result of the establishment of goals under this subsection.

SECTION 3. Section 2161.125, Government Code, is amended to read as follows:

Sec. 2161.125. CATEGORIZATION OF HISTORICALLY UNDERUTILIZED BUSINESSES [BY SEX, RACE, AND ETHNICITY]. The comptroller, in cooperation with each state agency reporting under this subchapter, shall categorize each historically underutilized business included in a report under this subchapter by sex, race, and ethnicity and by whether the business qualifies as a historically underutilized business because it is owned or owned, operated, and controlled, as applicable, wholly or partly by one or more veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16).

SECTION 4. This Act takes effect September 1, 2013.

Representative Farias moved to adopt the conference committee report on **HB 194**.

The motion to adopt the conference committee report on **HB 194** prevailed by (Record 1309): 137 Yeas, 8 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Wu; Zedler; Zerwas.

Nays — Dale; Davis, S.; Elkins; Miles; Phillips; Reynolds; Simpson; Workman.

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

Absent, Excused — Lucio.

Absent — Allen; Coleman.

STATEMENT OF VOTE

I was shown voting yes on Record No. 1309. I intended to vote no.

Collier

HB 1926 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative K. King submitted the following conference committee report on **HB 1926**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1926** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hegar
Patrick
Lucio
Seliger

K. King
Ratliff
Huberty
Villarreal

Dutton

On the part of the senate

On the part of the house

HB 1926, A bill to be entitled An Act relating to the operation of the state virtual school network and courses provided through other distance learning arrangements.

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

SECTION 1. Section 26.0031, Education Code, is amended by amending Subsections (b), (c), and (d) and adding Subsections (c-1) and (f) to read as follows:

(b) Except as provided by Subsection (c), a [A] school district or open-enrollment charter school in which a student is enrolled as a full-time student may not [unreasonably] deny the request of a parent of a student to enroll the student in an electronic course offered through the state virtual school network under Chapter 30A.

(c) A [For purposes of Subsection (b), a] school district or open-enrollment charter school may deny [is not considered to have unreasonably denied] a request to enroll a student in an electronic course if:

(1) [the district or school can demonstrate that the course does not meet state standards or standards of the district or school that are of equivalent rigor as the district's or school's standards for the same course provided in a traditional classroom setting;

[2] a student attempts to enroll in a course load that[;

[A] is inconsistent with the student's high school graduation plan or requirements for college admission or earning an industry certification;

[2] or

[B] could reasonably be expected to negatively affect the student's performance on an assessment instrument administered under Section 39.023; or

[3] the student requests permission to enroll in an electronic course at a time that is not consistent with the enrollment period established by the school district or open-enrollment charter school providing the course; or

(3) the district or school offers a substantially similar course.

(c-1) A school district or open-enrollment charter school may decline to pay the cost for a student of more than three yearlong electronic courses, or the equivalent, during any school year. This subsection does not:

(1) limit the ability of the student to enroll in additional electronic courses at the student's cost; or

(2) apply to a student enrolled in a full-time online program that was operating on January 1, 2013.

(d) Notwithstanding Subsection (c)(2) [(c)(3)], a school district or open-enrollment charter school that provides an electronic course through the state virtual school network under Chapter 30A shall make all reasonable efforts to accommodate the enrollment of a student in the course under special circumstances.

(f) A school district or open-enrollment charter school from which a parent of a student requests permission to enroll the student in an electronic course offered through the state virtual school network under Chapter 30A has discretion

to select a course provider approved by the network's administering authority for the course in which the student will enroll based on factors including the informed choice report in Section 30A.108(b).

SECTION 2. Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.909 to read as follows:

Sec. 29.909. DISTANCE LEARNING COURSES. (a) A school district or open-enrollment charter school that provides a course through distance learning and seeks to inform other districts or schools of the availability of the course may submit information to the agency regarding the course, including the number of positions available for student enrollment in the course. The district or school may submit updated information at the beginning of each semester.

(b) The agency shall make information submitted under this section available on the agency's Internet website.

(c) The commissioner may adopt rules necessary to implement this section, including rules governing student enrollment. The commissioner may not adopt rules governing course pricing, and the price for a course shall be determined by the school districts or open-enrollment charter schools involved.

SECTION 3. Sections 30A.001(7) and (8), Education Code, are amended to read as follows:

(7) "Course provider [~~Provider school district or school~~]" means:

(A) a school district or open-enrollment charter school that provides an electronic course through the state virtual school network to:

(i) students enrolled in that district or school; or

(ii) students enrolled in another school district or school; ~~or~~

(B) a public or private institution of higher education, nonprofit entity, or private entity that provides a course through the state virtual school network; or

(C) an entity that provides an electronic professional development course through the state virtual school network.

(8) "Public or private institution of higher education" means[-

~~(A)] an institution of higher education, as defined by 20 U.S.C. Section 1001 [Section 61.003; or~~

~~(B) a private or independent institution of higher education, as defined by Section 61.003].~~

SECTION 4. Section 30A.003, Education Code, is amended to read as follows:

Sec. 30A.003. PROVISION OF COMPUTER EQUIPMENT OR INTERNET SERVICE. This chapter does not:

(1) require a school district, an open-enrollment charter school, a course provider [~~school district or school~~], or the state to provide a student with home computer equipment or Internet access for a course provided through the state virtual school network; or

(2) prohibit a school district or open-enrollment charter school from providing a student with home computer equipment or Internet access for a course provided through the state virtual school network.

SECTION 5. Section 30A.007, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A school district or open-enrollment charter school shall adopt a written policy that provides district or school students with the opportunity to enroll in electronic courses provided through the state virtual school network. The policy must be consistent with the requirements imposed by Section 26.0031.

(a-1) A school district or open-enrollment charter school shall, at least once per school year, send to a parent of each district or school student enrolled at the middle or high school level a copy of the policy adopted under Subsection (a). A district or school may send the policy with any other information that the district or school sends to a parent.

SECTION 6. Section 30A.056(a), Education Code, is amended to read as follows:

(a) Each contract between a course provider [~~school district, an open enrollment charter school, or a public or private institution of higher education~~] and the administering authority must:

(1) provide that the administering authority may cancel the contract without penalty if legislative authorization for the course provider [~~district, school, or institution~~] to offer an electronic course through the state virtual school network is revoked; and

(2) be submitted to the commissioner.

SECTION 7. The heading to Section 30A.101, Education Code, is amended to read as follows:

Sec. 30A.101. ELIGIBILITY TO ACT AS COURSE PROVIDER [~~SCHOOL DISTRICT OR SCHOOL~~].

SECTION 8. Section 30A.101, Education Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) A school district or open-enrollment charter school is eligible to act as a course provider [~~school district~~] under this chapter only if the district or school is rated acceptable [~~or higher~~] under Section 39.054. An open-enrollment charter school may serve as a course provider only:

(1) to a student within its service area; or

(2) to another student in the state:

(A) through an agreement with the school district in which the student resides; or

(B) if the student receives educational services under the supervision of a juvenile probation department, the Texas Juvenile Justice Department, or the Texas Department of Criminal Justice, through an agreement with the applicable agency.

(c) A nonprofit entity, private entity, or corporation is eligible to act as a course provider under this chapter only if the nonprofit entity, private entity, or corporation:

(1) complies with all applicable federal and state laws prohibiting discrimination;

(2) demonstrates financial solvency; and

(3) provides evidence of prior successful experience offering online courses to middle or high school students, with demonstrated student success in course completion and performance, as determined by the commissioner.

(d) An entity other than a school district or open-enrollment charter school is not authorized to award course credit or a diploma for courses taken through the state virtual school network.

SECTION 9. Section 30A.102, Education Code, is amended to read as follows:

Sec. 30A.102. LISTING OF ELECTRONIC COURSES. (a) The administering authority shall:

(1) publish the criteria required by Section 30A.103 for electronic courses that may be offered through the state virtual school network;

(2) using the criteria required by Section 30A.103, evaluate electronic courses submitted by a course provider [~~school district or school~~] to be offered through the network;

(3) create a list of electronic courses approved by the administering authority; and

(4) publish in a prominent location on the network's Internet website [~~provide public access to~~] the list of approved electronic courses offered through the network and a detailed description of the courses that complies with Section 30A.108.

(b) To ensure that a full range of electronic courses, including advanced placement courses, are offered to students in this state, the administering authority:

(1) shall create a list of those subjects and courses designated by the board under Subchapter A, Chapter 28, for which the board has identified essential knowledge and skills or for which the board has designated content requirements under Subchapter A, Chapter 28;

(2) shall enter into agreements with school districts, open-enrollment charter schools, [~~and~~] public or private institutions of higher education, and other eligible entities for the purpose of offering the courses through the state virtual school network; and

(3) may develop or authorize the development of additional electronic courses that:

(A) are needed to complete high school graduation requirements; and

(B) are not otherwise available through the state virtual school network.

(c) The administering authority shall develop a comprehensive course numbering system for all courses offered through the state virtual school network to ensure, to the greatest extent possible, consistent numbering of similar courses offered across all course providers.

SECTION 10. Section 30A.1021(c), Education Code, is amended to read as follows:

(c) The administering authority shall provide public access to the comments submitted by students and parents under this section. The comments must be in a format that permits a person to sort the comments by teacher, electronic course, and course provider [~~school district or school~~].

SECTION 11. Section 30A.103(a), Education Code, is amended to read as follows:

(a) The board by rule shall establish an objective standard criteria for an electronic course to ensure alignment with the essential knowledge and skills requirements identified or content requirements established under Subchapter A, Chapter 28. The criteria may not permit the administering authority to prohibit a course provider [~~school districts or schools~~] from applying for approval for an electronic course for a course for which essential knowledge and skills have been identified.

SECTION 12. Section 30A.104(b), Education Code, is amended to read as follows:

(b) If the essential knowledge and skills with which an approved course is aligned in accordance with Subsection (a)(2) are modified, the course provider [~~school district or school~~] must be provided the same time period to revise the course to achieve alignment with the modified essential knowledge and skills as is provided for the modification of a course provided in a traditional classroom setting.

SECTION 13. Sections 30A.1041(a) and (b), Education Code, are amended to read as follows:

(a) A school district, open-enrollment charter school, [~~or~~] public or private institution of higher education, or other eligible entity may seek approval to offer through the state virtual school network the classroom portion of a driver education and traffic safety course that complies with the requirements for the program developed under Section 29.902.

(b) A school district, open-enrollment charter school, [~~or~~] public or private institution of higher education, or other eligible entity may not offer through the state virtual school network the laboratory portion of a driver education and traffic safety course.

SECTION 14. Subchapter C, Chapter 30A, Education Code, is amended by adding Section 30A.1042 to read as follows:

Sec. 30A.1042. RECIPROCITY AGREEMENTS WITH OTHER STATES.

(a) The administering authority may enter into a reciprocity agreement with one or more other states to facilitate expedited course approval.

(b) An agreement under this section must ensure that any course approved in accordance with the agreement:

(1) is evaluated to ensure compliance with Sections 30A.104(a)(1) and (2) before the course may be offered through the state virtual school network; and

(2) meets the requirements of Section 30A.104(a)(3).

SECTION 15. Section 30A.105, Education Code, is amended by amending Subsections (a), (a-1), and (d) and adding Subsection (e) to read as follows:

(a) The administering authority shall:

(1) establish a ~~[schedule for an annual]~~ submission and approval process for electronic courses that occurs on a rolling basis; and

(2) evaluate electronic courses to be offered through the state virtual school network~~;~~ and

~~(3) not later than August 1 of each year, approve electronic courses that:~~

~~[(A) meet the criteria established under Section 30A.103; and~~

~~[(B) provide the minimum instructional rigor and scope required under Section 30A.104].~~

(a-1) The administering authority shall publish the submission and approval process for electronic courses ~~[schedule]~~ established under Subsection (a)(1), including any deadlines ~~[specified in that schedule,]~~ and ~~[any]~~ guidelines applicable to the ~~[submission and approval]~~ process ~~[for electronic courses]~~.

(d) If the agency determines that the costs of evaluating and approving a submitted electronic course will not be paid by the agency due to a shortage of funds available for that purpose, the school district, open-enrollment charter school, ~~[or]~~ public or private institution of higher education, or other eligible entity that submitted the course for evaluation and approval may pay a fee equal to the amount of the costs in order to ensure that evaluation of the course occurs. The agency shall establish and publish a fee schedule for purposes of this subsection.

(e) The administering authority shall require a course provider to apply for renewed approval of a previously approved course in accordance with a schedule designed to coincide with revisions to the required curriculum under Section 28.002(a) but not later than the 10th anniversary of the previous approval.

SECTION 16. Subchapter C, Chapter 30A, Education Code, is amended by adding Section 30A.1052 to read as follows:

Sec. 30A.1052. INDUCEMENTS FOR ENROLLMENT PROHIBITED.

(a) A course provider may not promise or provide equipment or any other thing of value to a student or a student's parent as an inducement for the student to enroll in an electronic course offered through the state virtual school network.

(b) The commissioner shall revoke approval under this chapter of electronic courses offered by a course provider that violates this section.

(c) The commissioner's action under this section is final and may not be appealed.

SECTION 17. Section 30A.106(a), Education Code, is amended to read as follows:

(a) A course provider ~~[school district or school]~~ may appeal to the commissioner the administering authority's refusal to approve an electronic course under Section 30A.105.

SECTION 18. Section 30A.107(a), Education Code, is amended to read as follows:

(a) A course provider ~~[school district or school]~~ may offer electronic courses to:

(1) students and adults who reside in this state; and

(2) students who reside outside this state and who meet the eligibility requirements under Section 30A.002(c).

SECTION 19. Section 30A.108(b), Education Code, is amended to read as follows:

(b) Each report under this section must describe each electronic course offered through the state virtual school network and include the following information:

- (1) ~~[such as]~~ course requirements;
- (2) ~~[and]~~ the school year calendar for the course, including any options for continued participation outside of the standard school year calendar;
- (3) the entity that developed the course;
- (4) the entity that provided the course;
- (5) the course completion rate;
- (6) aggregate student performance on an assessment instrument administered under Section 39.023 to students enrolled in the course;
- (7) aggregate student performance on all assessment instruments administered under Section 39.023 to students who completed the course provider's courses; and
- (8) other information determined by the commissioner.

SECTION 20. Section 30A.1121, Education Code, is amended to read as follows:

Sec. 30A.1121. ALTERNATIVE EDUCATOR PROFESSIONAL DEVELOPMENT. (a) Subject to Subsection (b), a course provider ~~[school district or open-enrollment charter school]~~ may provide professional development courses to teachers seeking to become authorized to teach electronic courses provided through the state virtual school network. A course provider ~~[district or school]~~ may provide a professional development course that is approved under Subsection (b) to any interested teacher, regardless of ~~[whether]~~ the teacher's employer ~~[teacher is employed by the district or school]~~.

(b) The agency shall review each professional development course sought to be provided by a course provider ~~[school district or open-enrollment charter school]~~ under Subsection (a) to determine if the course meets the quality standards established under Section 30A.113. If a course meets those standards, the course provider ~~[district or school]~~ may provide the course for purposes of enabling a teacher to comply with Section 30A.111(a)(2).

SECTION 21. Section 30A.114, Education Code, is amended to read as follows:

Sec. 30A.114. REGIONAL EDUCATION SERVICE CENTERS. The commissioner by rule shall allow regional education service centers to participate in the state virtual school network in the same manner as course providers ~~[provider school districts and schools]~~.

SECTION 22. Section 30A.153, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) Subject to the limitation imposed under Subsection (a-1), a ~~[A]~~ school district or open-enrollment charter school in which a student is enrolled is entitled to funding under Chapter 42 or in accordance with the terms of a charter granted

under Section 12.101 for the student's enrollment in an electronic course offered through the state virtual school network in the same manner that the district or school is entitled to funding for the student's enrollment in courses provided in a traditional classroom setting, provided that the student successfully completes the electronic course.

(a-1) For purposes of Subsection (a), a school district or open-enrollment charter school is limited to the funding described by that subsection for a student's enrollment in not more than three electronic courses during any school year, unless the student is enrolled in a full-time online program that was operating on January 1, 2013.

(b) The commissioner, after considering comments from school district and open-enrollment charter school representatives, shall adopt a standard agreement that governs the costs, payment of funds, and other matters relating to a student's enrollment in an electronic course offered through the state virtual school network. The agreement may not require a school district or open-enrollment charter school to pay the provider the full amount until the student has successfully completed the electronic course, and the full amount may not exceed the limits specified by Section 30A.105(b).

SECTION 23. Section 30A.155, Education Code, is amended by amending Subsections (a) and (c-1) and adding Subsection (e) to read as follows:

(a) A school district or open-enrollment charter school may charge a fee for enrollment in an electronic course provided through the state virtual school network to a student who resides in this state and:

(1) is enrolled in a school district or open-enrollment charter school as a full-time student with ~~and~~

~~[(2) is enrolled in]~~ a course load greater than that normally taken by students in the equivalent grade level in other school districts or open-enrollment charter schools; or

(2) elects to enroll in an electronic course provided through the network for which the school district or open-enrollment charter school in which the student is enrolled as a full-time student declines to pay the cost, as authorized by Section 26.0031(c-1).

(c-1) A school district or open-enrollment charter school that is not the course provider ~~[school district or school]~~ may charge a student enrolled in the district or school a nominal fee, not to exceed the amount specified by the commissioner, if the student enrolls in an electronic course provided through the state virtual school network that exceeds the course load normally taken by students in the equivalent grade level. A juvenile probation department or state agency may charge a comparable fee to a student under the supervision of the department or agency.

(e) This chapter does not entitle a student who is not enrolled on a full-time basis in a school district or open-enrollment charter school to the benefits of the Foundation School Program.

SECTION 24. Subchapter A, Chapter 32, Education Code, is amended by adding Section 32.005 to read as follows:

Sec. 32.005. STUDY ON SCHOOL DISTRICT NETWORK CAPABILITIES. (a) The commissioner shall conduct a study to assess the network capabilities of each school district. The study must gather sufficient information to determine whether the network connections of a district and school campuses in the district meet the following targets:

(1) an external Internet connection to a campus's Internet service provider featuring a bandwidth capable of a broadband speed of at least 100 megabits per second for every 1,000 students and staff members; and

(2) an internal wide area network connection between the district and each of the school campuses in the district featuring a bandwidth capable of a broadband speed of at least one gigabit per second for every 1,000 students and staff members.

(b) The commissioner may solicit and accept gifts and grants from any public or private source to conduct the study. The commissioner may also cooperate or collaborate with national organizations conducting similar studies.

(c) The commissioner shall complete the study not later than December 1, 2015. This section expires December 1, 2016.

SECTION 25. Section 30A.101(b), Education Code, as amended by Chapters 895 (**HB 3**) and 1328 (**HB 3646**), Acts of the 81st Legislature, Regular Session, 2009, is repealed.

SECTION 26. This Act applies beginning with the 2013-2014 school year.

SECTION 27. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative K. King moved to adopt the conference committee report on **HB 1926**.

The motion to adopt the conference committee report on **HB 1926** prevailed by (Record 1310): 140 Yeas, 1 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Eiland; Elkins; Fallon; Farias; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; Kleinschmidt; Klick; Kolkhorst; Krause; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson;

Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler.

Nays — Herrero.

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

Absent, Excused — Lucio.

Absent — Dutton; Farney; King, T.; Martinez Fischer; Zerwas.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1310. I intended to vote no.

Allen

I was shown voting yes on Record No. 1310. I intended to vote no.

Anderson

I was shown voting yes on Record No. 1310. I intended to vote no.

Collier

I was shown voting yes on Record No. 1310. I intended to vote no.

Farias

When Record No. 1310 was taken, I was in the house but away from my desk. I would have voted yes.

Farney

When Record No. 1310 was taken, I was in the house but away from my desk. I would have voted no.

Martinez Fischer

I was shown voting yes on Record No. 1310. I intended to vote no.

Muñoz

HR 3050 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the chair announced the introduction of **HR 3050**, suspending the limitations on the conferees for **SB 1747**.

(Speaker in the chair)

SB 1681 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Harper-Brown submitted the conference committee report on **SB 1681**.

Representative Harper-Brown moved to adopt the conference committee report on **SB 1681**.

The motion to adopt the conference committee report on **SB 1681** prevailed by (Record 1311): 147 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Elkins.

SB 58 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Zerwas submitted the conference committee report on **SB 58**.

Representative Zerwas moved to adopt the conference committee report on **SB 58**.

The motion to adopt the conference committee report on **SB 58** prevailed by (Record 1312): 138 Yeas, 6 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee;

Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zedler; Zerwas.

Nays — Klick; Laubenberg; Simpson; Springer; Stickland; White.

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

Absent, Excused — Lucio.

Absent — Bell; Bohac; Johnson.

STATEMENTS OF VOTE

When Record No. 1312 was taken, my vote failed to register. I would have voted yes.

Bohac

I was shown voting present, not voting on Record No. 1312. I intended to vote yes.

Gooden

When Record No. 1312 was taken, I was in the house but away from my desk. I would have voted yes.

Johnson

MESSAGE FROM THE SENATE

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

HB 2305 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative E. Rodriguez submitted the following conference committee report on **HB 2305**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2305** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Watson
Nichols
Hancock
Paxton
West
On the part of the senate

E. Rodriguez
Harper-Brown
Johnson
Martinez
Workman
On the part of the house

HB 2305, A bill to be entitled An Act relating to motor vehicle inspections; creating an offense; changing the collection method for certain fees.

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

SECTION 1. Section 548.104, Transportation Code, is amended to read as follows:

Sec. 548.104. EQUIPMENT-RELATED PREREQUISITES TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT [CERTIFICATE]. (a) The commission shall adopt uniform standards of safety applicable to each item required to be inspected by Section 548.051. The standards and the list of items to be inspected shall be posted in each inspection station.

(b) An inspection station or inspector may issue a passing vehicle [an] inspection report [certificate] only if the vehicle is inspected and found to be in proper and safe condition and to comply with this chapter and the rules adopted under this chapter.

(c) An inspection station or inspector may inspect only the equipment required to be inspected by Section 548.051 and may not:

(1) falsely and fraudulently represent to an applicant that equipment required to be inspected must be repaired, adjusted, or replaced before the vehicle will pass inspection; or

(2) require an applicant to have another part of the vehicle or other equipment inspected as a prerequisite for issuance of a passing vehicle [an] inspection report [certificate].

(d) An inspection station or inspector may not issue a passing vehicle [an] inspection report [certificate] for a vehicle equipped with:

(1) a carburetion device permitting the use of liquefied gas alone or interchangeably with another fuel, unless a valid liquefied gas tax decal issued by the comptroller is attached to the lower right-hand corner of the front windshield of the vehicle on the passenger side; ~~[or]~~

(2) a sunscreening device prohibited by Section 547.613, except that the department by rule shall provide procedures for issuance of a passing vehicle [an] inspection report [certificate] for a vehicle exempt under Section 547.613(c); or

(3) a compressed natural gas container unless the owner demonstrates in accordance with department rules proof:

(A) that:

(i) the container has met the inspection requirements under 49 C.F.R. Section 571.304; and

(ii) the manufacturer's recommended service life for the container, as stated on the container label required by 49 C.F.R. Section 571.304, has not expired; or

(B) that the vehicle is a fleet vehicle for which the fleet operator employs a technician certified to inspect the container.

(e) The department shall adopt rules relating to inspection of and issuance of a vehicle [an] inspection report [certificate] for a moped.

SECTION 2. Article 45.003, Code of Criminal Procedure, is amended to read as follows:

Art. 45.003. DEFINITION FOR CERTAIN PROSECUTIONS. For purposes of dismissing a charge under Section 502.407 [~~or 548.605~~], Transportation Code, "day" does not include Saturday, Sunday, or a legal holiday.

SECTION 3. Section 51.207(d), Education Code, is amended to read as follows:

(d) This subsection applies only to a public institution of higher education campus that is not covered by Subsection (b). The institution may not issue a permit to a student of the institution for driving or parking a motor vehicle on institutional property unless the institution provides written notice to the student that failure to register the vehicle in this state [~~or to display a current and appropriate inspection certificate issued under Chapter 548, Transportation Code,~~] may violate state law if the owner of the vehicle resides in this state.

SECTION 4. Section 103.0213, Government Code, is amended to read as follows:

Sec. 103.0213. ADDITIONAL FEES AND COSTS IN CRIMINAL OR CIVIL CASES: TRANSPORTATION CODE. An accused or defendant, or a party to a civil suit, as applicable, shall pay the following fees and costs under the Transportation Code if ordered by the court or otherwise required:

(1) administrative fee on dismissal of charge of driving with an expired motor vehicle registration (Sec. 502.407, Transportation Code) . . . not to exceed \$20;

(2) administrative fee on dismissal of charge of driving with an expired driver's license (Sec. 521.026, Transportation Code) . . . not to exceed \$20;

(3) [~~administrative fee on remediation of charge of driving with an expired inspection certificate (Sec. 548.605, Transportation Code) . . . not to exceed \$20;~~

[~~(4)~~] administrative fee for failure to appear for a complaint or citation on certain offenses (Sec. 706.006, Transportation Code) . . . \$30 for each violation; and

(4) [~~(5)~~] administrative fee for failure to pay or satisfy certain judgments (Sec. 706.006, Transportation Code) . . . \$30.

SECTION 5. Section 382.0622(a), Health and Safety Code, is amended to read as follows:

(a) Clean Air Act fees consist of:

(1) fees collected by the commission under Sections 382.062, 382.0621, 382.202, and 382.302 and as otherwise provided by law;

(2) \$2 of each fee [~~advance payment~~] collected for inspections of [~~by the Department of Public Safety for inspection certificates for~~] vehicles other than mopeds under Section 548.501, Transportation Code; and

(3) fees collected that are required under Section 185 of the federal Clean Air Act (42 U.S.C. Section 7511d).

SECTION 6. Sections 382.202(d) and (l), Health and Safety Code, are amended to read as follows:

(d) On adoption of a resolution by the commission and after proper notice, the Department of Public Safety of the State of Texas shall implement a system that requires, as a condition of obtaining a passing vehicle [safety] inspection report [certificate] issued under Subchapter C, Chapter 548, Transportation Code, in a county that is included in a vehicle emissions inspection and maintenance program under Subchapter F of that chapter, that the vehicle, unless the vehicle is not covered by the system, be annually or biennially inspected under the vehicle emissions inspection and maintenance program as required by the state's air quality state implementation plan. The Department of Public Safety shall implement such a system when it is required by any provision of federal or state law, including any provision of the state's air quality state implementation plan.

(l) Except as provided by this subsection, a person who sells or transfers ownership of a motor vehicle for which a passing vehicle [emissions] inspection report [certificate] has been issued is not liable for the cost of emission control system repairs that are required for the vehicle subsequently to receive a passing report [an emissions inspection certificate]. This subsection does not apply to repairs that are required because emission control equipment or devices on the vehicle were removed or tampered with before the sale or transfer of the vehicle.

SECTION 7. Section 382.205(d), Health and Safety Code, is amended to read as follows:

(d) The Department of Public Safety of the State of Texas by rule shall adopt:

(1) testing procedures in accordance with motor vehicle emissions testing equipment specifications; and

(2) procedures for issuing a vehicle [or denying an emissions] inspection report following an emissions inspection and submitting information to the inspection database described by Section 548.251, Transportation Code, following an emissions inspection [certificate].

SECTION 8. Sections 382.220(b) and (d), Health and Safety Code, are amended to read as follows:

(b) A program under this section must be implemented in consultation with the commission and may include a program to:

(1) expand and enhance the AirCheck Texas Repair and Replacement Assistance Program;

(2) develop and implement programs or systems that remotely determine vehicle emissions and notify the vehicle's operator;

(3) develop and implement projects to implement the commission's smoking vehicle program;

(4) develop and implement projects in consultation with the director of the Department of Public Safety for coordinating with local law enforcement officials to reduce the use of counterfeit registration insignia and vehicle inspection reports [state inspection stickers] by providing local law enforcement officials with funds to identify vehicles with counterfeit registration insignia and vehicle inspection reports [state inspection stickers] and to carry out appropriate actions;

(5) develop and implement programs to enhance transportation system improvements; or

(6) develop and implement new air control strategies designed to assist local areas in complying with state and federal air quality rules and regulations.

(d) Fees collected under Sections 382.202 and 382.302 may be used, in an amount not to exceed \$5 million per fiscal year, for projects described by Subsection (b). The fees shall be made available only to counties participating in the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs created under Section 382.209 and only on a matching basis, whereby the commission provides money to a county in the same amount that the county dedicates to a project authorized by Subsection (b). The commission may reduce the match requirement for a county that proposes to develop and implement independent test facility fraud detection programs, including the use of remote sensing technology for coordinating with law enforcement officials to detect, prevent, and prosecute the use of counterfeit registration insignia and vehicle inspection reports [~~state inspection stickers~~].

SECTION 9. Sections 2308.253(d) and (e), Occupations Code, are amended to read as follows:

(d) Except as provided by a contract described by Subsection (e), a parking facility owner may not have a vehicle removed from the parking facility merely because the vehicle does not display[-

~~(1)] an unexpired license plate or registration insignia issued for the vehicle under Chapter 502, Transportation Code, or the vehicle registration law of another state or country[- or~~

~~(2) a valid vehicle inspection certificate issued under Chapter 548, Transportation Code, or the vehicle inspection law of another state or country].~~

(e) A contract provision providing for the removal from a parking facility of a vehicle that does not display an unexpired license plate or registration insignia [~~or a valid inspection certificate~~] is valid only if the provision requires the owner or operator of the vehicle to be given at least 10 days' written notice that the vehicle will be towed from the facility at the vehicle owner's or operator's expense if it is not removed from the parking facility. The notice must be:

(1) delivered in person to the owner or operator of the vehicle; or

(2) sent by certified mail, return receipt requested, to that owner or operator.

SECTION 10. Section 501.030(a), Transportation Code, is amended to read as follows:

(a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, [~~the applicant must furnish~~] the county assessor-collector shall verify that the vehicle has passed the inspections required by Chapter 548, as indicated in the Department of Public Safety's inspection database under Section 548.251 [~~with a verification form under Section 548.256~~].

SECTION 11. Section 502.0023, Transportation Code, is amended by adding Subsection (j) to read as follows:

(j) A motor vehicle, semitrailer, or trailer registered under this section is subject to the inspection requirements of Chapter 548 as if the vehicle, semitrailer, or trailer were registered without extended registration. The department and the Department of Public Safety shall by rule establish a method to enforce the inspection requirements of Chapter 548 for motor vehicles, semitrailers, and trailers registered under this section. The department may assess a fee to cover the department's administrative costs of implementing this subsection.

SECTION 12. Section 502.047, Transportation Code, is amended to read as follows:

Sec. 502.047. REGISTRATION-BASED ENFORCEMENT OF MOTOR VEHICLE [EMISSIONS] INSPECTION [AND MAINTENANCE] REQUIREMENTS. (a) The department and the Department of Public Safety shall ensure compliance with the motor vehicle inspection requirements under Chapter 548, including compliance with the motor vehicle emissions inspection and maintenance program under Subchapter F of that chapter, through a vehicle registration-based enforcement system [inspection sticker based enforcement system except as provided by this section or Section 548.3011. Subsections (b) (c) apply only if the United States Environmental Protection Agency determines that the state has not demonstrated, as required by 40 C.F.R. Section 51.361, that sticker based enforcement of the program is more effective than registration based enforcement and gives the Texas Commission on Environmental Quality or the governor written notification that the reregistration based enforcement of the program, as described by those subsections, will be required. If Subsections (b) (c) are made applicable as provided by this subsection, the department shall terminate reregistration based enforcement of the program under those subsections on the date the United States Environmental Protection Agency gives the Texas Commission on Environmental Quality or a person the commission designates written notification that reregistration based enforcement is not required for the state implementation plan].

(b) A motor vehicle may not be registered if the department receives from the Texas Commission on Environmental Quality or the Department of Public Safety notification that the registered owner of the vehicle has not complied with [Subchapter F,] Chapter 548.

(c) A motor vehicle may not be registered if the vehicle was denied registration under Subsection (b) unless verification is received that the registered vehicle owner is in compliance with [Subchapter F,] Chapter 548.

(d) The department and the Department of Public Safety shall enter into an agreement regarding the timely submission by the Department of Public Safety of inspection compliance information to the department.

(d-1) The department, the Texas Commission on Environmental Quality, and the Department of Public Safety shall enter an agreement regarding the responsibilities for costs associated with implementing this section.

(e) A county tax assessor-collector is not liable to any person for refusing to register a motor vehicle because of the person's failure to provide verification of the person's compliance with [~~Subchapter F,~~] Chapter 548.

SECTION 13. Section 502.059(c), Transportation Code, is amended to read as follows:

(c) Except as provided by Subsection (f), the registration insignia for validation of a license plate shall be attached to the inside of the vehicle's windshield, if the vehicle has a windshield, in the lower left corner in a manner that will not obstruct the vision of the driver [~~within six inches of the place where the motor vehicle inspection sticker is required to be placed~~]. If the vehicle does not have a windshield, the owner, when applying for registration or renewal of registration, shall notify the department, and the department shall issue a distinctive device for attachment to the rear license plate of the vehicle.

SECTION 14. The heading to Section 521.3465, Transportation Code, is amended to read as follows:

Sec. 521.3465. AUTOMATIC SUSPENSION ON CONVICTION OF CERTAIN OFFENSES INVOLVING FICTITIOUS MOTOR VEHICLE LICENSE PLATES, REGISTRATION INSIGNIA, OR VEHICLE [~~SAFETY~~] INSPECTION REPORTS [~~CERTIFICATES~~].

SECTION 15. Section 521.3465(a), Transportation Code, is amended to read as follows:

(a) A license is automatically suspended on final conviction of the license holder of:

- (1) an offense under Section 502.475(a)(4) [~~502.409(a)(4)~~]; or
- (2) an offense under Section 548.603(a)(1) that involves a fictitious vehicle [~~safety~~] inspection report [~~certificate~~].

SECTION 16. Section 521.3466(a), Transportation Code, is amended to read as follows:

(a) A license is automatically revoked on final conviction of the license holder of an offense under Section 37.10, Penal Code, if the governmental record was a motor vehicle license plate or registration insignia, within the meaning of Chapter 502, or a vehicle [~~safety~~] inspection report [~~certificate~~], within the meaning of Chapter 548.

SECTION 17. Section 548.001, Transportation Code, is amended by adding Subdivision (10) to read as follows:

(10) "Vehicle inspection report" means a report issued by an inspector or an inspection station for a vehicle that indicates whether the vehicle has passed the safety and, if applicable, emissions inspections required by this chapter.

SECTION 18. Section 548.004(c), Transportation Code, is amended to read as follows:

(c) The facility may inspect only a vehicle owned by the political subdivision or state agency. [~~An officer, employee, or inspector of the subdivision or agency may not place an inspection certificate received from the department under this section on a vehicle not owned by the subdivision or agency.~~]

SECTION 19. Section 548.053(a), Transportation Code, is amended to read as follows:

(a) If an inspection discloses the necessity for adjustment, correction, or repair, an inspection station or inspector may not issue a passing vehicle inspection report [~~an inspection certificate~~] until the adjustment, correction, or repair is made. The owner of the vehicle may have the adjustment, correction, or repair made by a qualified person of the owner's choice, subject to reinspection. The vehicle shall be reinspected once free of charge within 15 days after the date of the original inspection, not including the date the original inspection is made, at the same inspection station after the adjustment, correction, or repair is made.

SECTION 20. The heading to Subchapter C, Chapter 548, Transportation Code, is amended to read as follows:

SUBCHAPTER C. PERIODS OF INSPECTION; PREREQUISITES TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT [~~CERTIFICATE~~]

SECTION 21. Section 548.101, Transportation Code, is amended to read as follows:

Sec. 548.101. GENERAL ONE-YEAR INSPECTION PERIOD. Except as provided by Section 548.102, the department shall require an annual inspection. The department shall set the periods of inspection and may make rules with respect to those periods. The rules must provide that:

(1) a vehicle owner may obtain an inspection not earlier than 90 days before the date of expiration of the vehicle's registration; and

(2) a used motor vehicle sold by a dealer, as defined by Section 503.001, must be inspected in the 180 days preceding the date the dealer sells the vehicle.

SECTION 22. Section 548.103, Transportation Code, is amended to read as follows:

Sec. 548.103. EXTENDED INSPECTION PERIOD FOR CERTAIN VEHICLES. The department may extend the time within which the resident owner of a vehicle that is not in this state when an inspection is required must obtain a vehicle [~~an~~] inspection report [~~certificate~~] in this state.

SECTION 23. Section 548.105, Transportation Code, is amended to read as follows:

Sec. 548.105. EVIDENCE OF FINANCIAL RESPONSIBILITY AS PREREQUISITE TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT [~~CERTIFICATE~~]. (a) An inspection station or inspector may not issue a passing vehicle [~~an~~] inspection report [~~certificate~~] for a vehicle unless the owner or operator furnishes evidence of financial responsibility at the time of inspection. Evidence of financial responsibility may be shown in the manner specified under Section 601.053(a). A personal automobile insurance policy used as evidence of financial responsibility must be written for a term of 30 days or more as required by Section 1952.054 [~~Article 5.06~~], Insurance Code.

(b) An inspection station is not liable to a person, including a third party, for issuing a passing vehicle [~~an~~] inspection report [~~certificate~~] in reliance on evidence of financial responsibility furnished to the station. An inspection station that is the seller of a motor vehicle may rely on an oral insurance binder.

SECTION 24. The heading to Subchapter E, Chapter 548, Transportation Code, is amended to read as follows:

SUBCHAPTER E. ISSUANCE~~[RECORDING, AND PROOF]~~ OF VEHICLE INSPECTION REPORTS; SUBMISSION OF INFORMATION TO DEPARTMENT DATABASE ~~[CERTIFICATES AND VERIFICATION FORMS]~~

SECTION 25. Section 548.251, Transportation Code, is amended to read as follows:

Sec. 548.251. DEPARTMENT TO MAINTAIN DATABASE ~~[PROVIDE INSPECTION CERTIFICATES AND VERIFICATION FORMS]~~. The department shall maintain an electronic database to which inspection stations may electronically submit the information required by Section 548.253 ~~[provide serially numbered inspection certificates and verification forms to inspection stations]~~. The department may issue a unique inspection certificate for:

- ~~[(1) a commercial motor vehicle inspected under Section 548.201; or~~
- ~~[(2) a vehicle inspected under Subchapter F].~~

SECTION 26. Section 548.252, Transportation Code, is amended to read as follows:

Sec. 548.252. ISSUANCE ~~[SAFEKEEPING AND CONTROL]~~ OF VEHICLE INSPECTION REPORTS ~~[CERTIFICATES AND VERIFICATION FORMS]~~. (a) The department by rule shall require an inspection station to:

- (1) issue a vehicle inspection report to the owner or operator of each vehicle inspected by the station; and
- (2) issue a passing vehicle inspection report to the owner or operator of each vehicle inspected by the station that passes the inspections required by this chapter.

(b) The department may adopt rules regarding the issuance of vehicle inspection reports, including rules providing for ~~[On being licensed, an inspector or owner of an inspection station shall:~~

- ~~[(1) provide for] the format and safekeeping of the reports~~ ~~[inspection certificates and verification forms];~~
- ~~[(2) safeguard the certificates and forms against theft, loss, or damage;~~
- ~~[(3) control the sequence of issuance of the certificates and forms; and~~
- ~~[(4) ensure that the certificates and forms are issued in accordance with department rules].~~

SECTION 27. Section 548.253, Transportation Code, is amended to read as follows:

Sec. 548.253. INFORMATION TO BE SUBMITTED ~~[RECORDED]~~ ON COMPLETION ~~[ISSUANCE]~~ OF INSPECTION ~~[CERTIFICATE AND VERIFICATION FORM]~~. An inspection station or inspector, on completion of ~~[issuing]~~ an inspection ~~[certificate and verification form]~~, shall electronically submit to the department's inspection database:

- (1) the vehicle identification number of the inspected vehicle and an indication of whether the vehicle passed the inspections required by this chapter ~~[make a record and report as prescribed by the department of the inspection and certificate issued]; and~~

(2) any additional ~~[include in the inspection certificate and verification form the]~~ information required by rule by the department for the type of vehicle inspected.

SECTION 28. Section 548.254, Transportation Code, is amended to read as follows:

Sec. 548.254. VALIDITY OF VEHICLE INSPECTION REPORT [CERTIFICATE]. A vehicle [An] inspection report [certificate] is invalid after the end of the 12th month following the month in which the report [certificate] is issued. ~~[An unused inspection certificate representing a previous inspection period may not be issued after the beginning of the next period.]~~

SECTION 29. Section 548.256, Transportation Code, is amended to read as follows:

Sec. 548.256. PROOF OF INSPECTION [VERIFICATION FORM] REQUIRED TO REGISTER VEHICLE. ~~[(a)]~~ Before a vehicle ~~[that is brought into this state by a person other than a manufacturer or importer]~~ may be registered, the Texas Department of Motor Vehicles or the county assessor-collector registering the vehicle shall verify that the vehicle has passed the inspections required by this chapter, as indicated in the department's inspection database. If the database information is not available, the owner of the vehicle may present a vehicle inspection report issued for the vehicle[; the owner must have the vehicle inspected and have the inspection station record the following information on a verification form prescribed and provided by the department:

~~[(1) the vehicle identification number;~~

~~[(2) the number appearing on the odometer of the vehicle at the time of the inspection, if the vehicle has an odometer; and~~

~~[(3) other information the department requires].~~

~~[(b) An inspection station may not issue the verification form unless the vehicle complies with the inspection requirements of this chapter.]~~

SECTION 30. Section 548.258(b), Transportation Code, is amended to read as follows:

(b) The department may adopt rules to require an inspection station to use the state electronic Internet portal to[:

~~[(1) purchase inspection certificates; or~~

~~[(2)]~~ send to the department a record, report, or other information required by the department.

SECTION 31. Section 548.301(c), Transportation Code, is amended to read as follows:

(c) A program established under this section must [Subsection (b) or (b-1) may] include registration and reregistration-based enforcement.

SECTION 32. Section 548.302, Transportation Code, is amended to read as follows:

Sec. 548.302. COMMISSION TO ADOPT STANDARDS AND REQUIREMENTS. The commission shall:

(1) adopt standards for emissions-related inspection criteria consistent with requirements of the United States and the conservation commission applicable to a county in which a program is established under this subchapter; and

(2) develop and impose requirements necessary to ensure that a passing vehicle ~~[an]~~ inspection report ~~[certificate]~~ is not issued to a vehicle subject to a program established under this subchapter and that information stating that a vehicle has passed an inspection is not submitted to the department's database unless the vehicle has passed a motor vehicle emissions inspection at a facility authorized and certified by the department.

SECTION 33. Section 548.304, Transportation Code, is amended to read as follows:

Sec. 548.304. STATIONS LICENSED TO CONDUCT EMISSIONS INSPECTIONS. ~~[(a)]~~ The department may authorize and certify inspection stations as necessary to implement the emissions-related inspection requirements of the motor vehicle emissions inspection and maintenance program established under this subchapter if the station meets the department's certification requirements.

~~[(b) The department shall provide inspection certificates for distribution and issuance at inspection stations certified by the department.]~~

SECTION 34. Section 548.401, Transportation Code, is amended to read as follows:

Sec. 548.401. CERTIFICATION GENERALLY. A person may perform an inspection, ~~[or]~~ issue a vehicle ~~[an]~~ inspection report, or submit inspection information to the department's inspection database ~~[certificate]~~ only if certified to do so by the department under rules adopted by the department.

SECTION 35. Section 548.407(d), Transportation Code, is amended to read as follows:

(d) The department may provide that a revocation or suspension takes effect on receipt of notice under Subsection (b) if the department finds that the action is necessary to prevent or remedy a threat to public health, safety, or welfare. Violations that present a threat to public health, safety, or welfare include:

(1) issuing a passing vehicle ~~[an]~~ inspection report or submitting inspection information to the department's database ~~[certificate]~~ with knowledge that the issuance or submission is in violation of this chapter or rules adopted under this chapter;

(2) falsely or fraudulently representing to the owner or operator of a vehicle that equipment inspected or required to be inspected must be repaired, adjusted, or replaced for the vehicle to pass an inspection;

(3) issuing a vehicle ~~[an]~~ inspection report or submitting inspection information to the department's database ~~[certificate]~~:

(A) without authorization to issue the report or submit the information ~~[certificate]~~; or

(B) without inspecting the vehicle;

(4) issuing a passing vehicle [am] inspection report or submitting inspection information to the department's database [certificate] for a vehicle with knowledge that the vehicle has not been repaired, adjusted, or corrected after an inspection has shown a repair, adjustment, or correction to be necessary;

(5) knowingly issuing a passing vehicle [am] inspection report or submitting inspection information to the department's database [certificate]:

(A) for a vehicle without conducting an inspection of each item required to be inspected; or

(B) for a vehicle that is missing an item required to be inspected or that has an item required to be inspected that is not in compliance with state law or department rules;

(6) refusing to allow a vehicle's owner to have a qualified person of the owner's choice make a required repair, adjustment, or correction;

(7) charging for an inspection an amount greater than the authorized fee;

(8) a violation of Subchapter F;

(9) a violation of Section 548.603; or

(10) a conviction of a felony or a Class A or B misdemeanor that directly relates to or affects the duties or responsibilities of a vehicle inspection station or inspector or a conviction of a similar crime under the jurisdiction of another state or the federal government.

SECTION 36. Section 548.501, Transportation Code, is amended to read as follows:

Sec. 548.501. INSPECTION FEES GENERALLY. (a) Except as provided by Sections 548.503 and 548.504, the fee for inspection of a motor vehicle other than a moped is \$12.50. The fee for inspection of a moped is \$5.75. ~~[The fee for a verification form issued as required by Section 548.256 is \$1-.]~~

(b) Out of each fee for an inspection, \$5.50 shall be remitted to the state under Section 548.509. ~~[An inspection station shall pay to the department \$5.50 of each fee for an inspection. The department may require the station to make an advance payment of \$5.50 for each inspection certificate provided to the station. If advance payment is made:~~

~~[(1) no further payment may be required on issuance of a certificate;~~

~~[(2) the inspection station may waive the fee due from the owner of an inspected vehicle who is issued a certificate to which the advance payment applies;~~

~~[(3) the department shall refund to the inspection station \$5.50 for each unissued certificate that the station returns to the department in accordance with department rules; and~~

~~[(4) the conservation commission shall pay to the department \$2 for each unissued certificate that the station returns to the department.]~~

SECTION 37. Section 548.502, Transportation Code, is amended to read as follows:

Sec. 548.502. INSPECTION BY POLITICAL SUBDIVISION OR STATE AGENCY. A political subdivision or state agency for which the department certifies an inspection station under Section 548.004:

(1) shall pay to the state ~~[department an advance payment of]~~ \$5.50 for each inspection under Section 548.509 ~~[certificate provided to it]; and~~

(2) may not be required to pay the remainder of the ~~[compulsory]~~ inspection fee.

SECTION 38. Section 548.503, Transportation Code, is amended to read as follows:

Sec. 548.503. INITIAL TWO-YEAR INSPECTION OF PASSENGER CAR OR LIGHT TRUCK. (a) The fee for inspection of a passenger car or light truck under Section 548.102 shall be set by the department by rule on or before September 1 of each year. A fee set by the department under this subsection must be based on the costs of ~~[producing certificates,]~~ providing inspections~~[,]~~ and administering the program, but may not be less than \$21.75.

(b) Out of each fee for an inspection under this section, \$14.75 shall be remitted to the state under Section 548.509. ~~[The department shall require an inspection station to make an advance payment of \$14.75 for a certificate to be issued under this section. Additional payment may not be required of the station for the certificate. The inspection station may waive the fee due from the owner of the vehicle inspected. A refund for an unissued certificate shall be made in the same manner as provided for other certificate refunds.]~~

SECTION 39. Section 548.504(b), Transportation Code, is amended to read as follows:

(b) Out of each fee for inspection of a commercial motor vehicle, \$10 shall be remitted to the state under Section 548.509. ~~[The inspection station shall pay to the department \$10 of each fee for inspection of a commercial motor vehicle. The department may require the station to make an advance payment of \$10 for a certificate to be issued under this section. If advance payment is made:~~

~~[(1) no additional payment may be required of the station for the certificate; and~~

~~[(2) a refund for an unissued certificate shall be made in the same manner as provided for other certificate refunds.]~~

SECTION 40. Section 548.505(a), Transportation Code, is amended to read as follows:

(a) The department by rule may impose an inspection fee for a vehicle inspected under Section 548.301(a) in addition to the fee provided by Section 548.501, 548.502, 548.503, or 548.504. A fee imposed under this subsection must be based on the costs of:

(1) ~~[producing certificates;~~

~~[(2)]~~ providing inspections; and

(2) ~~[(2)]~~ administering the program.

SECTION 41. Section 548.508, Transportation Code, is amended to read as follows:

Sec. 548.508. DISPOSITION OF FEES. Except as provided by Sections 382.0622 and 382.202, Health and Safety Code, and Section 548.5055, each fee remitted to the comptroller ~~[collected by the department]~~ under this subchapter shall be deposited to the credit of the Texas mobility fund.

SECTION 42. Subchapter H, Chapter 548, Transportation Code, is amended by adding Section 548.509 to read as follows:

Sec. 548.509. COLLECTION OF FEE DURING REGISTRATION. The Texas Department of Motor Vehicles or a county assessor-collector that registers a motor vehicle that is subject to an inspection fee under this chapter shall collect at the time of registration of the motor vehicle the portion of the inspection fee that is required to be remitted to the state. The Texas Department of Motor Vehicles or the county assessor-collector shall remit the fee to the comptroller.

SECTION 43. Section 548.601(a), Transportation Code, is amended to read as follows:

(a) A person, including an inspector or an inspection station, commits an offense if the person:

(1) submits information to the department's inspection database or issues a vehicle inspection report [~~an inspection certificate~~] with knowledge that the submission or issuance is in violation of this chapter or rules adopted under this chapter;

(2) falsely or fraudulently represents to the owner or operator of a vehicle that equipment inspected or required to be inspected must be repaired, adjusted, or replaced for the vehicle to pass an inspection;

(3) misrepresents:

(A) material information in an application in violation of Section 548.402 or 548.403; or

(B) information filed with the department under this chapter or as required by department rule;

(4) submits information to the department's inspection database or issues a vehicle inspection report [~~an inspection certificate~~]:

(A) without authorization to issue the report or submit the information [~~certificate~~]; or

(B) without inspecting the vehicle;

(5) submits information to the department's inspection database indicating that a vehicle has passed the applicable inspections or issues a passing vehicle [~~an~~] inspection report [~~certificate~~] for a vehicle with knowledge that the vehicle has not been repaired, adjusted, or corrected after an inspection has shown a repair, adjustment, or correction to be necessary;

(6) knowingly submits information to the department's inspection database or issues a vehicle inspection report [~~an inspection certificate~~]:

(A) for a vehicle without conducting an inspection of each item required to be inspected; or

(B) for a vehicle that is missing an item required to be inspected or that has an item required to be inspected that is not in compliance with state law or department rules;

(7) refuses to allow a vehicle's owner to have a qualified person of the owner's choice make a required repair, adjustment, or correction;

(8) charges for an inspection an amount greater than the authorized fee;

or

(9) performs an act prohibited by or fails to perform an act required by this chapter or a rule adopted under this chapter.

SECTION 44. Sections 548.603(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) A person commits an offense if the person:

(1) presents to an official of this state or a political subdivision of this state a vehicle inspection report [~~displays or causes or permits to be displayed an inspection certificate~~] or insurance document knowing that the report [~~certificate~~] or document is counterfeit, tampered with, altered, fictitious, issued for another vehicle, issued for a vehicle failing to meet all emissions inspection requirements, or issued in violation of:

(A) this chapter, rules adopted under this chapter, or other law of this state; or

(B) a law of another state, the United States, the United Mexican States, a state of the United Mexican States, Canada, or a province of Canada;

(2) [~~transfers an inspection certificate from a windshield or location to another windshield or location;~~

[~~(3)~~] with intent to circumvent the emissions inspection requirements seeks an inspection of a vehicle at a station not certified to perform an emissions inspection if the person knows that the vehicle is required to be inspected under Section 548.301; or

(3) [~~(4)~~] knowingly does not comply with an emissions inspection requirement for a vehicle[~~;~~ or

[~~(5) displays on a vehicle an inspection certificate that was obtained knowing that the vehicle does not meet all emissions inspection requirements for the vehicle].~~

(b) A person commits an offense if the person:

(1) makes or possesses, with the intent to sell, circulate, or pass, a counterfeit vehicle inspection report [~~certificate~~] or insurance document; or

(2) possesses any part of a stamp, dye, plate, negative, machine, or other device that is used or designated for use in making a counterfeit vehicle inspection report [~~certificate~~] or insurance document.

(c) The owner of a vehicle commits an offense if the owner knowingly allows the vehicle to be registered using a vehicle inspection report [~~or operated while the vehicle displays an inspection certificate~~] in violation of Subsection (a).

SECTION 45. Section 548.603(f), Transportation Code, as added by Chapter 851 (**HB 1048**), Acts of the 75th Legislature, Regular Session, 1997, is amended to read as follows:

(f) Notwithstanding Subsection (c), an offense under Subsection (a)(1) that involves a fictitious vehicle inspection report [~~certificate~~] is a Class B misdemeanor.

SECTION 46. Section 548.6035(a), Transportation Code, is amended to read as follows:

(a) A person commits an offense if, in connection with a required emissions inspection of a motor vehicle, the person knowingly:

(1) submits information to the department's inspection database stating that a vehicle has passed the applicable inspections or issues a passing vehicle inspection report [~~places or causes to be placed on a motor vehicle an inspection certificate~~], if:

(A) the vehicle does not meet the emissions requirements established by the department; or

(B) the person has not inspected the vehicle;

(2) manipulates an emissions test result;

(3) uses or causes to be used emissions data from another motor vehicle as a substitute for the motor vehicle being inspected; or

(4) bypasses or circumvents a fuel cap test.

SECTION 47. Section 623.011(d), Transportation Code, is amended to read as follows:

(d) When the department issues a permit under this section, the department shall issue a sticker to be placed on the front windshield of the vehicle [~~above the inspection certificate issued to the vehicle~~]. The department shall design the form of the sticker to aid in the enforcement of weight limits for vehicles.

SECTION 48. Section 683.051, Transportation Code, is amended to read as follows:

Sec. 683.051. APPLICATION FOR AUTHORIZATION TO DISPOSE OF CERTAIN MOTOR VEHICLES. A person may apply to the department for authority:

(1) to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher if:

(A) the person owns the motor vehicle and the certificate of title to the vehicle is lost, destroyed, or faulty; or

(B) the vehicle is an abandoned motor vehicle and is:

(i) in the possession of the person; or

(ii) located on property owned by the person; or

(2) to dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if:

(A) the abandoned motor vehicle:

(i) is in the possession of the person;

(ii) is more than eight years old;

(iii) either has no motor or is otherwise totally inoperable or does not comply with all applicable air pollution emissions control related requirements included in [~~— (aa) the vehicle inspection requirements under Chapter 548, as evidenced by a current inspection certificate affixed to the vehicle windshield; or (bb)~~] the vehicle emissions inspection and maintenance requirements contained in the Public Safety Commission's motor vehicle emissions inspection and maintenance program under Subchapter F, Chapter 548, or the state's air quality state implementation plan; and

(iv) was authorized to be towed by a law enforcement agency;

and

(B) the law enforcement agency approves the application.

SECTION 49. Section 683.071, Transportation Code, as amended by Chapters 720 (**HB 787**) and 753 (**HB 1376**), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

Sec. 683.071. DEFINITION AND APPLICABILITY. (a) In this subchapter, "junked vehicle" means a vehicle that:

(1) is self-propelled; and

(2) is:

(A) wrecked, dismantled or partially dismantled, or discarded; or

(B) inoperable and has remained inoperable for more than:

(i) 72 consecutive hours, if the vehicle is on public property; or

(ii) 30 consecutive days, if the vehicle is on private property.

(b) For purposes of this subchapter, "junked vehicle" includes a motor vehicle, aircraft, or watercraft. This subchapter applies only to:

(1) a motor vehicle that displays an expired license plate [~~or invalid motor vehicle inspection certificate~~] or does not display a license plate [~~or motor vehicle inspection certificate~~];

(2) an aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47; or

(3) a watercraft that:

(A) does not have lawfully on board an unexpired certificate of number; and

(B) is not a watercraft described by Section 31.055, Parks and Wildlife Code.

SECTION 50. The following statutes are repealed:

(1) Section 548.053(c), Transportation Code;

(2) Section 548.255, Transportation Code;

(3) Section 548.257, Transportation Code;

(4) Section 548.602, Transportation Code;

(5) Section 548.603(e)(2), Transportation Code;

(6) Section 548.603(f), Transportation Code, as added by Chapter 1069 (**SB 1856**), Acts of the 75th Legislature, Regular Session, 1997; and

(7) Section 548.605, Transportation Code.

SECTION 51. Article 45.003, Code of Criminal Procedure, Section 103.0213, Government Code, and Sections 521.3465, 521.3466, 548.601, 548.603, and 548.6035, Transportation Code, as amended by this Act, and the repeal by this Act of Sections 548.602 and 548.605, Transportation Code, apply only to an offense committed on or after March 1, 2015. An offense committed before March 1, 2015, is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before March 1, 2015, if any element of the offense occurred before that date.

SECTION 52. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 53. (a) Except as provided by Subsection (c) of this section, not later than March 1, 2014, the Texas Department of Motor Vehicles, the Department of Public Safety of the State of Texas, and the Texas Commission on Environmental Quality shall adopt rules necessary to implement the changes in law made by this Act.

(b) Not later than March 1, 2014, the Department of Public Safety shall create the database described by Section 548.251, Transportation Code, as amended by this Act, and require inspection stations to submit to the database the information required by Section 548.253, Transportation Code, as amended by this Act.

(c) Not later than January 1, 2014, the Department of Public Safety shall adopt rules relating to the proof required by Section 548.104(d)(3), Transportation Code, as added by this Act.

(d) Except as otherwise provided by Subsections (e) and (f) of this section, this Act takes effect March 1, 2015.

(e) Subsections (a), (b), and (c) of this section take effect September 1, 2013.

(f) The change in law made by Section 548.104(d)(3), Transportation Code, as added by this Act, takes effect September 1, 2014, and applies only to a vehicle inspected on or after that date.

Representative E. Rodriguez moved to adopt the conference committee report on **HB 2305**.

The motion to adopt the conference committee report on **HB 2305** prevailed by (Record 1313): 126 Yeas, 20 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burnam; Button; Canales; Carter; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Johnson; Kacal; Keffer; King, K.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Kuempel; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Bell; Branch; Callegari; Capriglione; Clardy; Fallon; Gooden; Isaac; King, P.; Krause; Laubenberg; Lavender; Pickett; Schaefer; Springer; Stickland; Toth; Turner, E.S.; White; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Larson; Morrison.

STATEMENTS OF VOTE

I was shown voting no on Record No. 1313. I intended to vote yes.

Clardy

When Record No. 1313 was taken, I was in the house but away from my desk. I would have voted yes.

Larson

I was shown voting no on Record No. 1313. I intended to vote yes.

Pickett

RULES SUSPENDED

Pursuant to notice of intent given earlier today, Representative Hunter moved to suspend all necessary rules to take up conference committee reports and any accompanying resolution to go outside the bounds before their eligibility and to allow consideration of each of those items beyond the midnight deadline.

The motion to suspend all necessary rules and the regular order of business prevailed by (Record 1314): 145 Yeas, 1 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Fletcher; Giddings.

STATEMENTS OF VOTE

When Record No. 1314 was taken, my vote failed to register. I would have voted yes.

Fletcher

When Record No. 1314 was taken, I was in the house but away from my desk. I would have voted yes.

Giddings

SB 460 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Coleman submitted the conference committee report on **SB 460**.

Representative Coleman moved to adopt the conference committee report on **SB 460**.

The motion to adopt the conference committee report on **SB 460** prevailed by (Record 1315): 98 Yeas, 35 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Ashby; Aycock; Bohac; Burnam; Callegari; Canales; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Farias; Farney; Farrar; Fletcher; Frank; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Herrero; Howard; Huberty; Isaac; Johnson; Kacal; King, K.; King, T.; Kuempel; Larson; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Otto; Paddie; Parker; Perez; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheffield, J.; Sheffield, R.; Smith; Smithee; Strama; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zedler; Zerwas.

Nays — Anderson; Bell; Branch; Button; Capriglione; Carter; Elkins; Fallon; Flynn; Harper-Brown; Hughes; King, S.; Kleinschmidt; Klick; Kolkhorst; Krause; Laubenberg; Lavender; Miller, R.; Murphy; Orr; Perry; Phillips; Riddle; Sanford; Schaefer; Sheets; Simmons; Simpson; Springer; Stephenson; Taylor; Toth; Turner, E.S.; White.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Bonnen, D.; Bonnen, G.; Burkett; Creighton; Crossover; Goldman; Hernandez Luna; Hilderbran; Hunter; Keffer; King, P.; Leach; Patrick; Stickland; Thompson, E.

STATEMENTS OF VOTE

When Record No. 1315 was taken, I was temporarily out of the house chamber. I would have voted no.

D. Bonnen

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

G. Bonnen

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

Creighton

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

Crownover

I was shown voting yes on Record No. 1315. I intended to vote no.

Fletcher

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

Goldman

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

Hilderbran

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

Hunter

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

P. King

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

Leach

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted yes.

Patrick

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted yes.

Stickland

When Record No. 1315 was taken, I was in the house but away from my desk. I would have voted no.

E. Thompson

SB 358 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Muñoz submitted the conference committee report on **SB 358**.

Representative Muñoz moved to adopt the conference committee report on **SB 358**.

The motion to adopt the conference committee report on **SB 358** prevailed by (Record 1316): 116 Yeas, 22 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burnam; Button; Callegari; Canales; Carter; Clardy; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Farias; Farney; Farrar; Fletcher; Frank; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Herrero; Hilderbran; Howard; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Krause; Kuempel; Larson; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Patrick; Perez; Pickett; Pitts; Price; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simpson; Smith; Smithee; Stephenson; Strama; Taylor; Thompson, S.; Toth; Turner, C.; Turner, S.; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Bell; Capriglione; Creighton; Elkins; Fallon; Flynn; Gooden; Harper-Brown; Klick; Laubenberg; Lavender; Leach; Murphy; Parker; Perry; Phillips; Schaefer; Springer; Thompson, E.; Turner, E.S.; White; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Burkett; Coleman; Goldman; Hernandez Luna; Huberty; Hughes; Raney; Simmons; Stickland; Villalba.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1316. I intended to vote no.

Anderson

I was shown voting yes on Record No. 1316. I intended to vote no.

Craddick

When Record No. 1316 was taken, I was in the house but away from my desk. I would have voted no.

Goldman

I was shown voting yes on Record No. 1316. I intended to vote no.

Hilderbran

When Record No. 1316 was taken, I was temporarily out of the house chamber. I would have voted yes.

Huberty

I was shown voting yes on Record No. 1316. I intended to vote no.

R. Miller

I was shown voting yes on Record No. 1316. I intended to vote no.

Morrison

I was shown voting yes on Record No. 1316. I intended to vote no.

Riddle

When Record No. 1316 was taken, I was in the house but away from my desk. I would have voted yes.

Simmons

When Record No. 1316 was taken, I was in the house but away from my desk. I would have voted no.

Stickland

HR 3056 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 3056**, suspending the limitations on the conferees for **SB 1158**.

SB 1907 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Kleinschmidt submitted the conference committee report on **SB 1907**.

Representative Kleinschmidt moved to adopt the conference committee report on **SB 1907**.

The motion to adopt the conference committee report on **SB 1907** prevailed by (Record 1317): 135 Yeas, 8 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Capriglione; Carter; Clardy; Coleman; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Sanford; Schaefer; Sheets; Sheffield, J.;

Sheffield, R.; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Zedler; Zerwas.

Nays — Alvarado; Canales; Collier; Giddings; Miles; Nevárez; Rose; Wu.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Gonzalez, N.; Hernandez Luna; Raney; Simmons; Toth.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1317. I intended to vote no.

Allen

I was shown voting yes on Record No. 1317. I intended to vote no.

Farrar

When Record No. 1317 was taken, I was in the house but away from my desk. I would have voted yes.

N. Gonzalez

I was shown voting yes on Record No. 1317. I intended to vote no.

J. Rodriguez

When Record No. 1317 was taken, I was in the house but away from my desk. I would have voted yes.

Simmons

I was shown voting yes on Record No. 1317. I intended to vote no.

S. Turner

(Harper-Brown in the chair)

HB 2012 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Villarreal submitted the following conference committee report on **HB 2012**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2012** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Patrick
Lucio

Villarreal
Aycock

Seliger
Taylor
West
On the part of the senate

K. King
Farney
Howard
On the part of the house

HB 2012, A bill to be entitled An Act relating to public school educators and certain other professional employees of school districts.

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

SECTION 1. Subchapter B, Chapter 7, Education Code, is amended by adding Section 7.038 to read as follows:

Sec. 7.038. PROFESSIONAL EMPLOYEE SALARY INFORMATION.

(a) The agency shall collect information from school districts regarding salaries paid to employees entitled to the minimum monthly salary under Section 21.402.

(b) The agency shall provide for public use of the information collected under Subsection (a) in summary form on the agency's Internet website in a manner that indicates, by school district, the average salaries of employees to whom Subsection (a) applies by position and for classroom teachers, also by subject and grade level.

(c) The agency shall use the data collected under Subsection (a) regarding salaries paid to classroom teachers to conduct a cost-of-living salary comparability analysis in each region of the state to determine how classroom teacher salaries compare to salaries in similar professions. The commissioner shall delineate the geographic boundaries of the regions of the state and designate the professions that constitute similar professions for purposes of conducting the salary comparability analysis under this subsection. Not later than December 1, 2014, the agency shall prepare and deliver a report of the salary comparability analysis conducted under this subsection to the governor, lieutenant governor, speaker of the house of representatives, and presiding officer of each standing legislative committee with primary jurisdiction over public education. The agency shall post a copy of the report on the agency's Internet website.

(d) The agency shall collect data and conduct the cost-of-living salary comparability analysis under this section using only available funds and resources from public or private sources.

(e) This section expires September 1, 2015.

SECTION 2. Subchapter C, Chapter 7, Education Code, is amended by adding Section 7.064 to read as follows:

Sec. 7.064. TEACHING AND LEARNING CONDITIONS SURVEY. (a) The commissioner shall develop an online survey to be administered statewide at least biennially to superintendents, principals, supervisors, classroom teachers, counselors, and other appropriate full-time professional employees who are required to hold a certificate issued under Subchapter B, Chapter 21.

(b) In developing the survey under this section, the commissioner shall ensure that the survey is designed to elicit information relating to the following issues:

(1) teaching and learning conditions as predictors of student achievement and growth;

(2) the relationship between teaching and learning conditions and teacher retention;

(3) the influence of school leadership on teaching and learning conditions, including:

(A) meaningful involvement of teachers in determining professional development needs;

(B) meaningful involvement of teachers in campus decisions and initiatives;

(C) support for teachers in student disciplinary matters; and

(D) limiting required meetings for and noninstructional duties of teachers;

(4) the relationship between teaching and learning conditions and student attendance and graduation;

(5) the appropriate time during the day for collaborative instructional planning;

(6) facilities resources needs; and

(7) other supports needed for educators to be successful in the classroom.

(c) The commissioner shall contract with a third-party entity with appropriate research and evaluation expertise to administer the survey required by this section. The third-party survey administrator shall collect responses and protect the identity of the respondents. The third-party survey administrator shall provide the survey responses to the commissioner or a person designated by the commissioner not later than the 60th day after the date the survey is administered.

(d) After the administration of each survey, the commissioner shall:

(1) make the survey results available to the public; and

(2) provide the survey results to school districts and campuses.

(e) Each school district and campus shall use the survey results:

(1) to review and revise, as appropriate, district-level or campus-level improvement plans in the manner provided under Subchapter F, Chapter 11; and

(2) for other purposes, as appropriate to enhance the district and campus learning environment.

(f) The commissioner shall use the survey results to develop, review, and revise:

(1) agency professional development offerings;

(2) agency initiatives aimed at teacher retention; and

(3) standards for principals and superintendents.

(g) The commissioner shall carry out duties under this section, including contracting for the administration of the survey, using only available funds and resources from public and private sources.

SECTION 3. Section 21.044, Education Code, as amended by Chapters 635 (SB 866) and 926 (SB 1620), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

Sec. 21.044. EDUCATOR PREPARATION. (a) The board shall propose rules establishing the training requirements a person must accomplish to obtain a certificate, enter an internship, or enter an induction-year program. The board shall specify the minimum academic qualifications required for a certificate.

(b) Any minimum academic qualifications for a certificate specified under Subsection (a) that require a person to possess a bachelor's degree must also require that the person receive, as part of the curriculum for that degree, instruction in detection and education of students with dyslexia. This subsection does not apply to a person who obtains a certificate through an alternative certification program adopted under Section 21.049.

(c) The instruction under Subsection (b) must:

(1) be developed by a panel of experts in the diagnosis and treatment of dyslexia who are:

(A) employed by institutions of higher education; and

(B) approved by the board; and

(2) include information on:

(A) characteristics of dyslexia;

(B) identification of dyslexia; and

(C) effective, multisensory strategies for teaching students with dyslexia.

(d) ~~[(b)]~~ In proposing rules under this section, the board shall specify that to obtain a certificate to teach an "applied STEM course," as that term is defined by Section 28.027, at a secondary school, a person must:

(1) pass the certification test administered by the recognized national or international business and industry group that created the curriculum the applied STEM course is based on; and

(2) have at a minimum:

(A) an associate degree from an accredited institution of higher education; and

(B) three years of work experience in an occupation for which the applied STEM course is intended to prepare the student.

(e) Each educator preparation program must provide information regarding:

(1) the skills that educators are required to possess, the responsibilities that educators are required to accept, and the high expectations for students in this state;

(2) the effect of supply and demand forces on the educator workforce in this state;

(3) the performance over time of the educator preparation program;

(4) the importance of building strong classroom management skills;

and

(5) the framework in this state for teacher and principal evaluation, including the procedures followed in accordance with Subchapter H.

SECTION 4. Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.0441 to read as follows:

Sec. 21.0441. ADMISSION REQUIREMENTS FOR EDUCATOR PREPARATION PROGRAMS. (a) Rules of the board proposed under this subchapter must provide that a person, other than a person seeking career and technology education certification, is not eligible for admission to an educator preparation program, including an alternative educator preparation program, unless the person:

(1) except as provided by Subsection (b), satisfies minimum grade point average requirements prescribed by the board, not to exceed the following:

(A) an overall grade point average of at least 2.75 on a four-point scale or the equivalent on any course work previously attempted at a public or private institution of higher education; or

(B) a grade point average of at least 2.75 on a four-point scale or the equivalent for the last 60 semester credit hours attempted at a public or private institution of higher education; and

(2) if the person is seeking initial certification:

(A) has successfully completed at least:

(i) 15 semester credit hours in the subject-specific content area in which the person is seeking certification, if the person is seeking certification to teach mathematics or science at or above grade level seven; or

(ii) 12 semester credit hours in the subject-specific content area in which the person is seeking certification, if the person is not seeking certification to teach mathematics or science at or above grade level seven; or

(B) has achieved a satisfactory level of performance on a content certification examination, which may be a content certification examination administered by a vendor approved by the commissioner for purposes of administering such an examination for the year for which the person is applying for admission to the program.

(b) The board's rules must permit an educator preparation program to admit in extraordinary circumstances a person who fails to satisfy a grade point average requirement prescribed by Subsection (a)(1)(A) or (B), provided that:

(1) not more than 10 percent of the total number of persons admitted to the program in a year fail to satisfy the requirement under Subsection (a)(1)(A) or (B); and

(2) for each person admitted as described by this subsection, the director of the program determines and certifies, based on documentation provided by the person, that the person's work, business, or career experience demonstrates achievement comparable to the academic achievement represented by the grade point average requirement.

SECTION 5. Section 21.048, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The board shall propose rules prescribing comprehensive examinations for each class of certificate issued by the board. The board shall determine the satisfactory level of performance required for each certification examination. For the issuance of a generalist certificate, the board shall require a satisfactory level of examination performance in each core subject covered by the examination.

(a-1) The board may not require that more than 45 days elapse before a person may retake an examination.

SECTION 6. Section 21.352, Education Code, is amended by amending Subsection (c) and adding Subsections (c-1), (e), and (f) to read as follows:

(c) Except as otherwise provided by this subsection, appraisal must be done at least once during each school year. A teacher may be appraised less frequently if the teacher agrees in writing and the teacher's most recent evaluation rated the teacher as at least proficient, or the equivalent, and did not identify any area of deficiency. A teacher who is appraised less frequently than annually must be appraised at least once during each period of five school years. The district shall maintain a written copy of the evaluation of each teacher's performance in the teacher's personnel file. Each teacher is entitled to receive a written copy of the evaluation promptly on its completion. After receiving a written copy of the evaluation, a teacher is entitled to a second appraisal by a different appraiser or to submit a written rebuttal to the evaluation to be attached to the evaluation in the teacher's personnel file. The evaluation and any rebuttal may be given to another school district at which the teacher has applied for employment at the request of that district.

(c-1) In addition to conducting a complete appraisal as frequently as required by Subsection (c), a school district shall require that appropriate components of the appraisal process, such as classroom observations and walk-throughs, occur more frequently as necessary to ensure that a teacher receives adequate evaluation and guidance. A school district shall give priority to conducting appropriate components more frequently for inexperienced teachers or experienced teachers with identified areas of deficiency.

(e) A district shall use a teacher's consecutive appraisals from more than one year, if available, in making the district's employment decisions and developing career recommendations for the teacher.

(f) The district shall notify a teacher of the results of any appraisal of the teacher in a timely manner so that the appraisal may be used as a developmental tool by the district and the teacher to improve the overall performance of the teacher.

SECTION 7. Subchapter J, Chapter 21, Education Code, is amended by adding Section 21.4513 to read as follows:

Sec. 21.4513. PROFESSIONAL DEVELOPMENT REQUIREMENTS AUDIT. (a) Using only available funds and resources from public or private sources, the agency shall periodically conduct an audit of the professional development requirements applicable to educators in this state, including state and federal requirements and requirements imposed by school districts.

(b) Based on audit results, the agency shall seek to eliminate conflicting requirements and consolidate duplicative requirements through the following methods, as appropriate:

- (1) taking administrative action;
- (2) encouraging school districts to make appropriate changes to district policies; or
- (3) recommending statutory changes to the legislature.

(b-1) The agency shall complete the initial audit required by Subsection (a) not later than August 1, 2014. This subsection expires September 1, 2014.

(c) The agency shall provide guidance to school districts regarding high-quality professional development and the outcomes expected to result from providing that caliber of professional development.

SECTION 8. Section 21.458, Education Code, is amended by amending Subsection (c) and adding Subsections (e) and (e-1) to read as follows:

(c) From the funds appropriated to the agency for purposes of this section, the commissioner shall adopt rules and provide funding to school districts that assign mentor teachers under this section. Funding provided to districts under this section may be used only for providing:

(1) mentor teacher stipends;

(2) scheduled release time for mentor teachers and the classroom teachers to whom they are assigned for meeting and engaging in ~~[to provide]~~ mentoring activities ~~[to assigned classroom teachers]~~; and

(3) mentoring support through providers of mentor training.

(e) Each year the commissioner shall report to the legislature regarding the effectiveness of school district mentoring programs.

(e-1) Not later than November 1, 2013, the governor, lieutenant governor, and speaker of the house of representatives shall form an advisory committee to evaluate the implementation of this section and make recommendations for improvement. The committee shall develop recommended guidelines that align teacher induction and mentoring activities with expectations for new teachers based on teaching practice standards. The agency shall provide administrative support for the committee. The committee shall submit a report of its recommendations to the governor and legislature not later than January 1, 2015. This subsection expires January 31, 2015.

SECTION 9. Not later than September 1, 2014, the Texas Education Agency, the State Board for Educator Certification, and the Texas Higher Education Coordinating Board shall jointly review existing standards for preparation and admission that are applicable to educator preparation programs, including stakeholder input in the review and development of those standards, and develop and implement modifications necessary to reflect updated standards for the teaching profession.

SECTION 10. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 11. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Villarreal moved to adopt the conference committee report on **HB 2012**.

The motion to adopt the conference committee report on **HB 2012** prevailed by (Record 1318): 92 Yeas, 53 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Aycock; Bohac; Burnam; Callegari; Canales; Carter; Coleman; Collier; Cook; Cortez; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Farias; Farney; Farrar; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Hernandez Luna; Herrero; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Leach; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Otto; Perez; Pickett; Pitts; Ratliff; Raymond; Reynolds; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheets; Sheffield, J.; Smith; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Anderson; Ashby; Bell; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Capriglione; Clardy; Craddick; Creighton; Crownover; Elkins; Fallon; Fletcher; Flynn; Frank; Frullo; Goldman; Harless; Hilderbran; King, K.; Klick; Krause; Kuempel; Larson; Laubenberg; Lavender; Lewis; Miller, D.; Miller, R.; Murphy; Orr; Paddie; Parker; Patrick; Perry; Phillips; Price; Riddle; Sanford; Schaefer; Sheffield, R.; Simmons; Simpson; Smithee; Springer; Stickland; Toth; Turner, E.S.; White; Zedler.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Miles; Raney.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1318. I intended to vote no.

Bohac

I was shown voting yes on Record No. 1318. I intended to vote no.

Callegari

I was shown voting no on Record No. 1318. I intended to vote yes.

K. King

I was shown voting yes on Record No. 1318. I intended to vote no.

Morrison

I was shown voting yes on Record No. 1318. I intended to vote no.

Workman

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. 7).

**HR 2982 - ADOPTED
(by J. Sheffield)**

The following privileged resolution was laid before the house:

HR 2982

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 949** (licensing under the Medical Practice Act) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTION to the bill:

SECTION 2. Section 155.051, Occupations Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The time frame to pass each part of the examination does not apply to an applicant who:

(1) is licensed and in good standing as a physician in another state;

(2) has been licensed for at least five years;

(3) does not hold a medical license in the other state that has or has ever had any restrictions, disciplinary orders, or probation; and

(4) will practice in a medically underserved area or a health manpower shortage area, as those terms are defined by Section 157.052.

(e) The board may by rule establish a process to verify that a person, after meeting the requirements of Subsection (d), practices only in an area described by Subsection (d)(4).

Explanation: This change is necessary to exempt certain applicants for a medical license from the time frame requirement to pass each part of the licensing examination.

HR 2982 was adopted by (Record 1319): 141 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson; Stickland.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Creighton; Hughes; Raney; Turner, E.S.

SB 949 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative J. Sheffield submitted the conference committee report on **SB 949**.

Representative J. Sheffield moved to adopt the conference committee report on **SB 949**.

The motion to adopt the conference committee report on **SB 949** prevailed by (Record 1320): 143 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson; Stickland.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Creighton; Raney.

HR 2910 - ADOPTED (by Morrison)

The following privileged resolution was laid before the house:

HR 2910

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the

conference committee appointed to resolve the differences on **HB 3106** (compensatory payments and reinsurance agreements made in connection with the issuance of title insurance) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

SECTION 2. Section 2551.305, Insurance Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding any other provision of this subchapter, a title insurance company may obtain reinsurance by a reinsurance treaty or other reinsurance agreement from an assuming insurer with a financial strength rating of B+ or better from the A. M. Best Company that meets the requirements of Subchapter C, Chapter 493, if the title insurance company has provided the department with an affidavit that:

(1) contains facts that demonstrate the title insurance company was unable after diligent effort to procure sufficient reinsurance from another title insurance company; and

(2) states the terms of the reinsurance treaty or other reinsurance agreement that the title insurance company will obtain.

SECTION 4. The change in law made by Section 2551.305(e), Insurance Code, as added by this Act, applies only to reinsurance obtained on or after the effective date of this Act. Reinsurance obtained before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

Explanation: This addition is necessary to allow a title insurance company, on satisfaction of certain requirements, to obtain reinsurance from certain insurers.

HR 2910 was adopted by (Record 1321): 144 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer;

Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — McClendon; Pickett.

HB 3106 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Morrison submitted the following conference committee report on **HB 3106**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3106** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Carona	Morrison
Eltife	Ashby
Hancock	Darby
Lucio	Pitts
Van de Putte	Menéndez
On the part of the senate	On the part of the house

HB 3106, A bill to be entitled An Act relating to compensatory payments and reinsurance agreements made in connection with the issuance of title insurance.

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

SECTION 1. Subchapter B, Chapter 2502, Insurance Code, is amended by adding Section 2502.057 to read as follows:

Sec. 2502.057. CERTAIN COMPENSATORY PAYMENTS RELATED TO CERTAIN ELECTRIC ENERGY PROJECTS PERMITTED. (a) This section applies with respect to a utility project that is:

(1) designed to produce, generate, transmit, distribute, sell, or furnish electric energy; and

(2) valued on completion at more than \$25 million.

(b) A payment for furnishing title evidence for the issuance of a title insurance policy related to a project described by Subsection (a) may be:

(1) a flat fee or fee calculated on an hourly basis that:

(A) is payable on the date the title evidence is furnished; and

(B) does not exceed \$25,000; or

(2) a portion of the title insurance premium:

(A) based on the percentage established by the commissioner for payment by a title insurance company, title insurance agent, or direct operation for services performed by another title insurance company, title insurance agent, or direct operation; and

(B) payable on the date of the issuance of the policy for which the evidence is furnished.

(c) The payment must be:

(1) made by the proposed insured to the title insurance company, title insurance agent, or direct operation that furnishes the title evidence; and

(2) credited against the title insurance premium charged for the issuance of the title insurance policy for which the evidence is furnished.

(d) Nothing in this section may be construed to allow the payment of an amount in violation of the premium rates promulgated or the division of premium established by the commissioner.

(e) This section does not apply to a payment to a reinsurer for the assumption of reinsurance described by Subchapter G, Chapter 2551.

SECTION 2. Section 2551.305, Insurance Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding any other provision of this subchapter, a title insurance company may obtain reinsurance by a reinsurance treaty or other reinsurance agreement from an assuming insurer with a financial strength rating of B+ or better from the A. M. Best Company that meets the requirements of Subchapter C, Chapter 493, if the title insurance company has provided the department with an affidavit that:

(1) contains facts that demonstrate the title insurance company was unable after diligent effort to procure sufficient reinsurance from another title insurance company; and

(2) states the terms of the reinsurance treaty or other reinsurance agreement that the title insurance company will obtain.

SECTION 3. The change in law made by Section 2502.057, Insurance Code, as added by this Act, applies only to a payment for title evidence furnished on or after the effective date of this Act. A payment for title evidence furnished before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. The change in law made by Section 2551.305(e), Insurance Code, as added by this Act, applies only to reinsurance obtained on or after the effective date of this Act. Reinsurance obtained before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2013.

Representative Morrison moved to adopt the conference committee report on **HB 3106**.

The motion to adopt the conference committee report on **HB 3106** prevailed by (Record 1322): 146 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Farney.

SB 1373 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative R. Miller submitted the conference committee report on **SB 1373**.

Representative R. Miller moved to adopt the conference committee report on **SB 1373**.

The motion to adopt the conference committee report on **SB 1373** prevailed by (Record 1323): 145 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee;

Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson; Stickland.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

SB 219 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative D. Bonnen submitted the conference committee report on **SB 219**.

Representative D. Bonnen moved to adopt the conference committee report on **SB 219**.

The motion to adopt the conference committee report on **SB 219** prevailed by (Record 1324): 137 Yeas, 8 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Callegari; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown(C); Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Longoria; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Button; Carter; Craddick; Elkins; King, S.; Lewis; Simpson; Stickland.

Present, not voting — Mr. Speaker.

Absent, Excused — Lucio.

Absent — Lozano; Miles; Toth.

STATEMENTS OF VOTE

When Record No. 1324 was taken, I was in the house but away from my desk. I would have voted yes.

Lozano

When Record No. 1324 was taken, I was in the house but away from my desk. I would have voted yes.

Toth

HR 3007 - ADOPTED
(by Eiland)

The following privileged resolution was laid before the house:

HR 3007

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 3459** (access to and protection of certain coastal areas) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

SECTION 7. The legislature finds that:

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

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

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

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

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

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

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

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

SECTION 8. (a) The legislature shall establish a joint interim committee to conduct a study of:

(1) the effectiveness of the implementation of the changes in law made by this Act to Chapter 61, Natural Resources Code; and

(2) the feasibility and desirability of:

(A) creating and maintaining a coastal barrier system in this state that includes a series of gates and barriers to prevent storm surge damage to gulf beaches or coastal ports, industry, or property; and

(B) authorizing coastal property owners to grant easements to governmental entities to construct and maintain stabilized dunes in connection with or separately from the system.

(b) The committee is composed of:

(1) the members of the standing committee of the senate that has primary jurisdiction over natural resources;

(2) the members of the standing committee of the house of representatives that has primary jurisdiction over land and resource management;

(3) two members of the senate appointed by the lieutenant governor, each of whom represents a district in a county that borders the Gulf of Mexico; and

(4) two members of the house of representatives appointed by the speaker of the house of representatives, each of whom represents a district in a county that borders the Gulf of Mexico.

(c) The lieutenant governor and the speaker of the house of representatives shall jointly designate a chair or, alternatively, designate two co-chairs from among the committee membership.

(d) The committee may adopt rules necessary to carry out the committee's duties under this section.

(e) Not later than December 1, 2014, the committee shall report to the governor and the legislature the findings of the study and any recommendations developed by the committee under this section.

Explanation: This addition is necessary to provide for a study determining the effectiveness of the implementation of the changes in law made by the bill to Chapter 61, Natural Resources Code, and determining the feasibility and desirability of certain coastal protection measures.

HR 3007 was adopted by (Record 1325): 142 Yeas, 3 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick;

Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson; Stickland; Taylor.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Dutton; Sanford.

HB 3459 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Eiland submitted the following conference committee report on **HB 3459**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3459** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Taylor	Eiland
Fraser	Deshotel
Hegar	Goldman
Hinojosa	Springer
Uresti	Walle
On the part of the senate	On the part of the house

HB 3459, A bill to be entitled An Act relating to access to and protection of certain coastal areas.

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

SECTION 1. Section 61.001, Natural Resources Code, is amended by adding Subdivision (7-a) to read as follows:

(7-a) "Meteorological event" means atmospheric conditions or phenomena resulting in avulsion, erosion, accretion, or other impacts to the shoreline that alter the location of the line of vegetation.

SECTION 2. Section 61.011(d), Natural Resources Code, is amended to read as follows:

(d) The commissioner shall promulgate rules, consistent with the policies established in this section, on the following matters only:

(1) acquisition by local governments or other appropriate entities or public dedication of access ways sufficient to provide adequate public ingress and egress to and from the beach within the area described in Subdivision (6);

(2) protection of the public easement from erosion or reduction caused by development or other activities on adjacent land and beach cleanup and maintenance;

(3) local government prohibitions of vehicular traffic on public beaches, provision of off-beach parking, the use on a public beach of a golf cart, as defined by Section 502.001, Transportation Code, for the transportation of a person with a physical disability, and other minimum measures needed to mitigate for any adverse effect on public access and dune areas;

(4) imposition of beach access, user, or parking fees and reasonable exercises of the police power by local governments with respect to public beaches;

(5) contents and certification of beach access and use plans and standards for local government review of construction on land adjacent to and landward of public beaches, including procedures for expedited review of beach access and use plans under Section 61.015;

(6) construction on land adjacent to and landward of public beaches and lying in the area either up to the first public road generally parallel to the beach or to any closer public road not parallel to the beach, or to within 1,000 feet of mean high tide, whichever is greater, that affects or may affect public access to and use of public beaches;

(7) the temporary suspension under Section 61.0185 of enforcement of the prohibition against encroachments on and interferences with the public beach easement and the ability of a property owner to make repairs to a house while a suspension is in effect;

(8) the determination of the line of vegetation or natural line of vegetation;

(9) the factors to be considered in determining whether a structure, improvement, obstruction, barrier, or hazard on the public beach:

(A) constitutes an imminent hazard to safety, health, or public welfare; or

(B) substantially interferes with the free and unrestricted right of the public to enter or leave the public beach or traverse any part of the public beach; ~~and~~

(10) the procedures for determining whether a structure is not insurable property for purposes of Section 2210.004, Insurance Code, because of the factors listed in Subsection (h) of that section; and

(11) the temporary suspension under Section 61.0171 of the determination of the "line of vegetation" or the "natural line of vegetation."

SECTION 3. Section 61.016, Natural Resources Code, is amended by adding Subsection (d) to read as follows:

(d) The "line of vegetation" is dynamic and may move landward or seaward due to the forces of erosion or natural accretion. For the purposes of determining the public beach easement, if the "line of vegetation" is obliterated due to a meteorological event, the landward boundary of the area subject to the public easement shall be the line established by order under Section 61.0171(a) or as determined by the commissioner under Section 61.0171(f).

SECTION 4. Section 61.017(a), Natural Resources Code, is amended to read as follows:

(a) The "line of vegetation" is not affected by the occasional sprigs of salt grass on mounds and dunes or seaward from them or ~~and~~ by artificial fill, the addition or removal of turf, beach nourishment projects or artificial placement of dredged or fill material, whether conducted by public or private entities, or ~~by~~ other artificial changes in the natural vegetation of the area.

SECTION 5. Subchapter B, Chapter 61, Natural Resources Code, is amended by adding Section 61.0171 to read as follows:

Sec. 61.0171. TEMPORARY SUSPENSION OF LINE OF VEGETATION DETERMINATION. (a) The commissioner may, by order, suspend action on conducting a line of vegetation determination for a period of up to three years from the date the order is issued if the commissioner determines that the line of vegetation was obliterated as a result of a meteorological event. For the duration of the order, the public beach shall extend to a line 200 feet inland from the line of mean low tide as established by a licensed state land surveyor.

(b) An order issued under this section shall be:

(1) posted on the land office's Internet website;

(2) published by the land office as a miscellaneous document in the Texas Register; and

(3) filed for record by the land office in the real property records of the county in which the area of beach subject to the order is located.

(c) Issuance of an order under this section is purely within the discretion of the commissioner. This section does not create:

(1) a duty on the part of the commissioner to issue an order related to the line of vegetation; or

(2) a private cause of action for:

(A) issuance of an order under this section; or

(B) failure to issue an order under this section.

(d) Chapter 2007, Government Code, does not apply to an order issued under this section.

(e) If the commissioner issues an order under this section, a limitations period established by statute, under common law, or in equity that may be asserted or claimed in any action under this chapter is suspended and does not run against this state, the public, or private land owners for the period the order is in effect.

(f) Following the expiration of an order issued under this section, the commissioner shall make a determination regarding the line of vegetation in accordance with Sections 61.016 and 61.017 and taking into consideration the effect of the meteorological event on the location of the public beach easement.

(g) The commissioner may consult with the Bureau of Economic Geology of The University of Texas at Austin or a licensed state land surveyor and consider other relevant factors when making a determination under Subsection (f) regarding the annual erosion rate for the area of beach subject to the order issued under this section.

(h) The line of vegetation, as determined by the commissioner under Subsection (f), shall constitute the landward boundary of the area subject to public easement until the line of vegetation moves landward due to a subsequent meteorological event, erosion, or public use, or until a final court adjudication establishes the line in another place.

SECTION 6. Section 61.0185(a), Natural Resources Code, is amended to read as follows:

(a) The commissioner by order may suspend for a period of three [~~two~~] years from the date the order is issued the submission of a request that the attorney general file a suit under Section 61.018(a) to obtain a temporary or permanent court order or injunction, either prohibitory or mandatory, to remove a house from a public beach if the commissioner determines that:

- (1) the line of vegetation establishing the boundary of the public beach has moved as a result of a meteorological event;
- (2) the house was located landward of the natural line of vegetation before the meteorological event; and
- (3) the house does not present an imminent threat to public health and safety.

SECTION 7. The legislature finds that:

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

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

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

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

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

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

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

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

SECTION 8. (a) The legislature shall establish a joint interim committee to conduct a study of:

(1) the effectiveness of the implementation of the changes in law made by this Act to Chapter 61, Natural Resources Code; and

(2) the feasibility and desirability of:

(A) creating and maintaining a coastal barrier system in this state that includes a series of gates and barriers to prevent storm surge damage to gulf beaches or coastal ports, industry, or property; and

(B) authorizing coastal property owners to grant easements to governmental entities to construct and maintain stabilized dunes in connection with or separately from the system.

(b) The committee is composed of:

(1) the members of the standing committee of the senate that has primary jurisdiction over natural resources;

(2) the members of the standing committee of the house of representatives that has primary jurisdiction over land and resource management;

(3) two members of the senate appointed by the lieutenant governor, each of whom represents a district in a county that borders the Gulf of Mexico; and

(4) two members of the house of representatives appointed by the speaker of the house of representatives, each of whom represents a district in a county that borders the Gulf of Mexico.

(c) The lieutenant governor and the speaker of the house of representatives shall jointly designate a chair or, alternatively, designate two co-chairs from among the committee membership.

(d) The committee may adopt rules necessary to carry out the committee's duties under this section.

(e) Not later than December 1, 2014, the committee shall report to the governor and the legislature the findings of the study and any recommendations developed by the committee under this section.

SECTION 9. This Act takes effect September 1, 2013.

Representative Eiland moved to adopt the conference committee report on **HB 3459**.

The motion to adopt the conference committee report on **HB 3459** prevailed by (Record 1326): 120 Yeas, 27 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burnam; Callegari; Canales; Clardy; Coleman; Collier; Cook; Cortez; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farney; Farrar; Frank; Geren; Giddings; Goldman; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Johnson; Kacal; Keffer; King, K.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Stephenson; Strama; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Branch; Button; Capriglione; Carter; Craddick; Creighton; Dale; Fallon; Fletcher; Flynn; Frullo; Gonzales; Gooden; Isaac; King, P.; Krause; Laubenberg; Perry; Schaefer; Springer; Stickland; Taylor; Thompson, E.; Toth; Turner, E.S.; White; Zedler.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1326. I intended to vote no.

Anderson

I was shown voting yes on Record No. 1326. I intended to vote no.

Hilderbran

I was shown voting yes on Record No. 1362. I intended to vote no.

Huberty

I was shown voting yes on Record No. 1326. I intended to vote no.

Klick

HB 3361 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Dutton submitted the following conference committee report on **HB 3361**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3361** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Birdwell
Hinojosa
Nichols
Patrick
Ellis

Dutton
Alvarado
K. King
Riddle

On the part of the senate

On the part of the house

HB 3361, A bill to be entitled An Act relating to the continuation and functions of the Texas Department of Housing and Community Affairs; authorizing and otherwise affecting the application of certain fees.

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

ARTICLE 1. GENERAL OPERATIONS AND ADMINISTRATION OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

SECTION 1.01. Section 2306.022, Government Code, is amended to read as follows:

Sec. 2306.022. APPLICATION OF SUNSET ACT. The Texas Department of Housing and Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2025 [~~2013~~].

SECTION 1.02. Section 2306.043(c), Government Code, is amended to read as follows:

(c) The notice must:

- (1) include a brief summary of the alleged violation;
- (2) state the amount of the recommended penalty; and

(3) inform the person of the person's right to a hearing before the State Office of Administrative Hearings [~~board~~] on the occurrence of the violation, the amount of the penalty, or both.

SECTION 1.03. Section 2306.044(a), Government Code, is amended to read as follows:

(a) Not later than the 20th day after the date the person receives the notice, the person in writing may:

- (1) accept the determination and recommended penalty of the director;

or

(2) make a request for a hearing before the State Office of Administrative Hearings [~~board~~] on the occurrence of the violation, the amount of the penalty, or both.

SECTION 1.04. Section 2306.045, Government Code, is amended to read as follows:

Sec. 2306.045. HEARING. (a) If the person requests a hearing before the State Office of Administrative Hearings [~~board~~] or fails to respond in a timely manner to the notice, the director shall set a hearing and give written notice of the hearing to the person.

(b) The State Office of Administrative Hearings [~~board~~] shall:

- (1) hold the hearing;
- (2) [~~and~~] make findings of fact and conclusions of law about the occurrence of the violation and the amount of a proposed penalty; and
- (3) issue a proposal for decision regarding the penalty and provide notice of the proposal to the board.

(c) Any administrative proceedings relating to the imposition of a penalty under Section 2306.041 is a contested case under Chapter 2001.

SECTION 1.05. Section 2306.046(a), Government Code, is amended to read as follows:

(a) The board shall issue an order after receiving a proposal for decision from the State Office of Administrative Hearings under Section 2306.045. [~~Based on the findings of fact and conclusions of law, the board by order may:~~

- [(1) find that a violation occurred and impose a penalty; or
- [(2) find that a violation did not occur.]

SECTION 1.06. Section 2306.049(a), Government Code, is amended to read as follows:

(a) Judicial review of a board order imposing an administrative penalty is under the substantial evidence rule [~~by trial de novo~~].

SECTION 1.07. Section 2306.6721, Government Code, is transferred to Subchapter B, Chapter 2306, Government Code, redesignated as Section 2306.0504, Government Code, and amended to read as follows:

Sec. 2306.0504 [~~2306.6721~~]. DEBARMENT FROM PROGRAM PARTICIPATION. (a) The board by rule shall adopt a policy providing for the debarment of a person from participation in programs administered by the department [~~the low income housing tax credit program as described by this section~~].

(b) The department may debar a person from participation in a department [~~the~~] program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs [~~connection with the allocation of housing tax credits~~].

(c) The department shall debar a person from participation in a department [~~the~~] program if the person:

(1) materially or repeatedly violates any condition imposed by the department in connection with the administration of a department program, including a material or repeated violation of a land use restriction agreement regarding a development supported with a [allocation of] housing tax credit allocation [credits]; or

(2) is debarred from participation in federal housing programs by the United States Department of Housing and Urban Development[~~]; or~~

~~[(3) is in material noncompliance with or has repeatedly violated a land use restriction agreement regarding a development supported with a housing tax credit allocation].~~

(d) A person debarred by the department from participation in a department [the] program may appeal the person's debarment to the board.

ARTICLE 2. LOW INCOME HOUSING TAX CREDIT PROGRAM

SECTION 2.01. Section 2306.67021, Government Code, is amended to read as follows:

Sec. 2306.67021. APPLICABILITY OF SUBCHAPTER. Except as provided by Sections [Section] 2306.6703 and 2306.67071, this subchapter does not apply to the allocation of housing tax credits to developments financed through the private activity bond program.

SECTION 2.02. Subchapter DD, Chapter 2306, Government Code, is amended by adding Section 2306.67071 to read as follows:

Sec. 2306.67071. ADDITIONAL APPLICATION REQUIREMENT: NOTICE, HEARING, AND RESOLUTION BY CERTAIN GOVERNING BODIES. (a) Before submitting to the department an application for housing tax credits for developments financed through the private activity bond program, including private activity bonds issued by the department, the Texas State Affordable Housing Corporation, or a local issuer, an applicant must provide notice of the intent to file the application to:

(1) the governing body of a municipality in which the proposed development site is to be located;

(2) subject to Subdivision (3), the commissioners court of a county in which the proposed development site is to be located, if the proposed site is to be located in an area of a county that is not part of a municipality; or

(3) the commissioners court of a county in which the proposed development site is to be located and the governing body of the applicable municipality, if the proposed site is to be located in the extraterritorial jurisdiction of a municipality.

(b) A county or municipality, as applicable, shall hold a hearing at which public comment may be made on the application.

(c) The board may not approve an application for housing tax credits for developments financed through the private activity bond program unless the applicant has submitted to the department a certified copy of a resolution from each applicable governing body described by Subsection (a). The resolution must certify that:

(1) notice has been provided to each governing body as required by Subsection (a);

(2) each governing body has had sufficient opportunity to obtain a response from the applicant regarding any questions or concerns about the proposed development;

(3) each governing body has held a hearing under Subsection (b); and

(4) after due consideration of the information provided by the applicant and public comment, the governing body does not object to the proposed application.

(d) The department by rule may provide for the time and manner of the submission to the department of a resolution required by Subsection (c).

SECTION 2.03. Sections 2306.6710(b) and (f), Government Code, are amended to read as follows:

(b) If an application satisfies the threshold criteria, the department shall score and rank the application using a point system that:

(1) prioritizes in descending order criteria regarding:

(A) financial feasibility of the development based on the supporting financial data required in the application that will include a project underwriting pro forma from the permanent or construction lender;

(B) quantifiable community participation with respect to the development, evaluated on the basis of a resolution concerning the development that is voted on and adopted by the following, as applicable:

(i) the governing body of a municipality in which ~~written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain~~ the proposed development site is to be located;

(ii) subject to Subparagraph (iii), the commissioners court of a county in which the proposed development site is to be located, if the proposed site is to be located in an area of a county that is not part of a municipality; or

(iii) the commissioners court of a county in which the proposed development site is to be located and the governing body of the applicable municipality, if the proposed site is to be located in the extraterritorial jurisdiction of a municipality;

(C) the income levels of tenants of the development;

(D) the size and quality of the units;

(E) the commitment of development funding by local political subdivisions;

(F) ~~[the level of community support for the application, evaluated on the basis of written statements from the state representative or the state senator that represents the district containing the proposed development site;~~

~~[(G)]~~ the rent levels of the units;

(G) ~~[(H)]~~ the cost of the development by square foot;

(H) [(H)] the services to be provided to tenants of the development;

~~[and]~~

(I) [(I)] whether, at the time the complete application is submitted or at any time within the two-year period preceding the date of submission, the proposed development site is located in an area declared to be a disaster under Section 418.014;

(J) quantifiable community participation with respect to the development, evaluated on the basis of written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site; and

(K) the level of community support for the application, evaluated on the basis of a written statement from the state representative who represents the district containing the proposed development site;

(2) uses criteria imposing penalties on applicants or affiliates who have requested extensions of department deadlines relating to developments supported by housing tax credit allocations made in the application round preceding the current round or a developer or principal of the applicant that has been removed by the lender, equity provider, or limited partners for its failure to perform its obligations under the loan documents or limited partnership agreement; and

(3) encourages applicants to provide free notary public service to the residents of the developments for which the allocation of housing tax credits is requested.

(f) In evaluating the level of community support for an application under Subsection (b)(1)(K) [~~(b)(1)(F)~~], the department shall award:

- (1) positive points for positive written statements received;
- (2) negative points for negative written statements received; and
- (3) zero points for neutral statements received.

SECTION 2.04. Section 2306.6717(a), Government Code, is amended to read as follows:

(a) Subject to Section 2306.67041, the department shall make the following items available on the department's website:

(1) as soon as practicable, any proposed application submitted through the preapplication process established by this subchapter;

(2) before the 30th day preceding the date of the relevant board allocation decision, except as provided by Subdivision (3), the entire application, including all supporting documents and exhibits, the application log, a scoring sheet providing details of the application score, and any other document relating to the processing of the application;

(3) not later than the third working day after the date of the relevant determination, the results of each stage of the application process, including the results of the application scoring and underwriting phases and the allocation phase;

(4) before the 15th day preceding the date of board action on the amendment, notice of an amendment under Section 2306.6712 and the recommendation of the director and monitor regarding the amendment; and

(5) an appeal filed with the department or board under Section 2306.0504 or 2306.6715 [~~or 2306.6721~~] and any other document relating to the processing of the appeal.

SECTION 2.05. Section 2306.6719, Government Code, is amended by adding Subsections (c), (d), (e), and (f) to read as follows:

(c) For a violation other than a violation that poses an imminent hazard or threat to health and safety, the department must provide the owner of a development with the following periods to correct a failure to comply with a condition or law described by Subsection (a)(1) or (2):

(1) 30 days for a failure to file the annual owner's compliance report;
and

(2) 90 days for any other failure to comply under this section.

(d) For good cause shown, the executive director may extend the periods provided under Subsection (c).

(e) Solely for purposes of determining eligibility to apply for and receive financial assistance from the department, a development may not be considered to be in noncompliance with an applicable condition or law if the owner of the development takes appropriate corrective action during the period provided under Subsection (c).

(f) Notwithstanding Subsection (e), the department shall:

(1) submit to the applicable federal agency any report required by federal law regarding an owner's noncompliance with a condition or law described by Subsection (a)(1) or (2); and

(2) for purposes of developing and administering the policy relating to debarment under Section 2306.0504, consider recurring violations of a condition or law described by Subsection (a)(1) or (2), including violations that are corrected during the applicable period provided under Subsection (c).

SECTION 2.06. Subchapter DD, Chapter 2306, Government Code, is amended by adding Section 2306.6739 to read as follows:

Sec. 2306.6739. HOUSING TAX CREDITS FINANCED USING FEDERAL EMERGENCY FUNDS. (a) To the extent the department receives federal emergency funds that must be awarded by the department in the same manner as and that are subject to the same limitations as awards of housing tax credits, any reference in this chapter to the administration of the housing tax credit program applies equally to the administration of the federal funds, subject to Subsection (b).

(b) Notwithstanding any other law, the department may establish a separate application procedure for the federal emergency funds that does not follow the uniform application cycle required by Section 2306.1111 or the deadlines established by Section 2306.6724, and any reference in this chapter to an application period occurring in relation to those federal emergency funds refers to the period beginning on the date the department begins accepting applications for the federal funds and continuing until all of the available federal funds are awarded.

ARTICLE 3. MANUFACTURED HOUSING

SECTION 3.01. Section 2306.6022, Government Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) The division director may allow an authorized employee of the division to dismiss a complaint if an investigation demonstrates that:

(1) a violation did not occur; or

(2) the subject of the complaint is outside the division's jurisdiction under this subchapter.

(f) An employee who dismisses a complaint under Subsection (e) shall report the dismissal to the division director and the board. The report must include a sufficient explanation of the reason the complaint was dismissed.

SECTION 3.02. Subchapter AA, Chapter 2306, Government Code, is amended by adding Section 2306.6023 to read as follows:

Sec. 2306.6023. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION. (a) The division shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008 for the adoption of division rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the division's jurisdiction.

(b) The division's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The division shall:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

SECTION 3.03. Section 1201.003(17), Occupations Code, is amended to read as follows:

(17) "License holder" or "licensee" means a person who holds a department-issued license as a manufacturer, retailer, broker, ~~[rebuilder,~~ salesperson, or installer.

SECTION 3.04. Sections 1201.055(a) and (b), Occupations Code, are amended to read as follows:

(a) With guidance from the federal Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from the rules and regulations adopted under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.), the board shall establish fees as follows:

(1) if the department acts as a design approval primary inspection agency, a schedule of fees for the review of HUD-code manufactured home blueprints and supporting information, to be paid by the manufacturer seeking approval of the blueprints and supporting information;

(2) except as provided by Subsection (e), a fee for the inspection of each HUD-code manufactured home manufactured or assembled in this state, to be paid by the manufacturer of the home;

(3) a fee for the inspection of an alteration made to the structure or plumbing, heating, or electrical system of a HUD-code manufactured home, to be charged on an hourly basis and to be paid by the person making the alteration;

(4) a fee for the inspection of the rebuilding of a salvaged manufactured home, to be paid by the retailer ~~[rebuilder]~~;

(5) a fee for the inspection of a used manufactured home to determine whether the home is habitable for the issuance of a new statement of ownership and location; and

(6) a fee for the issuance of a seal for a used mobile or HUD-code manufactured home.

(b) In addition to the fees imposed under Subsections (a)(2), (3), and (4), a manufacturer or [7] a person making an alteration, ~~[or a rebuilder]~~, as appropriate, shall be charged for the actual cost of travel of a department representative to and from:

(1) the manufacturing facility, for an inspection described by Subsection (a)(2); or

(2) the place of inspection, for an inspection described by Subsection (a)(3) or (4).

SECTION 3.05. Section 1201.056, Occupations Code, is amended to read as follows:

Sec. 1201.056. LICENSE FEES. (a) The board shall establish fees for the issuance and renewal of licenses for:

- (1) manufacturers;
- (2) retailers;
- (3) brokers;
- (4) salespersons; and
- (5) ~~[rebuilders; and~~
- ~~[(6)]~~ installers.

(b) The board by rule may establish a fee for reprinting a license issued under this chapter.

SECTION 3.06. Sections 1201.101(e) and (f-1), Occupations Code, are amended to read as follows:

(e) A person may not repair, rebuild, or otherwise alter a salvaged manufactured home unless the person holds a ~~[rebuilder's or]~~ retailer's license.

(f-1) A retailer may not be licensed to operate more than [at a principal location and] one location [or more branch locations] under a single license~~;~~ ~~[provided, however, that a separate application must be made for each branch, and each branch must be separately bonded].~~

SECTION 3.07. Sections 1201.103(a) and (b), Occupations Code, are amended to read as follows:

(a) An applicant for a license as a manufacturer, retailer, broker, ~~[rebuilder]~~, or installer must file with the director a license application containing:

(1) the legal name, address, and telephone number of the applicant and each person who will be a related person at the time the requested license is issued;

(2) all trade names, and the names of all other business organizations, under which the applicant does business subject to this chapter, the name of each such business organization registered with the secretary of state, and the address of such business organization;

(3) the dates on which the applicant became the owner and operator of the business; and

(4) the location to which the license will apply.

(b) A license application must be accompanied by:

(1) proof of the security required by this subchapter; ~~and~~

(2) payment of the fee required for issuance of the license; and

(3) the information and the cost required under Section 1201.1031.

SECTION 3.08. Subchapter C, Chapter 1201, Occupations Code, is amended by adding Section 1201.1031 to read as follows:

Sec. 1201.1031. CRIMINAL HISTORY RECORD INFORMATION REQUIREMENT FOR LICENSE. (a) The department shall require that an applicant for a license or renewal of an unexpired license submit a complete and legible set of fingerprints, on a form prescribed by the board, to the department or to the Department of Public Safety for the purpose of obtaining criminal history record information from the Department of Public Safety and the Federal Bureau of Investigation. The applicant is required to submit a set of fingerprints only once under this section unless a replacement set is otherwise needed to complete the criminal history check required by this section.

(b) The department shall refuse to issue a license to or renew the license of a person who does not comply with the requirement of Subsection (a).

(c) The department shall conduct a criminal history check of each applicant for a license or renewal of a license using information:

(1) provided by the individual under this section; and

(2) made available to the department by the Department of Public Safety, the Federal Bureau of Investigation, and any other criminal justice agency under Chapter 411, Government Code.

(d) The department may enter into an agreement with the Department of Public Safety to administer a criminal history check required under this section.

(e) The applicant shall pay the cost of a criminal history check under this section.

SECTION 3.09. Section 1201.104(a), Occupations Code, is amended to read as follows:

(a) Except as provided by Subsection (g), as a requirement for a manufacturer's, retailer's, broker's, installer's, ~~salvage-rebuilder's,~~ or salesperson's license, a person who was not licensed or registered with the department or a predecessor agency on September 1, 1987, must, not more than 12 months before applying for the person's first license under this chapter, attend and successfully complete eight hours of instruction in the law, including instruction in consumer protection regulations.

SECTION 3.10. Section 1201.106(a), Occupations Code, is amended to read as follows:

(a) An applicant for a license or a license holder shall file a bond or other security under Section 1201.105 for the issuance or renewal of a license in the following amount:

- (1) \$100,000 for a manufacturer;
- (2) \$50,000 for a retailer [~~retailer's principal location~~];
- (3) [~~\$50,000 for each retailer's branch location~~];
- [~~(4) \$50,000 for a rebuilder~~];
- [~~(5) \$50,000 for a broker~~]; or
- (4) [~~(6)~~] \$25,000 for an installer.

SECTION 3.11. Section 1201.110, Occupations Code, is amended to read as follows:

Sec. 1201.110. SECURITY: DURATION. The department shall maintain on file a security other than a bond canceled as provided by Section 1201.109(a) until the later of:

- (1) the second anniversary of the date the manufacturer, retailer, broker, or installer [~~or rebuilder~~] ceases doing business; or
- (2) the date the director determines that a claim does not exist against the security.

SECTION 3.12. Section 1201.116(a), Occupations Code, is amended to read as follows:

(a) The department shall renew a license if, before the expiration date of the license, the department receives the renewal application and payment of the required fee as well as the cost required under Section 1201.1031 [~~before the expiration date of the license~~].

SECTION 3.13. Section 1201.357, Occupations Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) As authorized by Section 1201.6041, the director may order a manufacturer, retailer, or installer, as applicable, to pay a refund directly to a consumer as part of an agreed order described by Subsection (b) instead of or in addition to instituting an administrative action under this chapter.

SECTION 3.14. Section 1201.461(d), Occupations Code, is amended to read as follows:

(d) A person may not sell, convey, or otherwise transfer to a consumer in this state a manufactured home that is salvaged. A salvaged manufactured home may be sold only to a licensed retailer [~~or licensed rebuilder~~].

SECTION 3.15. Subchapter M, Chapter 1201, Occupations Code, is amended by adding Section 1201.6041 to read as follows:

Sec. 1201.6041. DIRECT CONSUMER COMPENSATION. (a) Instead of requiring a consumer to apply for compensation from the trust fund under Subchapter I, the director may order a manufacturer, retailer, broker, or installer, as applicable, to pay a refund directly to a consumer who sustains actual damages resulting from an unsatisfied claim against a licensed manufacturer, retailer, broker, or installer if the unsatisfied claim results from a violation of:

- (1) this chapter;
- (2) a rule adopted by the director;

(3) the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.);

(4) a rule or regulation of the United States Department of Housing and Urban Development; or

(5) Subchapter E, Chapter 17, Business & Commerce Code.

(b) For purposes of this section, the refund of a consumer's actual damages is determined according to Section 1201.405.

(c) The director shall prepare information for notifying consumers of the director's option to order a direct refund under this section, shall post the information on the department's Internet website, and shall make printed copies available on request.

SECTION 3.16. Sections 1201.610(a), (b), and (f), Occupations Code, are amended to read as follows:

(a) ~~The [If the director has reasonable cause to believe that a person licensed under this chapter has violated or is about to violate any provision of this chapter or rules adopted by the department under this chapter, the] director may issue without notice and hearing an order to cease and desist from continuing a particular action or an order to take affirmative action, or both, to enforce compliance with this chapter if the director has reasonable cause to believe that a person has violated or is about to violate any provision of this chapter or a rule adopted under this chapter.~~

(b) The director may issue an order to any person ~~[licensee]~~ to cease and desist from violating any law, rule, or written agreement or to take corrective action with respect to any such violations if the violations in any way are related to the sale, financing, or installation of a manufactured home or the providing of goods or services in connection with the sale, financing, or installation of a manufactured home unless the matter that is the basis of such violation is expressly subject to inspection and regulation by another state agency; provided, however, that if any matter involves a law that is subject to any other administration or interpretation by another agency, the director shall consult with the person in charge of the day-to-day administration of that agency before issuing an order.

(f) If a person licensed under this chapter fails to pay an administrative penalty that has become final or fails to comply with an order of the director that has become final, in addition to any other remedy provided by law, the director, after not less than 10 days' notice to the person, may without a prior hearing suspend the person's license. The suspension shall continue until the person has complied with the cease and desist order or paid the administrative penalty. During the period of suspension, the person may not perform any act requiring a license under this chapter, and all compensation received by the person during the period of suspension is subject to forfeiture to the person from whom it was received.

SECTION 3.17. Section 1302.061, Occupations Code, is amended to read as follows:

Sec. 1302.061. MANUFACTURED HOMES. This chapter does not apply to a person or entity licensed as a manufacturer, retailer, ~~rebuilder,~~ or installer under Chapter 1201 and engaged exclusively in air conditioning and refrigeration contracting for manufactured homes if the installation of air conditioning components at the site where the home will be occupied is performed by a person licensed under this chapter.

ARTICLE 4. WEATHERIZATION ASSISTANCE PROGRAM

SECTION 4.01. Section 39.905(f), Utilities Code, is amended to read as follows:

(f) Unless funding is provided under Section 39.903, each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program as described by Section 39.903(f)(2), and the savings achieved by the program shall count toward the transmission and distribution utility's energy efficiency goal. The commission shall determine the appropriate level of funding to be allocated to both targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. The level of funding for low-income energy efficiency programs shall be provided from money approved by the commission for the transmission and distribution utility's energy efficiency programs. The commission shall ensure that annual expenditures for the targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. A targeted low-income energy efficiency program must comply with the same audit requirements that apply to federal weatherization subrecipients. In an energy efficiency cost recovery factor proceeding related to expenditures under this subsection, the commission shall make findings of fact regarding whether the utility meets requirements imposed under this subsection. The state agency that administers the federal weatherization assistance program shall ~~[provide reports as required by the commission to provide the most current information available on energy and peak demand savings achieved in each transmission and distribution utility service area. The agency shall]~~ participate in energy efficiency cost recovery factor proceedings related to expenditures under this subsection to ensure that targeted low-income weatherization programs are consistent with federal weatherization programs and adequately funded.

ARTICLE 5. REPEALER

SECTION 5.01. The following provisions of the Government Code are repealed:

- (1) Section 2306.255(h); and
- (2) Section 2306.560(d).

ARTICLE 6. TRANSITION PROVISIONS

SECTION 6.01. The change in law made by this Act to Sections 2306.043, 2306.044, 2306.045, 2306.046, and 2306.049, Government Code, applies only to a violation committed on or after the effective date of this Act. A violation

committed before the effective date of this Act is governed by the law in effect when the violation was committed, and the former law is continued in effect for that purpose.

SECTION 6.02. The change in law made by this Act to Section 2306.6022, Government Code, applies only to a complaint filed on or after the effective date of this Act. A complaint filed before the effective date of this Act is governed by the law in effect at the time the complaint was filed, and the former law is continued in effect for that purpose.

SECTION 6.03. The changes in law made by this Act in amending Section 2306.6710, Government Code, and adding Section 2306.67071, Government Code, apply only to an application for low income housing tax credits that is submitted to the Texas Department of Housing and Community Affairs during an application cycle that begins on or after the effective date of this Act. An application that is submitted during an application cycle that began before the effective date of this Act is governed by the law in effect at the time the application cycle began, and the former law is continued in effect for that purpose.

SECTION 6.04. Notwithstanding Sections 1201.101(f-1) and 1201.106(a), Occupations Code, as amended by this Act, a retailer licensed to operate one or more branch locations on or before the effective date of this Act is not required to comply with the changes in law made by those sections until March 1, 2014.

SECTION 6.05. (a) The change in law made by this Act in amending Sections 1201.103 and 1201.104, Occupations Code, applies only to an application for a license filed with the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs on or after the effective date of this Act. An application for a license filed before that date is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

(b) The change in law made by this Act in adding Section 1201.1031, Occupations Code, applies only to an application for a license or license renewal filed with the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs on or after the effective date of this Act. An application for a license or license renewal filed before that date is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

(c) The change in law made by this Act in amending Section 1201.116, Occupations Code, applies only to an application for a license renewal filed with the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs on or after the effective date of this Act. An application for a license renewal filed before that date is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. This Act takes effect September 1, 2013.

Representative Dutton moved to adopt the conference committee report on **HB 3361**.

The motion to adopt the conference committee report on **HB 3361** prevailed by (Record 1327): 125 Yeas, 19 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Ashby; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Clardy; Coleman; Collier; Cortez; Creighton; Crownover; Dale; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, T.; Kleinschmidt; Kolkhorst; Kuempel; Larson; Laubenberg; Leach; Lewis; Longoria; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Patrick; Perez; Perry; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Anchia; Anderson; Carter; Cook; Craddick; Hilderbran; King, S.; Klick; Krause; Lavender; Miles; Parker; Phillips; Schaefer; Simpson; Stephenson; Stickland; Strama; Taylor.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Aycock; Darby; Lozano.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1327. I intended to vote no.

Button

I was shown voting yes on Record No. 1327. I intended to vote no.

Creighton

HB 3447 - MOTION TO ADOPT CONFERENCE COMMITTEE REPORT

Representative Gutierrez submitted the conference committee report on **HB 3447**.

Representative Gutierrez moved to adopt the conference committee report on **HB 3447**.

The motion to adopt the conference committee report on **HB 3447** was lost by (Record 1328): 67 Yeas, 80 Nays, 2 Present, not voting. (The vote was reconsidered later today, and the motion to adopt the conference committee report on **HB 3447** prevailed by Record No. 1337.)

Yeas — Allen; Alonzo; Alvarado; Anchia; Burnam; Canales; Coleman; Collier; Cortez; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farrar; Giddings; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Hernandez Luna; Herrero; Howard; Hunter; Johnson; Keffer; King, T.; Kleinschmidt; Longoria; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Patrick; Perez; Pickett; Raymond; Reynolds; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheffield, J.; Smith; Strama; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Wu; Zerwas.

Nays — Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Callegari; Capriglione; Carter; Clardy; Cook; Craddick; Creighton; Crownover; Dale; Darby; Fallon; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; Gooden; Harless; Hilderbran; Huberty; Hughes; Isaac; Kacal; King, K.; King, P.; King, S.; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Lozano; Miller, D.; Miller, R.; Morrison; Orr; Otto; Paddie; Parker; Perry; Phillips; Pitts; Price; Raney; Ratliff; Riddle; Sanford; Schaefer; Sheets; Sheffield, R.; Simmons; Simpson; Smithee; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Toth; Turner, E.S.; White; Workman; Zedler.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1328. I intended to vote no.

Hunter

I was shown voting yes on Record No. 1328. I intended to vote no.

Menéndez

I was shown voting yes on Record No. 1328. I intended to vote no.

Murphy

SB 484 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative S. Turner submitted the conference committee report on **SB 484**.

Representative S. Turner moved to adopt the conference committee report on **SB 484**.

The motion to adopt the conference committee report on **SB 484** prevailed by (Record 1329): 92 Yeas, 53 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Aycock; Bonnen, D.; Bonnen, G.; Burnam; Callegari; Canales; Coleman; Collier; Cortez; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Farias; Farrar; Geren; Giddings; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Howard; Huberty; Hunter; Johnson; Kacal; Keffer; King, T.; Kolkhorst; Leach; Lewis; Longoria; Lozano; Márquez;

Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, R.; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Otto; Perez; Pickett; Pitts; Raney; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Stephenson; Strama; Taylor; Thompson, E.; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Anderson; Ashby; Bohac; Branch; Burkett; Button; Capriglione; Carter; Clardy; Cook; Craddick; Creighton; Dale; Elkins; Fallon; Farney; Fletcher; Flynn; Frank; Frullo; Goldman; Gonzales; Gooden; Hilderbran; Hughes; Isaac; King, K.; King, P.; King, S.; Kleinschmidt; Klick; Krause; Kuempel; Larson; Laubenberg; Lavender; Miller, D.; Morrison; Orr; Paddie; Parker; Patrick; Perry; Phillips; Price; Ratliff; Sheets; Smithee; Springer; Stickland; Toth; White; Zedler.

Present, not voting — Mr. Speaker; Harper-Brown(C); Thompson, S.

Absent, Excused — Lucio.

Absent — Bell.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1329. I intended to vote no.

R. Miller

I was shown voting yes on Record No. 1329. I intended to vote no.

R. Sheffield

I was shown voting yes on Record No. 1329. I intended to vote no.

E. Thompson

I was shown voting yes on Record No. 1329. I intended to vote no.

E. S. Turner

HB 3447 - NOTICE GIVEN

Pursuant to the provisions of Rule 7, Section 37(c) of the House Rules, at 4:59 p.m., Representative Huberty announced his intention to make the motion to reconsider the vote by which the motion to adopt the conference committee report on **HB 3447** was lost earlier today.

HB 7 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Darby submitted the following conference committee report on **HB 7**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 7** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Williams
 Duncan
 Nelson
 Eltife
 Hegar
 On the part of the senate

Darby
 Pitts
 Eiland
 Otto
 S. Turner
 On the part of the house

HB 7, A bill to be entitled An Act relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; making an appropriation.

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

SECTION 1. Chapter 322, Government Code, is amended by adding Section 322.024 to read as follows:

Sec. 322.024. REDUCTION OF RELIANCE ON AVAILABLE DEDICATED REVENUE FOR BUDGET CERTIFICATION. (a) In this section, "available dedicated revenue" means revenue that Section 403.095 makes available for certification under Section 403.121.

(b) The board shall:

(1) develop and implement a process to review:

(A) new legislative enactments that create dedicated revenue; and

(B) the appropriation and accumulation of dedicated revenue and available dedicated revenue;

(2) develop and implement tools to evaluate the use of available dedicated revenue for state government financing and budgeting; and

(3) develop specific and detailed recommendations on actions the legislature may reasonably take to reduce state government's reliance on available dedicated revenue for the purposes of certification under Section 403.121 as authorized by Section 403.095.

(c) The board shall incorporate into the board's budget recommendations appropriate measures to reduce state government's reliance on available dedicated revenue for the purposes of certification under Section 403.121 as authorized by Section 403.095 and shall include with the budget recommendations plans for further reducing state government's reliance on available dedicated revenue for those purposes for the succeeding six years.

(d) The board shall consult the comptroller as necessary to accomplish the objectives of Subsections (b) and (c).

SECTION 2. Subchapter F, Chapter 403, Government Code, is amended by adding Section 403.0956 to read as follows:

Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. Notwithstanding any other law, all interest or other earnings that accrue on all revenue held in an account in the general revenue fund any part of which Section 403.095 makes available for certification

under Section 403.121 are available for any general governmental purpose, and the comptroller shall deposit the interest and earnings to the credit of the general revenue fund. This section does not apply to:

(1) interest or earnings on revenue deposited in accordance with Section 51.008, Education Code;

(2) an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law;

(3) the lifetime license endowment account; or

(4) the game, fish, and water safety account.

SECTION 3. Sections 361.013(a) and (f), Health and Safety Code, are amended to read as follows:

(a) Except as provided by Subsections (e) through (i), the commission shall charge a fee on all solid waste that is disposed of within this state. The fee is 94 cents [~~\$1.25~~] per ton received for disposal at a municipal solid waste landfill if the solid waste is measured by weight. If the solid waste is measured by volume, the fee for compacted solid waste is 30 [~~40~~] cents per cubic yard and the fee [or] for uncompacted solid waste is 19 [~~25~~] cents per cubic yard received for disposal at a municipal solid waste landfill. The commission shall set the fee for sludge or similar waste applied to the land for beneficial use on a dry weight basis and for solid waste received at an incinerator or a shredding and composting facility at half the fee set for solid waste received for disposal at a landfill. The commission may charge comparable fees for other means of solid waste disposal that are used.

(f) The commission may not charge a fee under Subsection (a) for source separated [~~yard waste~~] materials that are processed [~~composted~~] at a composting and mulch processing facility, including a composting and mulch processing facility located at a permitted landfill site. The commission shall credit any fee payment due under Subsection (a) for any material received and processed [~~converted~~] to compost or mulch product at the facility [~~for composting through a composting process~~]. Any compost or mulch product that is produced at a [~~for~~] composting and mulch processing facility that is [~~not~~] used in the operation of the facility or is disposed of [~~as compost and is deposited~~] in a landfill is not exempt from the fee.

SECTION 4. Sections 361.014(a) and (b), Health and Safety Code, are amended to read as follows:

(a) Revenue received by the commission under Section 361.013 shall be deposited in the state treasury to the credit of the commission. Of that [~~Half of the~~] revenue, 66.7 percent is dedicated to the commission's municipal solid waste permitting programs, [and] enforcement programs, and site remediation programs, and [~~related support activities and~~] to pay for activities that will enhance the state's solid waste management program. The commission shall issue a biennial report to the legislature describing in detail how the money was spent. The activities to enhance the state's solid waste management program may include [~~, including~~]:

(1) provision of funds for the municipal solid waste management planning fund and the municipal solid waste resource recovery applied research and technical assistance fund established by the Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act (Chapter 363);

(2) conduct of demonstration projects and studies to help local governments of various populations and the private sector to convert to accounting systems and set rates that reflect the full costs of providing waste management services and are proportionate to the amount of waste generated;

(3) provision of technical assistance to local governments concerning solid waste management;

(4) establishment of a solid waste resource center in the commission and an office of waste minimization and recycling;

(5) provision of supplemental funding to local governments for the enforcement of this chapter, the Texas Litter Abatement Act (Chapter 365), and Chapters 391 and 683, Transportation Code;

(6) conduct of a statewide public awareness program concerning solid waste management;

(7) provision of supplemental funds for other state agencies with responsibilities concerning solid waste management, recycling, and other initiatives with the purpose of diverting recyclable waste from landfills;

(8) conduct of research to promote the development and stimulation of markets for recycled waste products;

(9) creation of a state municipal solid waste superfund, from funds appropriated, for:

(A) the cleanup of unauthorized tire dumps and solid waste dumps for which a responsible party cannot be located or is not immediately financially able to provide the cleanup;

(B) the cleanup or proper closure of abandoned or contaminated municipal solid waste sites for which a responsible party is not immediately financially able to provide the cleanup; and

(C) remediation, cleanup, and proper closure of unauthorized recycling sites for which a responsible party is not immediately financially able to perform the remediation, cleanup, and closure;

(10) provision of funds to mitigate the economic and environmental impacts of lead-acid battery recycling activities on local governments; and

(11) provision of funds for the conduct of research by a public or private entity to assist the state in developing new technologies and methods to reduce the amount of municipal waste disposed of in landfills.

(b) Of ~~Half of~~ the revenue received by the commission under Section 361.013, 33.3 percent is dedicated to local and regional solid waste projects consistent with regional plans approved by the commission in accordance with this chapter and to update and maintain those plans. Those revenues shall be allocated to municipal solid waste geographic planning regions for use by local governments and regional planning commissions according to a formula established by the commission that takes into account population, area, solid waste fee generation, and public health needs. Each planning region shall issue a

biennial report to the legislature detailing how the revenue is spent. A project or service funded under this subsection must promote cooperation between public and private entities and may not be otherwise readily available or create a competitive advantage over a private industry that provides recycling or solid waste services.

SECTION 5. Section 361.133, Health and Safety Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Notwithstanding Subsection (c), money in the account attributable to fees imposed under Section 361.138 may be used for environmental remediation at the site of a closed battery recycling facility located in the municipal boundaries of a municipality if the municipality submits to the commission a voluntary compliance plan for the site and is paying or has paid for part of the costs of the environmental remediation of the site. This subsection expires September 30, 2014.

SECTION 6. Section 771.0711(c), Health and Safety Code, is amended to read as follows:

(c) Money collected under Subsection (b) may be used only for services related to 9-1-1 services, including automatic number identification and automatic location information services, or as authorized by Section 771.079(c). Not later than the 15th day after the end of the month in which the money is collected, the commission shall distribute to each emergency communication district that does not participate in the state system a portion of the money that bears the same proportion to the total amount collected that the population of the area served by the district bears to the population of the state. The remaining money collected under Subsection (b) shall be deposited to the 9-1-1 services fee account.

SECTION 7. Section 771.079, Health and Safety Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

(c) Except as provided by Subsection (c-1), money [~~Money~~] in the account may be appropriated only to the commission for planning, development, provision, or enhancement of the effectiveness of 9-1-1 service or for contracts with regional planning commissions for 9-1-1 service, including for the purposes of:

(1) maintaining 9-1-1 service levels while providing for a transition to a system capable of addressing newer technologies and capable of addressing other needs;

(2) planning and deploying statewide, regional, and local emergency network systems; and

(3) updating geospatial mapping technologies.

(c-1) The legislature may appropriate money from the account to provide assistance to volunteer fire departments under Subchapter G, Chapter 614, Government Code, only if:

(1) the purposes described by Subsection (c) have been accomplished or are fully funded for the fiscal period for which an appropriation under this subsection is made; and

(2) all other sources of revenue dedicated for the purposes of providing assistance to volunteer fire departments under Subchapter G, Chapter 614, Government Code, are obligated for the fiscal period for which an appropriation under this subsection is made.

SECTION 8. Section 780.003(a), Health and Safety Code, is amended to read as follows:

(a) The designated trauma facility and emergency medical services account is created as a dedicated account in the general revenue fund of the state treasury. Money in the account may be appropriated only to:

(1) the department for the purposes described by Section 780.004; or

(2) the Texas Higher Education Coordinating Board for graduate-level:

(A) medical education programs; or

(B) nursing education programs.

SECTION 9. Section 2007.002, Insurance Code, is amended to read as follows:

Sec. 2007.002. ASSESSMENT. The comptroller shall assess against all insurers to which this chapter applies amounts for each state fiscal year necessary, as determined by the commissioner, to collect a combined total equal to the lesser of the total amount that the General Appropriations Act appropriates from the volunteer fire department assistance fund account in the general revenue fund for that state fiscal year and [of] \$30 million [for each 12-month period].

SECTION 10. Section 81.067(c), Natural Resources Code, is amended to read as follows:

(c) The fund consists of:

(1) proceeds from bonds and other financial security required by this chapter and benefits under well-specific plugging insurance policies described by Section 91.104(c) that are paid to the state as contingent beneficiary of the policies, subject to the refund provisions of Section 91.1091, if applicable;

(2) private contributions, including contributions made under Section 89.084;

(3) expenses collected under Section 89.083;

(4) fees imposed under Section 85.2021;

(5) costs recovered under Section 91.457 or 91.459;

(6) proceeds collected under Sections 89.085 and 91.115;

(7) interest earned on the funds deposited in the fund;

(8) oil and gas waste hauler permit application fees collected under Section 29.015, Water Code;

(9) costs recovered under Section 91.113(f);

(10) hazardous oil and gas waste generation fees collected under Section 91.605;

(11) oil-field cleanup regulatory fees on oil collected under Section 81.116;

(12) oil-field cleanup regulatory fees on gas collected under Section 81.117;

(13) fees for a reissued certificate collected under Section 91.707;

(14) fees collected under Section 91.1013;

- (15) fees collected under Section 89.088;
- (16) fees collected under Section 91.142;
- (17) fees collected under Section 91.654;
- (18) costs recovered under Sections 91.656 and 91.657;
- (19) two-thirds of the fees collected under Section 81.0521;
- (20) fees collected under Sections 89.024 and 89.026;
- (21) legislative appropriations; ~~and~~
- (22) any surcharges collected under Section 81.070; and
- (23) fees collected under Section 91.0115.

SECTION 11. Section 81.068, Natural Resources Code, is amended to read as follows:

Sec. 81.068. ~~PURPOSES~~ ~~[PURPOSE]~~ OF OIL AND GAS REGULATION AND CLEANUP FUND. Money in the oil and gas regulation and cleanup fund may be used by the commission or its employees or agents for any purpose related to the regulation of oil and gas development, including oil and gas monitoring and inspections, oil and gas remediation, and oil and gas well plugging, the study and evaluation of electronic access to geologic data and surface casing depths necessary to protect usable groundwater in this state, alternative fuels programs under Section 81.0681, public information and services related to those activities, and administrative costs and state benefits for personnel involved in those activities.

SECTION 12. Subchapter C, Chapter 81, Natural Resources Code, is amended by adding Section 81.0681 to read as follows:

Sec. 81.0681. ALTERNATIVE FUELS PROGRAMS. (a) The commission shall adopt all necessary rules relating to activities regarding the use of alternative fuels that are or have the potential to be effective in improving the air quality, energy security, or economy of this state.

(b) The commission shall use the oil and gas regulation and cleanup fund to pay for activities relating to the use of alternative fuels, including direct and indirect costs relating to:

(1) researching all possible uses of liquefied petroleum gas and natural gas as alternative fuels;

(2) researching, developing, and implementing marketing, advertising, and informational programs relating to alternative fuels to make alternative fuels more understandable and readily available to consumers;

(3) developing and implementing conservation and distribution plans to minimize the frequency and severity of disruptions in the supply of alternative fuels;

(4) developing a public information plan that will provide advisory services relating to alternative fuels to consumers;

(5) developing voluntary participation plans to promote the use of alternative fuels by federal, state, and local agencies; and

(6) other functions the commission determines are necessary to add a program established by the commission for the purpose of promoting the use of liquefied petroleum gas, natural gas, or other alternative fuels.

SECTION 13. Section 91.0115, Natural Resources Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) The commission shall charge a fee not to exceed \$75, in addition to the fee required by Subsection (b), for processing a request to expedite a letter of determination. ~~[Money collected under this subsection may be used to study and evaluate electronic access to geologic data and surface casing depths under Section 91.020.]~~

(d) The fees collected under this section shall be deposited in the oil and gas regulation and cleanup fund.

SECTION 14. Section 151.801(c-1), Tax Code, is amended to read as follows:

(c-1) Except as provided by this subsection, the [The] comptroller may not credit to the Parks and Wildlife Department or the Texas Historical Commission any amounts under this section that are in excess of the amounts appropriated to the department or commission for that biennium[; less any other amounts to which the department or commission is entitled]. In addition to amounts appropriated to the Parks and Wildlife Department from the proceeds described by Subsection (c), the comptroller shall transfer to appropriate department accounts amounts from those proceeds sufficient to fund the state contributions for employee benefits of Parks and Wildlife Department employees whose salaries or wages are paid from department accounts receiving the transfers.

SECTION 15. Subchapter G, Chapter 504, Transportation Code, is amended by adding Section 504.6012 to read as follows:

Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS; REVENUES IN TRUST. (a) Notwithstanding any other provision of this subchapter, not later than September 30, 2013, the comptroller shall eliminate all dedicated accounts established for specialty license plates under this subchapter and shall set aside the balances of those dedicated accounts so that the balances may be appropriated only for the purposes intended as provided by the dedications.

(b) On and after September 1, 2013, the portion of a fee payable under this subchapter that is designated for deposit to a dedicated account shall be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund. The comptroller shall administer the trust fund and accounts and may allocate the corpus and earnings on each account only in accordance with the dedications of the revenue deposited to the trust fund accounts.

SECTION 16. Section 39.903, Utilities Code, is amended by adding Subsection (m) to read as follows:

(m) This section expires September 1, 2016.

SECTION 17. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.9039 to read as follows:

Sec. 39.9039. ELIMINATION OF SYSTEM BENEFIT FUND BALANCE. (a) Notwithstanding Section 39.903(b), the commission shall set the nonbypassable system benefit fund fee at the amount of zero cents per megawatt hour for the period beginning September 1, 2013, and ending September 1, 2016.

(b) Notwithstanding Section 39.903(e), money in the system benefit fund may be appropriated:

(1) for the state fiscal year beginning September 1, 2013, a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2013, and May through August, 2014, in the manner prescribed by Section 39.903(h) at a rate of up to 82 percent;

(2) for the state fiscal year beginning September 1, 2014, a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2014, and May through August, 2015, in the manner prescribed by Section 39.903(h) at a rate of up to 15 percent;

(3) for the state fiscal year beginning September 1, 2015, a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2015, and May through August, 2016, in the manner prescribed by Section 39.903(h) at a rate of up to 15 percent; and

(4) for customer education programs and administrative expenses incurred by the commission in implementing and administering this chapter.

(c) This section expires September 1, 2016.

SECTION 18. Subchapter I, Chapter 26, Water Code, is amended by adding Section 26.35745 to read as follows:

Sec. 26.35745. REPORT ON CORRECTIVE ACTIONS FOR PETROLEUM CONTAMINATED SITES AND FEES NECESSARY TO CONCLUDE PROGRAM. (a) The commission annually shall prepare a report regarding the status of corrective actions for sites reported to the commission under this subchapter as having had a release needing corrective action. The commission must issue the report to the legislature on or before November 1 of each year.

(b) Regarding sites reported to the commission under this subchapter as having had a release needing corrective action on or before December 22, 1998, and that remain in the commission's PST State-Lead Program on September 1, 2013, the report must include:

(1) the total number of sites;

(2) the total number of sites for which corrective action is ongoing;

(3) the total number of sites monitored;

(4) the projected costs of the corrective actions;

(5) the projected costs of monitoring;

(6) a projected timeline for issuing closure letters under this subchapter for all of the sites; and

(7) for each site, the corrective action activities proposed and completed during the preceding state fiscal year.

(c) Regarding sites reported to the commission under this subchapter as having had a release needing corrective action after December 22, 1998, for which the commission has elected to assume responsibility for undertaking corrective action under this subchapter, the report must include:

(1) the current status of each site;
(2) the costs associated with the corrective action activities performed during the preceding state fiscal year for the sites;
(3) amounts recovered under Section 26.355 related to the sites; and
(4) enforcement actions taken against owners and operators related to those sites.

(d) The commission shall investigate the amount of fees that would be necessary to cover the costs necessary to conclude the programs and activities under this subchapter before September 1, 2021. The commission shall include in the annual report under this section the conclusions of the investigation and the commission's recommendations regarding the fees and programs and activities.

(e) This section expires September 1, 2021.

SECTION 19. Effective September 1, 2015, Section 56.095(b), Education Code, is repealed.

SECTION 20. (a) Subchapter I, Chapter 113, Natural Resources Code, is repealed.

(b) On the effective date of this Act:

(1) the alternative fuels research and education fund is abolished;
(2) any money remaining in the alternative fuels research and education fund is transferred to the undedicated portion of the general revenue fund;
(3) any claim against the alternative fuels research and education fund is transferred to the undedicated portion of the general revenue fund; and
(4) any amount required to be deposited to the credit of the alternative fuels research and education fund shall be deposited to the credit of the undedicated portion of the general revenue fund.

(c) Any money transferred from the alternative fuels research and education fund to the undedicated portion of the general revenue fund that was deposited in the alternative fuels research and education fund as a gift, grant, or other form of assistance under former Subchapter I, Chapter 113, Natural Resources Code, and is encumbered by the specific terms of the gift, grant, or other form of assistance may be spent only in accordance with the terms of the gift, grant, or other form of assistance. Subchapter I, Chapter 113, Natural Resources Code, is continued in effect for the limited purpose of administering this subsection.

SECTION 21. In addition to other appropriations made from the system benefit fund by the 83rd Legislature, Regular Session, 2013, the amount of \$500 million is appropriated from the system benefit fund to the Public Utility Commission of Texas for the purposes of Section 39.9039, Utilities Code, as added by this Act, for the period beginning on the effective date of this Act and ending August 31, 2014.

SECTION 22. EFFECTIVE DATE. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

Representative Darby moved to adopt the conference committee report on **HB 7**.

The motion to adopt the conference committee report on **HB 7** prevailed by (Record 1330): 143 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Bonnen, D.; Leach; Simpson; Taylor.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

The chair stated that **HB 7** was passed subject to the provisions of Article III, Section 49a of the Texas Constitution.

STATEMENTS OF VOTE

I was shown voting no on Record No. 1330. I intended to vote yes.

Leach

I was shown voting yes on Record No. 1330. I intended to vote no.

Sanford

I was shown voting yes on Record No. 1330. I intended to vote no.

E. S. Turner

HR 3094 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the chair announced the introduction of **HR 3094**, suspending the limitations on the conferees for **HB 6**.

HR 2841 - ADOPTED
(by Lewis)

The following privileged resolution was laid before the house:

HR 2841

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 3153** (the operation and administration of, and practice in courts in, the judicial branch of state government and the composition of certain juvenile boards; imposing a fee) to consider and take action on the following matter:

House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2.02 of the bill, in amended Section 25.0331, Government Code, to read as follows:

SECTION 2.02. (a) Effective January 1, 2017, Section 25.0331, Government Code, is amended by adding Subsection (c) to read as follows:

(c) Cameron County has one statutory probate court, the Probate Court No. 1 of Cameron County.

(b) Notwithstanding Section 25.0009, Government Code, the initial vacancy in the office of judge of the Probate Court No. 1 of Cameron County shall be filled by election. The office exists for purposes of the primary and general elections in 2016. A vacancy after the initial vacancy is filled as provided by Section 25.0009, Government Code.

(c) The Probate Court No. 1 of Cameron County is created on January 1, 2017.

Explanation: The change is necessary to omit the section amending Section 25.0331, Government Code.

HR 2841 was adopted by (Record 1331): 144 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer;

Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Cortez; Hernandez Luna.

HB 3153 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Lewis submitted the following conference committee report on **HB 3153**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3153** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

West	Lewis
Carona	Farney
Duncan	Farrar
Hancock	Gooden
Lucio	K. King
On the part of the senate	On the part of the house

HB 3153, A bill to be entitled An Act relating to the operation and administration of, and practice in courts in, the judicial branch of state government and the composition of certain juvenile boards; imposing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
ARTICLE 1. DISTRICT COURTS, DISTRICT ATTORNEYS, AND CERTAIN JUVENILE BOARDS

SECTION 1.01. (a) Section 24.113, Government Code, is amended to read as follows:

Sec. 24.113. 12TH JUDICIAL DISTRICT (GRIMES, [~~LEON,~~] MADISON, AND WALKER COUNTIES). [~~(a)~~] The 12th Judicial District is composed of Grimes, [~~Leon,~~] Madison, and Walker counties.

[~~(b) The terms of the 12th District Court in each county of the district begin on the first Mondays in January and July.~~]

(b) Section 24.514, Government Code, is amended to read as follows:

Sec. 24.514. 369TH JUDICIAL DISTRICT (ANDERSON, [~~AND~~] CHEROKEE, AND LEON COUNTIES). The 369th Judicial District is composed of Anderson, [~~and~~] Cherokee, and Leon counties.

(c) Section 43.106, Government Code, is redesignated as Section 43.1815, Government Code, and amended to read as follows:

Sec. 43.1815 ~~[43.106]~~. 369TH ~~[12TH]~~ JUDICIAL DISTRICT. (a) The voters of Leon County elect a district attorney for the 369th ~~[12th]~~ Judicial District who represents the state in that district court only in Leon County.

(b) The district attorney of the 369th ~~[12th]~~ Judicial District also represents the state in all criminal and civil actions in which the state is interested that arise in the 87th Judicial District in Leon County.

(c) The district attorney may, with the consent of the Commissioners Court of Leon County, appoint a deputy district attorney.

(d) The Commissioners Court of Leon County shall pay the salary and traveling expenses of the deputy district attorney from the officers' salary fund. The salary shall be paid in equal monthly installments and expense claims shall be paid at the end of each month. The salary is subject to participation fully in the Texas County and District Retirement System.

(d) Section 152.1511(a), Human Resources Code, as amended by Chapters 531 (**HB 956**), 1152 (**HB 3045**), and 1352 (**SB 1189**), Acts of the 79th Legislature, Regular Session, 2005, is reenacted to read as follows:

(a) The juvenile board of Leon County is composed of the county judge and the district judges in Leon County.

(e) The local administrative district judge shall transfer all cases from Leon County that are pending in the 12th District Court on September 1, 2013, to the 369th District Court.

(f) When a case is transferred as provided by Subsection (e) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the 12th District Court are returnable to the 369th District Court as if originally issued by that court. The obligees on all bonds and recognizances taken in and for the 12th District Court and all witnesses summoned to appear in the 12th District Court are required to appear before the 369th District Court as if originally required to appear before that court.

(g) The person serving as district attorney for the 12th Judicial District on September 1, 2013, unless otherwise removed from office, continues to serve in that office as redesignated as the district attorney for the 369th Judicial District for the term to which elected or appointed.

SECTION 1.02. (a) Effective January 1, 2014, Section 24.254, Government Code, is amended to read as follows:

Sec. 24.254. 155TH JUDICIAL DISTRICT (AUSTIN AND~~[,]~~ FAYETTE~~[,]~~ AND WALLER] COUNTIES). (a) The 155th Judicial District is composed of Austin and~~[,]~~ Fayette~~[, and Waller]~~ counties.

(b) ~~The terms of the 155th District Court begin:~~
~~[(1) in Austin County on the first Mondays in April and November;~~
~~[(2) in Fayette County on the first Mondays in February and~~
~~September; and~~
~~[(3) in Waller County on the first Mondays in January and June.~~

~~[(e)]~~ The sheriff of each county or the sheriff's deputy shall attend the court as required by law or by the judge.

(b) The local administrative district judge shall transfer to the 506th District Court all cases from Waller County that are pending in the 155th District Court on January 1, 2014.

(c) When a case is transferred as provided by Subsection (b) of this section:

(1) all processes, writs, bonds, recognizances, or other obligations issued from the 155th District Court are returnable to the 506th District Court as if originally issued by that court; and

(2) the obligees on all bonds and recognizances taken in and for the 155th District Court and all witnesses summoned to appear in the 155th District Court are required to appear before the 506th District Court as if originally required to appear before that court.

SECTION 1.03. (a) Section 24.275, Government Code, is amended to read as follows:

Sec. 24.275. 216TH JUDICIAL DISTRICT (~~[BANDERA,]~~ GILLESPIE, KENDALL, AND KERR COUNTIES). ~~[(a)]~~ The 216th Judicial District is composed of ~~[Bandera,]~~ Gillespie, Kendall, and Kerr counties.

~~[(b) The terms of the 216th District Court begin:~~

~~[(1) in Bandera County on the first Mondays in February and September;~~

~~[(2) in Gillespie County on the second Mondays in April and November;~~

~~[(3) in Kendall County on the fourth Mondays in February and September; and~~

~~[(4) in Kerr County on the first Mondays in January and June.]~~

(b) Section 24.377, Government Code, is amended to read as follows:

Sec. 24.377. 198TH JUDICIAL DISTRICT (BANDERA AND [EDWARDS,] KERR [~~-, KIMBLE, MCCULLOCH, MASON, AND MENARD~~] COUNTIES). (a) The 198th Judicial District is composed of Bandera and [Edwards,] Kerr Counties~~[- Kimble, McCulloch, Mason, and Menard counties].~~

(b) The judge of the 198th District Court may select jury commissioners and impanel grand juries in each county. The judge of the 198th District Court may alternate the drawing of grand juries with the judge of any other district court in each county within the judge's [his] district and may order grand and petit juries to be drawn for any term of the judge's [his] court as in the judge's [his] judgment is necessary, by an order entered in the minutes of the court. Indictments within each county may be returned to either court within that county.

(c) In addition to the requirements under Article 59.06, Code of Criminal Procedure, the district attorney for the 198th Judicial District may use proceeds from the sale of forfeited property, after the deduction of amounts described by Article 59.06(a), Code of Criminal Procedure, for the official purposes of the office of the district attorney only on the approval of:

(1) the commissioners court of each county in the judicial district; or

(2) a regional review committee composed of three members who are a county judge, a county attorney, a county commissioner or a county sheriff, each appointed by the member of the house of representatives of this state who represents the ~~[largest number of]~~ counties in the judicial district.

(c) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.596 to read as follows:

Sec. 24.596. 452ND JUDICIAL DISTRICT (EDWARDS, KIMBLE, MCCULLOCH, MASON, AND MENARD COUNTIES). (a) The 452nd Judicial District is composed of Edwards, Kimble, McCulloch, Mason, and Menard Counties.

(b) The judge of the 452nd District Court may select jury commissioners and impanel grand juries in each county. The judge of the 452nd District Court may order grand and petit juries to be drawn for any term of the judge's court as in the judge's judgment is necessary, by an order entered in the minutes of the court.

(d) Subchapter B, Chapter 43, Government Code, is amended by adding Section 43.184 to read as follows:

Sec. 43.184. 452ND JUDICIAL DISTRICT. The voters of the 452nd Judicial District elect a district attorney who represents the state in all matters before that district court.

(e) Sections 74.042(g) and (h), Government Code, are amended to read as follows:

(g) The Sixth Administrative Judicial Region is composed of the counties of Bandera, Brewster, Crockett, Culberson, Edwards, El Paso, Gillespie, Hudspeth, Jeff Davis, Kendall, Kerr, Kimble, Kinney, Mason, McCulloch, Medina, Menard, Pecos, Presidio, Reagan, Real, Sutton, Terrell, Upton, Uvalde, and Val Verde.

(h) The Seventh Administrative Judicial Region is composed of the counties of Andrews, Borden, Brown, Callahan, Coke, Coleman, Concho, Crane, Dawson, Ector, Fisher, Gaines, Garza, Glasscock, Haskell, Howard, Irion, Jones, Kent, Loving, Lynn, Martin, ~~[McCulloch, Menard,]~~ Midland, Mills, Mitchell, Nolan, Reeves, Runnels, Schleicher, Scurry, Shackelford, Sterling, Stonewall, Taylor, Throckmorton, Tom Green, Ward, and Winkler.

(f) The local administrative district judge shall transfer to the 198th District Court all cases from Bandera County that are pending in the 216th District Court on the effective date of this Act.

(g) When a case is transferred as provided by Subsection (f) of this section:

(1) all processes, writs, bonds, recognizances, or other obligations issued from the 216th District Court are returnable to the 198th District Court as if originally issued by that court; and

(2) the obligees on all bonds and recognizances taken in and for the 216th District Court and all witnesses summoned to appear in the 216th District Court are required to appear before the 198th District Court as if originally required to appear before that court.

(h) The local administrative district judge shall transfer to the 452nd District Court all cases from Edwards, Kimble, McCulloch, Mason, and Menard Counties that are pending in the 198th District Court on the effective date of this Act.

(i) When a case is transferred as provided by Subsection (h) of this section:

(1) all processes, writs, bonds, recognizances, or other obligations issued from the 198th District Court are returnable to the 452nd District Court as if originally issued by that court; and

(2) the obligees on all bonds and recognizances taken in and for the 198th District Court and all witnesses summoned to appear in the 198th District Court are required to appear before the 452nd District Court as if originally required to appear before that court.

(j) The 452nd Judicial District is created on the effective date of this Act.

SECTION 1.04. (a) Effective January 1, 2015, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.586 to read as follows:

Sec. 24.586. 442ND JUDICIAL DISTRICT (DENTON COUNTY). The 442nd Judicial District is composed of Denton County.

(b) The 442nd Judicial District is created on January 1, 2015.

SECTION 1.05. (a) Effective September 1, 2014, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.587 to read as follows:

Sec. 24.587. 443RD JUDICIAL DISTRICT (ELLIS COUNTY). The 443rd Judicial District is composed of Ellis County.

(b) The 443rd Judicial District is created on September 1, 2014.

SECTION 1.06. (a) Effective September 1, 2015, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.594 to read as follows:

Sec. 24.594. 450TH JUDICIAL DISTRICT (TRAVIS COUNTY). (a) The 450th Judicial District is composed of Travis County.

(b) The 450th District Court shall give preference to criminal matters.

(b) The 450th Judicial District is created on September 1, 2015.

SECTION 1.07. Section 46.002, Government Code, is amended to read as follows:

Sec. 46.002. PROSECUTORS SUBJECT TO CHAPTER. This chapter applies to the state prosecuting attorney, all county prosecutors, and the following state prosecutors:

(1) the district attorneys for Kenedy and Kleberg Counties and for the 1st, 2nd, 8th, 9th, ~~12th,~~ 18th, 21st, 23rd, 25th, 26th, 27th, 29th, 31st, 32nd, 33rd, 34th, 35th, 36th, 38th, 39th, 42nd, 43rd, 46th, 47th, 49th, 50th, 51st, 52nd, 53rd, 63rd, 64th, 66th, 69th, 70th, 76th, 81st, 83rd, 84th, 85th, 88th, 90th, 97th, 100th, 105th, 106th, 109th, 110th, 112th, 118th, 119th, 123rd, 142nd, 143rd, 145th, 156th, 159th, 173rd, 196th, 198th, 216th, 220th, 229th, 235th, 253rd, 258th, 259th, 266th, 268th, 271st, 286th, 329th, 344th, 349th, 355th, 369th, 452nd, and 506th judicial districts;

(2) the criminal district attorneys for the counties of Anderson, Austin, Bastrop, Bexar, Bowie, Brazoria, Caldwell, Calhoun, Cass, Collin, Comal, Dallas, Deaf Smith, Denton, Eastland, Fannin, Galveston, Grayson, Gregg, Harrison, Hays, Hidalgo, Jasper, Jefferson, Kaufman, Lubbock, McLennan,

Madison, Navarro, Newton, Panola, Polk, Randall, Rockwall, San Jacinto, Smith, Tarrant, Taylor, Tyler, Upshur, Van Zandt, Victoria, Walker, Waller, Wichita, Wood, and Yoakum; and

(3) the county attorneys performing the duties of district attorneys in the counties of Andrews, Callahan, Cameron, Castro, Colorado, Crosby, Ellis, Falls, Freestone, Lamar, Lamb, Lampasas, Lee, Limestone, Marion, Milam, Morris, Ochiltrie, Orange, Rains, Red River, Robertson, Rusk, Swisher, Terry, Webb, and Willacy.

ARTICLE 2. STATUTORY COUNTY COURTS AND COURT COSTS AND FEES

SECTION 2.01. (a) Subchapter C, Chapter 25, Government Code, is amended by adding Sections 25.0091 and 25.0092 to read as follows:

Sec. 25.0091. ATASCOSA COUNTY. Atascosa County has one statutory county court, the County Court at Law of Atascosa County.

Sec. 25.0092. ATASCOSA COUNTY COURT AT LAW PROVISIONS. (a) In addition to the jurisdiction provided by Section 25.0003 and other law, and except as limited by Subsection (b), a county court at law in Atascosa County has concurrent jurisdiction with the district court in:

- (1) Class A and Class B misdemeanor cases;
- (2) family law matters;
- (3) juvenile matters;
- (4) probate matters; and
- (5) appeals from the justice and municipal courts.

(b) A county court at law does not have general supervisory control or appellate review of the commissioners court or jurisdiction of:

- (1) suits on behalf of this state to recover penalties or escheated property;
- (2) misdemeanors involving official misconduct; or
- (3) contested elections.

(c) The judge of a county court at law must have the same qualifications as those required by law for a district judge.

(d) The judge of a county court at law shall be paid a total annual salary set by the commissioners court at an amount that is not less than \$1,000 less than the total annual salary received by a district judge in the county. A district judge's or statutory county court judge's total annual salary does not include contributions and supplements paid by a county.

(e) The district clerk serves as clerk of a county court at law in matters of concurrent jurisdiction with the district court, except that the county clerk serves as clerk of the court in Class A and Class B misdemeanor cases and probate matters. The county clerk shall serve as clerk of a county court at law in all other matters. Each clerk shall establish a separate docket for a county court at law.

(f) The official court reporter of a county court at law is entitled to receive a salary set by the judge of the county court at law with the approval of the commissioners court.

(g) Jurors summoned for a county court at law or a district court in the county may by order of the judge of the court to which they are summoned be transferred to another court for service and may be used as if summoned for the court to which they are transferred.

(b) Notwithstanding Section 25.0091, Government Code, as added by this Act, the County Court at Law of Atascosa County is created January 1, 2014, or on an earlier date determined by the Commissioners Court of Atascosa County by an order entered in its minutes.

SECTION 2.02. (a) Effective January 1, 2015, Section 25.1042, Government Code, is amended by adding Subsections (a), (b), (c), (d), and (f) to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law in Harrison County has concurrent jurisdiction with the district court, on assignment of a district judge presiding in Harrison County, in family law cases and proceedings.

(b) Assignment and transfer of cases under Subsection (a) is at the discretion of the judge of the district court making the assignment. Assignment or transfer from a county court at law to a district court is governed by Section 74.121(b)(1).

(c) The district clerk serves as clerk of a county court at law in cases assigned under Subsection (a), and the county clerk serves as clerk of the court in all other cases.

(d) A party to a case assigned under Subsection (a) may request a jury of 12 persons if the party makes the request not later than the 30th day before the trial date. A party who does not make a timely request under this subsection waives the right to request a 12-person jury and the case will proceed with a six-person jury.

(f) In matters of concurrent jurisdiction, a district judge presiding in Harrison County may transfer cases from the district court to a county court at law in Harrison County in the same manner judges of district courts transfer cases under Section 24.003.

(b) The changes in law made by this section apply to an action filed on or after the effective date of this Act or pending on the effective date of this Act.

SECTION 2.03. (a) Effective January 1, 2015, Subchapter C, Chapter 25, Government Code, is amended by adding Sections 25.1271 and 25.1272 to read as follows:

Sec. 25.1271. JIM WELLS COUNTY. Jim Wells County has one statutory county court, the County Court at Law of Jim Wells County.

Sec. 25.1272. JIM WELLS COUNTY COURT AT LAW PROVISIONS.

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law in Jim Wells County has the jurisdiction provided by this section.

(b) A county court at law in Jim Wells County has concurrent jurisdiction with the district court in:

(1) civil cases in which the matter in controversy exceeds \$500 but does not exceed \$200,000, excluding interest;

- (2) family law cases and proceedings;
 - (3) Class A and Class B misdemeanors;
 - (4) juvenile cases; and
 - (5) appeals from justice and municipal courts.
- (c) A county court at law does not have jurisdiction of:
 - (1) suits on behalf of this state to recover penalties or escheated property;
 - (2) felony cases;
 - (3) misdemeanors involving official misconduct; or
 - (4) contested elections.
- (d) The judge of a county court at law must have the same qualifications as those required by law for a district judge.
- (e) The judge of a county court at law shall be paid a total annual salary set by the commissioners court at an amount that is not less than \$1,000 less than the total annual salary received by a district judge in the county. A district judge's or statutory county court judge's total annual salary does not include contributions and supplements paid by a county.
- (f) The district clerk serves as clerk of a county court at law in matters of concurrent jurisdiction with the district court, except that the county clerk serves as clerk of the court in Class A and Class B misdemeanor cases. The county clerk shall serve as clerk of a county court at law in all other matters. Each clerk shall establish a separate docket for a county court at law.
- (g) Jurors summoned for a county court at law or a district court in the county may by order of the judge of the court to which they are summoned be transferred to another court for service and may be used as if summoned for the court to which they are transferred.
- (h) If a jury trial is requested in a case that is in a county court at law's jurisdiction, the jury shall be composed of six members unless the constitution requires a 12-member jury. Failure to object before a six-member jury is seated and sworn constitutes a waiver of a 12-member jury.
- (b) Notwithstanding Section 25.0009, Government Code, the initial vacancy in the office of judge of the County Court at Law of Jim Wells County shall be filled by election. The office exists for purposes of the primary and general elections in 2014. A vacancy after the initial vacancy is filled as provided by Section 25.0009, Government Code.
- (c) The County Court at Law of Jim Wells County is created on January 1, 2015.

SECTION 2.04. (a) Section 25.1412, Government Code, is amended by amending Subsections (a) and (f) and adding Subsections (l), (m), (n), (o), and (p) to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law in Lamar County has:

- (1) concurrent jurisdiction with the district court in:
 - (A) probate matters and proceedings, including will contests;
 - (B) family law cases and proceedings, including juvenile cases;

[and]

(C) felony cases to conduct arraignments and pretrial hearings and to accept guilty pleas; and

(D) civil cases in which the amount in controversy does not exceed \$200,000, excluding interest; and

(2) concurrent jurisdiction with the county and district courts over all suits arising under the Family Code.

(f) The district clerk serves as clerk of a county court at law in matters of concurrent jurisdiction with the district court, other than probate matters and proceedings. The [and the] county clerk serves as clerk of the court in all other matters. Each clerk shall establish a separate docket for a county court at law.

(l) The fees assessed in a case in which a county court at law has concurrent civil jurisdiction with the district court are the same as the fees that would be assessed in the district court for that case.

(m) In matters of concurrent jurisdiction, a judge of the county court at law and a judge of a district court may transfer cases between the courts in the same manner judges of district courts transfer cases under Section 24.003.

(n) The judge of a county court at law and a judge of a district court may exchange benches and may sit and act for each other in any matter pending before either court.

(o) The laws governing the drawing, selection, service, and pay of jurors for county courts apply to a county court at law. Jurors regularly impaneled for a week by the district court may, on request of the judge of a county court at law, be made available and shall serve for the week in a county court at law.

(p) Except as otherwise provided by this subsection, a jury in a county court at law shall be composed of six members unless the constitution requires a 12-member jury. Failure to object before a six-member jury is seated and sworn constitutes a waiver of a 12-member jury. In matters in which the constitution does not require a 12-member jury and the county court at law has concurrent jurisdiction with the district court, the jury may be composed of 12 members if a party to the suit requests a 12-member jury and the judge of the court consents. In a civil case tried in a county court at law, the parties may, by mutual agreement and with the consent of the judge, agree to try the case with any number of jurors and have a verdict rendered and returned by the vote of any number of those jurors that is less than the total number of jurors.

(b) Section 25.1412, Government Code, as amended by this Act, applies only to an action filed in the county court at law in Lamar County on or after the effective date of this Act. An action filed in the county court at law in Lamar County before the effective date of this Act is governed by the law in effect on the date the action was filed, and the former law is continued in effect for that purpose.

SECTION 2.05. Section 25.1772(a), Government Code, is amended to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, and except as limited by Subsection (b), a county court at law in Navarro County has concurrent jurisdiction with the district court in:

(1) felony cases to:

- (A) conduct arraignments;
- (B) conduct pretrial hearings;
- (C) accept guilty pleas; and
- (D) conduct jury trials on assignment of a district judge presiding

in Navarro County and acceptance of the assignment by the judge of the county court at law;

- (2) Class A and Class B misdemeanor cases;
- (3) family law matters;
- (4) juvenile matters;
- (5) probate matters; ~~and~~

(6) disputes ancillary to probate, eminent domain, condemnation, or landlord and tenant matters relating to the adjudication and determination of land titles and trusts, whether testamentary, inter vivos, constructive, resulting, or any other class or type of trust, regardless of the amount in controversy or the remedy sought; and

- (7) appeals from the justice and municipal courts.

SECTION 2.06. (a) Effective September 1, 2015, Section 25.2291(a), Government Code, is amended to read as follows:

(a) Travis County has the following statutory county courts:

- (1) County Court at Law No. 1 of Travis County, Texas;
- (2) County Court at Law No. 2 of Travis County, Texas;
- (3) County Court at Law No. 3 of Travis County, Texas;
- (4) County Court at Law Number 4 of Travis County;
- (5) County Court at Law Number 5 of Travis County;
- (6) The County Court at Law Number 6 of Travis County;
- (7) The County Court at Law Number 7 of Travis County; ~~and~~
- (8) The County Court at Law Number 8 of Travis County; and
- (9) The County Court at Law Number 9 of Travis County.

(b) Effective September 1, 2015, Section 25.2292, Government Code, is amended by adding Subsection (b) to read as follows:

(b) The County Court at Law Number 9 of Travis County shall give preference to criminal cases.

(c) The County Court at Law Number 9 of Travis County is created September 1, 2015.

SECTION 2.07. (a) Chapter 25, Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. MULTICOUNTY STATUTORY COUNTY COURTS IN PARTICULAR COUNTIES

Sec. 25.2701. 1ST MULTICOUNTY COURT AT LAW (FISHER, MITCHELL, AND NOLAN COUNTIES). Fisher, Mitchell, and Nolan Counties have a multicounty statutory county court composed of those counties, the 1st Multicounty Court at Law.

Sec. 25.2702. 1ST MULTICOUNTY COURT AT LAW PROVISIONS. (a) In addition to the jurisdiction provided by Section 25.0003 and other law, the 1st Multicounty Court at Law has concurrent jurisdiction with the district court in family law cases and proceedings.

(b) The county court at law has concurrent jurisdiction with the justice court in criminal matters prescribed by law for justice courts. This section does not affect the right of appeal to a county court at law from a justice court where the right of appeal to the county court exists by law.

(c) The judge may not engage in the private practice of law.

(d) An official court reporter of the county court at law is entitled to receive a salary set by the commissioners courts in the counties the reporter serves to be paid out of the county treasuries, either by salary or by contract as set by the commissioners courts. The clerk of the court shall tax as costs, in each civil, criminal, and probate case in which a record of any part of the evidence in the case is made by the reporter, a stenographer's fee of \$25. The fee shall be paid in the same manner as other costs in the case. The clerk collects the fee and pays it into the general funds of the counties.

(e) The district clerk serves as clerk of the county court at law in matters of concurrent jurisdiction with the district court, and the county clerk serves as clerk of the county court at law in all other cases.

(f) Sections 25.0006, 25.0008, and 74.054(b) do not apply to the county court at law.

(g) From amounts deposited in the judicial fund under Section 51.702, the state shall annually compensate Fisher, Mitchell, and Nolan Counties each in the amount required under Section 25.0015.

(h) Notwithstanding Section 74.121(b)(1), in matters of concurrent jurisdiction, the judge of the 1st Multicounty Court at Law and the judges of the district courts in Fisher, Mitchell, and Nolan Counties may exchange benches and courtrooms and may transfer cases between their dockets in the same manner that judges of district courts exchange benches and transfer cases under Section 24.003.

(b) Subchapter E, Chapter 101, Government Code, is amended by adding Section 101.08117 to read as follows:

Sec. 101.08117. ADDITIONAL STATUTORY COUNTY COURT FEES: GOVERNMENT CODE. The clerk of the 1st Multicounty Court at Law shall collect a stenographer's fee of \$25 under Section 25.2702, Government Code, in each civil or probate case in which a record of any part of the evidence is made by the official court reporter of the court.

(c) Subchapter D, Chapter 102, Government Code, is amended by adding Section 102.0619 to read as follows:

Sec. 102.0619. ADDITIONAL COURT COSTS ON CONVICTION IN CERTAIN STATUTORY COUNTY COURTS: GOVERNMENT CODE. The clerk of the 1st Multicounty Court at Law shall collect a stenographer's fee of \$25 under Section 25.2702, Government Code, in each criminal case in which a record of any part of the evidence is made by the official court reporter of the court.

(d) The 1st Multicounty Court at Law is created September 1, 2013.

(e) Sections 25.1791 and 25.1792, Government Code, are repealed and the County Court at Law of Nolan County is abolished September 1, 2013.

(f) On the date the County Court at Law of Nolan County is abolished, all cases pending in the court are transferred to the 1st Multicounty Court at Law. When a case is transferred from one court to another as provided by this section, all processes, writs, bonds, recognizances, or other obligations issued from the transferring court are returnable to the court to which the case is transferred as if originally issued by that court. The obligees in all bonds and recognizances taken in and for a court from which a case is transferred and all witnesses summoned to appear in a court from which a case is transferred are required to appear before the court to which a case is transferred as if originally required to appear before the court to which the transfer is made.

ARTICLE 3. MAGISTRATES

SECTION 3.01. Chapter 54, Government Code, is amended by adding Subchapter KK to read as follows:

SUBCHAPTER KK. MAGISTRATES IN GUADALUPE COUNTY

Sec. 54.2001. AUTHORIZATION; APPOINTMENT; ELIMINATION. (a) The Commissioners Court of Guadalupe County may authorize the judges of the district and statutory county courts in Guadalupe County to appoint one or more part-time or full-time magistrates to perform the duties authorized by this subchapter.

(b) The judges of the district and statutory county courts in Guadalupe County by a unanimous vote may appoint magistrates as authorized by the Commissioners Court of Guadalupe County.

(c) An order appointing a magistrate must be signed by the local presiding judge of the district courts serving Guadalupe County, and the order must state:

(1) the magistrate's name; and

(2) the date the magistrate's employment is to begin.

(d) An authorized magistrate's position may be eliminated on a majority vote of the Commissioners Court of Guadalupe County.

Sec. 54.2002. QUALIFICATIONS; OATH OF OFFICE. (a) To be eligible for appointment as a magistrate, a person must:

(1) be a citizen of the United States;

(2) have resided in Guadalupe County for at least the two years preceding the person's appointment; and

(3) be at least 30 years of age.

(b) A magistrate appointed under Section 54.2001 must take the constitutional oath of office required of appointed officers of this state.

Sec. 54.2003. COMPENSATION. (a) A magistrate is entitled to the salary determined by the Commissioners Court of Guadalupe County.

(b) A full-time magistrate's salary may not be less than that of a justice of the peace of Guadalupe County as established by the annual budget of Guadalupe County.

(c) A part-time magistrate's salary is equal to the per-hour salary of a justice of the peace. The per-hour salary is determined by dividing the annual salary by a 2,000 work-hour year. The local administrative judge of the district courts serving Guadalupe County shall approve the number of hours for which a part-time magistrate is to be paid.

(d) The magistrate's salary is paid from the county fund available for payment of officers' salaries.

Sec. 54.2004. JUDICIAL IMMUNITY. A magistrate has the same judicial immunity as a district judge.

Sec. 54.2005. TERMINATION OF EMPLOYMENT. (a) A magistrate may be terminated by a majority vote of all the judges of the district and statutory county courts of Guadalupe County.

(b) To terminate a magistrate's employment, the local administrative judge of the district courts serving Guadalupe County must sign a written order of termination. The order must state:

- (1) the magistrate's name; and
- (2) the final date of the magistrate's employment.

Sec. 54.2006. JURISDICTION; RESPONSIBILITY; POWERS. (a) The judges of the district or statutory county courts shall establish standing orders to be followed by a magistrate or parties appearing before a magistrate, as applicable.

(b) To the extent authorized by this subchapter and the standing orders, a magistrate has jurisdiction to exercise the authority granted by the judges of the district or statutory county courts.

(c) A magistrate has all of the powers of a magistrate under the laws of this state and may administer an oath for any purpose.

(d) A magistrate shall give preference to performing the duties of a magistrate under Article 15.17, Code of Criminal Procedure.

(e) A magistrate is authorized to:

(1) set, adjust, and revoke bonds before the filing of an information or the return of an indictment;

(2) conduct examining trials;

(3) determine whether a defendant is indigent and appoint counsel for an indigent defendant;

(4) issue search and arrest warrants;

(5) issue emergency protective orders;

(6) order emergency mental commitments; and

(7) conduct initial juvenile detention hearings if approved by the Guadalupe County Juvenile Board.

(f) With the express authorization of a justice of the peace, a magistrate may exercise concurrent criminal jurisdiction with the justice of the peace to dispose as provided by law of cases filed in the precinct of the authorizing justice of the peace, except for a trial on the merits following a plea of not guilty.

(g) A magistrate may:

(1) issue notices of the setting of a case for a hearing;

(2) conduct hearings;

(3) compel production of evidence;

(4) hear evidence;

(5) issue summons for the appearance of witnesses;

(6) swear witnesses for hearings;

(7) regulate proceedings in a hearing; and

(8) perform any act and take any measure necessary and proper for the efficient performance of the duties required by the magistrate's jurisdiction and authority.

Sec. 54.2007. PERSONNEL, EQUIPMENT, AND OFFICE SPACE. The Commissioners Court of Guadalupe County shall provide:

(1) personnel for the legal or clerical functions necessary to perform the magistrate's duties authorized by this chapter; and

(2) sufficient equipment and office space for the magistrate and personnel to perform the magistrate's essential functions.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. Except as otherwise provided by this Act, this Act takes effect September 1, 2013.

Representative Lewis moved to adopt the conference committee report on **HB 3153**.

The motion to adopt the conference committee report on **HB 3153** prevailed by (Record 1332): 146 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Cortez.

(Speaker in the chair)

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 6).

HB 489 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Menéndez submitted the following conference committee report on **HB 489**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 489** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Uresti	Menéndez
Nelson	Dale
Davis	Collier
Campbell	R. Miller
Van de Putte	Moody
On the part of the senate	On the part of the house

HB 489, A bill to be an entitled An Act relating to rights and responsibilities of persons with disabilities, including with respect to the use of service animals that provide assistance to those persons; providing penalties.

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

SECTION 1. Chapter 437, Health and Safety Code, is amended by adding Section 437.023 to read as follows:

Sec. 437.023. SERVICE ANIMALS. (a) A food service establishment, retail food store, or other entity regulated under this chapter may not deny a service animal admittance into an area of the establishment or store or of the physical space occupied by the entity that is open to customers and is not used to prepare food if:

(1) the service animal is accompanied and controlled by a person with a disability; or

(2) the service animal is in training and is accompanied and controlled by an approved trainer.

(b) If a service animal is accompanied by a person whose disability is not readily apparent, for purposes of admittance to a food service establishment, retail food store, or physical space occupied by another entity regulated under this chapter, a staff member of the establishment, store, or entity may only inquire about:

(1) whether the service animal is required because the person has a disability; and

(2) what type of work the service animal is trained to perform.

(c) In this section, "service animal" means a canine that is specially trained or equipped to help a person with a disability. An animal that provides only comfort or emotional support to a person is not a service animal under this

section. The tasks that a service animal may perform in order to help a person with a disability must be directly related to the person's disability and may include:

- (1) guiding a person who has a visual impairment;
- (2) alerting a person who has a hearing impairment or who is deaf;
- (3) pulling a wheelchair;
- (4) alerting and protecting a person who has a seizure disorder;
- (5) reminding a person who has a mental illness to take prescribed

medication; and

- (6) calming a person who has post-traumatic stress disorder.

SECTION 2. Sections 121.002(1), (4), and (5), Human Resources Code, are amended to read as follows:

(1) "Assistance animal" and "service animal" mean a canine ~~[means an animal]~~ that is specially trained or equipped to help a person with a disability and that [-

~~[(A)] is used by a person with a disability [who has satisfactorily completed a specific course of training in the use of the animal; and~~

~~[(B) has been trained by an organization generally recognized by agencies involved in the rehabilitation of persons with disabilities as reputable and competent to provide animals with training of this type].~~

(4) "Person with a disability" means a person who has:

(A) a mental or physical disability;

(B) an intellectual or developmental disability;

(C) a [-, including mental retardation,] hearing impairment;

(D) [;] deafness;

(E) a [;] speech impairment;

(F) a [;] visual impairment;

(G) post-traumatic stress disorder; [;] or

(H) any health impairment that requires special ambulatory devices

or services.

(5) "Public facility [~~facilities~~]" includes a street, highway, sidewalk, walkway, common carrier, airplane, motor vehicle, railroad train, motor bus, streetcar, boat, or any other public conveyance or mode of transportation; a hotel, motel, or other place of lodging; a public building maintained by any unit or subdivision of government; a retail business, commercial establishment, or office building to which the general public is invited; a college dormitory or other educational facility; a restaurant or other place where food is offered for sale to the public; and any other place of public accommodation, amusement, convenience, or resort to which the general public or any classification of persons from the general public is regularly, normally, or customarily invited.

SECTION 3. Section 121.003, Human Resources Code, is amended by amending Subsections (b), (d), (h), and (i) and adding Subsections (k) and (l) to read as follows:

(b) No common carrier, airplane, railroad train, motor bus, streetcar, boat, or other public conveyance or mode of transportation operating within the state may refuse to accept as a passenger a person with a disability [~~solely~~] because of the

person's disability, nor may a person with a disability be required to pay an additional fare because of his or her use of a service ~~[an assistance]~~ animal, wheelchair, crutches, or other device used to assist a person with a disability in travel.

(d) The discrimination prohibited by this section includes a refusal to allow a person with a disability to use or be admitted to any public facility, a ruse or subterfuge calculated to prevent or discourage a person with a disability from using or being admitted to a public facility, and a failure to:

(1) comply with Chapter 469, Government Code ~~[Article 9102, Revised Statutes]~~;

(2) make reasonable accommodations in policies, practices, and procedures; or

(3) provide auxiliary aids and services necessary to allow the full use and enjoyment of the public facility.

(h) A person with a total or partial disability who has or obtains a service ~~[an assistance]~~ animal is entitled to full and equal access to all housing accommodations provided for in this section, and may not be required to pay extra compensation or make a deposit for the animal but is liable for damages done to the premises by the animal except for reasonable wear and tear.

(i) A service ~~[An assistance]~~ animal in training shall not be denied admittance to any public facility when accompanied by an approved trainer ~~[who is an agent of an organization generally recognized by agencies involved in the rehabilitation of persons who are disabled as reputable and competent to provide training for assistance animals, and/or their handlers]~~.

(k) Except as provided by Subsection (l), a person is not entitled to make demands or inquiries relating to the qualifications or certifications of a service animal for purposes of admittance to a public facility except to determine the basic type of assistance provided by the service animal to a person with a disability.

(l) If a person's disability is not readily apparent, for purposes of admittance to a public facility with a service animal, a staff member or manager of the facility may inquire about:

(1) whether the service animal is required because the person has a disability; and

(2) what type of work or task the service animal is trained to perform.

SECTION 4. Section 121.004, Human Resources Code, is amended to read as follows:

Sec. 121.004. PENALTIES FOR AND DAMAGES RESULTING FROM DISCRIMINATION. (a) A person, including a firm, association, corporation, or other public or private organization, or the agent of the [a] person, [firm, association, corporation, or other organization] who violates a provision of Section 121.003 commits an offense. An offense under this subsection is a misdemeanor punishable by:

(1) a fine of not [less than \$300 or] more than \$300; and

(2) 30 hours of community service to be performed for a governmental entity or nonprofit organization that primarily serves persons with visual impairments or other disabilities, or for another entity or organization at the discretion of the court, to be completed in not more than one year [\$1,000].

(b) In addition to the penalty provided in Subsection (a) ~~[of this section]~~, a person, including a firm, association, corporation, or other public or private organization, or the agent of the [a] person, [firm, association, corporation, or other organization,] who violates the provisions of Section 121.003 ~~[of this chapter]~~ is deemed to have deprived a person with a disability of his or her civil liberties. The person with a disability deprived of his or her civil liberties may maintain a cause of action for damages in a court of competent jurisdiction, and there is a conclusive presumption of damages in the amount of at least \$300 ~~[\$100]~~ to the person with a disability.

SECTION 5. Section 121.006(a), Human Resources Code, is amended to read as follows:

(a) A person who uses a service [an assistance] animal with a harness or leash of the type commonly used by persons with disabilities who use trained animals, in order to represent that his or her animal is a specially trained service [assistance] animal when training ~~[of the type described in Section 121.002(1)(D) of this chapter]~~ has not in fact been provided, is guilty of a misdemeanor and on conviction shall be punished by:

(1) a fine of not more than \$300; and

(2) 30 hours of community service to be performed for a governmental entity or nonprofit organization that primarily serves persons with visual impairments or other disabilities, or for another entity or organization at the discretion of the court, to be completed in not more than one year [\$200].

SECTION 6. Section 121.008, Human Resources Code, is amended to read as follows:

Sec. 121.008. DISSEMINATION OF INFORMATION RELATING TO PERSONS WITH DISABILITIES. (a) To ensure maximum public awareness of the policies set forth in this chapter, the governor shall [may] issue a proclamation each year taking suitable public notice of October 15 as White Cane Safety and Service Animal Recognition Day. The proclamation must contain appropriate comment about the significance of various devices and animals used by persons with disabilities to assist them in traveling, and must call to the attention of the public the provisions of this chapter and of other laws relating to the safety and well-being of this state's citizens with disabilities.

(b) The comptroller, the secretary of state, and other state [State] agencies that regularly mail [mailing] forms or information to significant numbers of public facilities and businesses operating within the state shall cooperate with state agencies responsible for the rehabilitation of persons with disabilities by sending information about this chapter to those to whom regular mailings are sent. The information, which must be sent at [only on] the request of state agencies responsible for the rehabilitation of persons with disabilities and at least [not more than] once each year, may be included in regular mailings or sent separately. If sent separately, the cost of mailing is borne by the state

rehabilitation agency or agencies requesting the mailing and, regardless of whether sent separately or as part of a regular mailing, the cost of preparing information about this chapter is borne by the state rehabilitation agency or agencies requesting distribution of this information.

SECTION 7. The changes in law made by this Act to Sections 121.004 and 121.006, Human Resources Code, apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 8. This Act takes effect January 1, 2014.

Representative Menéndez moved to adopt the conference committee report on **HB 489**.

The motion to adopt the conference committee report on **HB 489** prevailed by (Record 1333): 140 Yeas, 5 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Phillips; Schaefer; Stickland; Toth; Turner, E.S.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Bell; Giddings; Springer.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1333. I intended to vote no.

Callegari

I was shown voting yes on Record No. 1333. I intended to vote no.

Creighton

When Record No. 1333 was taken, I was in the house but away from my desk. I would have voted no.

Springer

HB 1025 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Pitts submitted the following conference committee report on **HB 1025**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1025** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Williams
Duncan
Hinojosa
Nelson
Whitmire

On the part of the senate

Pitts
Darby
Martinez Fischer
Oliveira
Otto

On the part of the house

HB 1025, A bill to be entitled An Act relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

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

SECTION 1. APPROPRIATION REDUCTION: TEXAS PUBLIC FINANCE AUTHORITY. The unencumbered appropriations from undedicated or dedicated portions of the general revenue fund to the Texas Public Finance Authority for use during the state fiscal biennium ending August 31, 2013, for bond debt service payments made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), including appropriations authorized under Rider 2 to the bill pattern of the appropriations to the authority, are reduced by a total aggregate reduction of \$22,601,012. The Texas Public Finance Authority shall identify the strategies and objectives out of which the indicated reduction is to be made.

SECTION 2. APPROPRIATION REDUCTION: TEXAS DEPARTMENT OF TRANSPORTATION. The unencumbered appropriations from the general revenue fund to the Texas Department of Transportation for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy G.1.1, General Obligation Bonds, are reduced by the amount of \$105,000,000.

SECTION 3. APPROPRIATION REDUCTION: DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING GENERAL OBLIGATION WATER BONDS. The unencumbered appropriations from the general revenue fund to the Water Development Board for Debt Service Payments for Non-Self Supporting G.O. Water Bonds for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are reduced by the following amounts:

- (1) \$2,263,813 from Strategy A.1.1, EDAP Debt Service; and
- (2) \$5,271,541 from Strategy A.1.3, WIF Debt Service.

SECTION 4. APPROPRIATION REDUCTION: DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. The unencumbered appropriations from the general revenue fund to the Department of Family and Protective Services for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy B.1.11, Foster Care Payments, are reduced by the amount of \$2,365,481.

SECTION 5. APPROPRIATION REDUCTION: HEALTH AND HUMAN SERVICES COMMISSION. The unencumbered appropriations from the general revenue fund to the Health and Human Services Commission for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy D.1.1, TANF (Cash Assistance) Grants, are reduced by the amount of \$2,671,850.

SECTION 6. APPROPRIATION REDUCTION: HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS. The unencumbered appropriations from the general revenue fund to the Higher Education Employees Group Insurance Contributions for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.11, UT Medical - Galveston, are reduced by the amount of \$1,400,437.

SECTION 7. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT AUSTIN. The unencumbered appropriations from the general revenue fund to the University of Texas at Austin for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy C.4.1, Institutional Enhancement, are reduced by the amount of \$2,000,000.

SECTION 8. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT DALLAS. The unencumbered appropriations from the general revenue fund to the University of Texas at Dallas for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.1, Operations Support, are reduced by the amount of \$890,622.

SECTION 9. APPROPRIATION REDUCTION: TEXAS A&M AGRILIFE RESEARCH. The unencumbered appropriations from general revenue account number 151, Clean Air, to Texas A&M AgriLife Research for use during the state fiscal biennium ending August 31, 2013, by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.1, Agricultural/Life Sciences Research, are reduced by the amount of \$12,500.

SECTION 10. FACILITIES COMMISSION: UTILITY COSTS. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,400,000 is appropriated out of the general revenue fund to the Facilities Commission for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act for the purpose of providing for payment of increased utility costs as a result of an increase in utility rates.

(b) Money appropriated by this section may not be used by the commission for a purpose other than payment of utility expenses without the prior written approval of the Legislative Budget Board.

SECTION 11. VETERANS COMMISSION: STRIKE FORCE TEAMS; REPAYMENT OF DEFICIENCY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,546,003 is appropriated out of the general revenue fund to the Veterans Commission for the state fiscal year ending August 31, 2013, for the purpose of creating two state strike force teams to address the backlog of claims in Houston and Waco and to hire additional counselors to be located in hospitals and clinics operated by the United States Department of Veterans Affairs.

(b) In addition to the number of full-time equivalent employees (FTEs) the Veterans Commission is authorized by other law to employ during the state fiscal year ending August 31, 2013, the commission may employ an additional 16.0 FTEs during that state fiscal year.

(c) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of the general revenue fund to the Veterans Commission for the state fiscal year ending August 31, 2013, for the purpose of repaying a deficiency grant made under Section 403.075, Government Code.

SECTION 12. UNIVERSITY OF HOUSTON - CLEAR LAKE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the University of Houston - Clear Lake for Strategy A.1.4, Workers' Compensation Insurance, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 13. TEXAS A&M ENGINEERING EXTENSION SERVICE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,678,703 is appropriated out of the

economic stabilization fund to the Texas A&M Engineering Extension Service for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for state-directed deployments for natural disasters.

SECTION 14. TEXAS A&M AGRILIFE RESEARCH. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$162,500 is appropriated out of the general revenue fund to Texas A&M AgriLife Research for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 15. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$475,000 is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy D.1.8, Juror Pay, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for a transfer to Strategy D.1.10, Indigent Inmate Defense, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), to cover costs of providing legal representation for an inmate in a capital murder trial.

SECTION 16. TEXAS DEPARTMENT OF CRIMINAL JUSTICE: CERTAIN RIDERS. Rider 62 to the bill pattern of the appropriations to the Department of Criminal Justice in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), is repealed, and the department is not required to comply with that rider on and after the effective date of this Act.

SECTION 17. COMMISSION ON ENVIRONMENTAL QUALITY: ELEPHANT BUTTE LITIGATION EXPENSES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of general revenue account number 153, Water Resource Management, to the Commission on Environmental Quality for the two-year period beginning on the effective date of this Act for the purpose of paying for Elephant Butte litigation expenses.

SECTION 18. PARKS AND WILDLIFE DEPARTMENT: REVENUE SHORTFALL. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$889,000 is appropriated out of the economic stabilization fund to the Parks and Wildlife Department for the two-year period beginning on the effective date of this Act for the purpose of providing for state park operations as a result of a revenue shortfall.

SECTION 19. LIBRARY AND ARCHIVES COMMISSION: DIRECTOR-LIBRARIAN SALARY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$35,500 is appropriated out of the general revenue fund to the Library and Archives Commission for the fiscal year ending August 31, 2013, for the purpose of providing a salary rate increase for the Director-Librarian.

(b) Notwithstanding the rate of salary in the bill pattern of the Library and Archives Commission in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), the rate of salary for the Director-Librarian is \$140,000 for the state fiscal year ending August 31, 2013.

SECTION 20. TEXAS A&M FOREST SERVICE: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$161,065,711 is appropriated out of the economic stabilization fund to the Texas A&M Forest Service for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Texas A&M Forest Service associated with wildfires.

SECTION 21. DEPARTMENT OF PUBLIC SAFETY: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$2,700,000 is appropriated out of the economic stabilization fund to the Department of Public Safety for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Department of Public Safety associated with wildfires.

SECTION 22. PARKS AND WILDLIFE DEPARTMENT: APPROPRIATIONS FOR COSTS CAUSED BY WILDFIRES AT THE BASTROP STATE PARK AND BASTROP REGIONAL PARK OFFICE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,892,440 is appropriated out of the economic stabilization fund to the Parks and Wildlife Department for the two-year period beginning on the effective date of this Act for the purpose of paying for, or reimbursing payments made for, costs incurred by the Parks and Wildlife Department associated with wildfires that occurred at the Bastrop State Park and Bastrop regional park office.

SECTION 23. RAILROAD COMMISSION: INFORMATION TECHNOLOGY MODERNIZATION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$16,711,989 is appropriated out of general revenue dedicated account number 5155, Oil and Gas Regulation and Cleanup Account, to the Railroad Commission for the two-year period beginning on the effective date of this Act for the purpose of modernization of information technology.

(b) In addition to the number of full-time equivalent employees (FTEs) the Railroad Commission is authorized by other law to employ during the two-year period beginning on the effective date of this Act, the commission may employ an additional 11.0 FTEs in each of those years.

SECTION 24. DEPARTMENT OF STATE HEALTH SERVICES: DISPROPORTIONATE SHARE HOSPITAL PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$137,860,100 is appropriated out of general revenue dedicated account number 5111, Trauma Facility and EMS Account, to the Department of State Health Services for the state fiscal year ending August 31,

2013, for the purpose of entering into an interagency contract to transfer money from that account from that department to the Health and Human Services Commission to provide for the non-federal share for the Medicaid disproportionate share hospital program.

SECTION 25. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: DISASTER RECOVERY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$15,000,000 is appropriated out of the economic stabilization fund to the Trusteed Programs within the Office of the Governor for the two-year period beginning on the effective date of this Act for purposes of:

(1) wildfire recovery, remediation, and mitigation activities related to wildfires in Bastrop, Cass, and Marion Counties;

(2) addressing the needed repair and rehabilitation of roads, bridges, culverts, and parks, and to complete hazardous debris removal and fire risk-mitigation activities in Bastrop County;

(3) recovery activities related to the plant explosion in West; and

(4) other disaster-related expenses.

(b) Money appropriated by this section shall be allocated to specific projects to maximize the receipt of federal money available for similar purposes. Money appropriated by this section may be spent on activities conducted on private property, with the consent of the property owner, only for a public purpose.

SECTION 26. APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION: HAZLEWOOD EXEMPTION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$30,000,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of funding the proportionate share of the total cost to each institution for the Hazlewood exemption.

(b) The Higher Education Coordinating Board shall allocate the appropriations made in subsection (a) according to the proportion of each institution's respective share of the aggregate cost of the exemption for students under the Legacy Program in Education Code, Section 54.341 subject to input by institutions for their respective share and present a plan for allocation to the Legislative Budget Board no later than August 1, 2013.

(c) Appropriations made in subsection (a) may not be expended without the prior written approval of the Legislative Budget Board.

SECTION 27. HEALTH AND HUMAN SERVICES COMMISSION: CERTAIN RIDERS. Rider 26 to the bill pattern of the appropriations to the Health and Human Services Commission in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), is repealed, and the commission is not required to comply with that rider on and after the effective date of this Act.

SECTION 28. BENEFITS PAID PROPORTIONAL BY FUND. (a) This section applies to each item of appropriation made by this Act.

(b) In order to maximize balances in the general revenue fund, payment for benefits paid from funds appropriated by this Act, including "local funds" and "educational and general funds," as those terms are defined by Sections 51.009(a) and (c), Education Code, must be proportional to the source of the funds except for payments for higher education employees group insurance contributions for public community or junior colleges.

(c) Money appropriated by this Act out of the general revenue fund may not be used to pay employee benefit costs or other indirect costs associated with the payment of salaries or wages of employees if the salaries or wages are paid from a source other than the general revenue fund. A public community or junior college may spend money appropriated by this Act for employee benefit costs for any employee who is eligible to participate in an offered group benefits program and is an instructional or administrative employee whose entire salary may be paid from money appropriated by this Act, regardless of whether the salary is actually paid by that money. Payments for employee benefit costs associated with salaries and wages paid from sources other than the general revenue fund, including payments received under interagency agreement or as contract receipts, must be made in proportion to the source of the funds from which the salary or wage is paid. If the comptroller of public accounts determines that achieving proportionality as required by this section at the time a payment is made is impractical or inefficient, then the general revenue fund shall be reimbursed for any payment of employee benefit costs made out of the general revenue fund.

(d) A state agency or institution of higher education that receives an appropriation by this Act from the general revenue fund or any other source of financing shall file with the comptroller of public accounts and the state auditor a report demonstrating proportionality. The report is due on November 20th of each year and must cover the state fiscal year ending on August 31st of the year in which the report is due. The report shall be in the format prescribed by the comptroller, the Legislative Budget Board, and the State Auditor's Office. The state auditor may audit a state agency's or institution's compliance with this section if the agency or institution is appropriated money by this Act. The state auditor shall notify the comptroller of any amount disproportionately paid from general revenue fund appropriations. On receipt of that notice, the comptroller shall reduce the state agency's or institution's current year general revenue fund appropriations until the general revenue fund is reimbursed for the amounts disproportionately paid out of that fund.

(e) Contingent on **SB 1812** or similar legislation relating to the determination of state contributions for participation by certain junior college employees in the state employees group benefits program, the Teacher Retirement System of Texas, and the Optional Retirement Program and limiting General Revenue related funds for benefit contributions to 50 percent of the state contributions for Public Community/Junior Colleges, not being enacted by the Eighty-third Legislature, Regular Session, 2013, this section shall apply to Public Community/Junior Colleges.

SECTION 29. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT: REVENUE SHORTFALL. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, an amount (estimated to be \$7,495,137) is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy A.1.1, District Judges, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of paying salaries for district judges and prosecuting attorneys.

SECTION 30. TEXAS EDUCATION AGENCY: DATA CENTER SERVICES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$517,000 is appropriated out of the general revenue fund to the Texas Education Agency for Strategy B.3.5, Information Systems - Technology, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of costs related to data center services.

SECTION 31. ADJUTANT GENERAL'S DEPARTMENT: MENTAL HEALTH COUNSELING. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the Adjutant General's Department for the two year period beginning on the effective date of this Act for the purpose of providing mental health counseling.

(b) In addition to the number of full-time equivalent employees (FTEs) the Adjutant General's Department is authorized by other law to employ during the two year period beginning on the effective date of this Act, the commission may employ an additional 2.0 FTEs in each fiscal year.

SECTION 32. TEXAS EDUCATION AGENCY: CERTAIN APPROPRIATIONS. (a) Section 5 of **HB 10**, Acts of the 83rd Legislature, Regular Session, 2013 is repealed and shall not take effect.

(b) Contingent on the enactment and becoming law of **SB 758** or similar legislation of the 83rd Legislature, Regular Session, 2013, relating to the established schedule of payments from the foundation school fund of the yearly entitlement of certain school districts:

(1) there is appropriated to the Texas Education Agency from the economic stabilization fund, \$1,750,000,000 for the state fiscal year ending August 31, 2013, for payment of the installment to be paid on or before August 30, 2013, as provided by Sections 42.259(c-1) and (d-1), Education Code, as added by that legislation; and

(2) notwithstanding Rider 3 to the bill pattern of the appropriations to the Texas Education Agency in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), the sum certain appropriation to the Foundation School Program for the state fiscal year ending August 31, 2013, is increased by the amount of \$1,750,000,000 in

addition to the amount by which that sum certain appropriation is increased in accordance with Section 4(c) of **HB 10**, Eighty Third Legislature, Regular Session, 2013.

SECTION 33. CONTINGENCY FOR SJR 1 AND HB 4. (a) Contingent on passage and adoption by an election of the voters of **SJR 1**, or similar legislation relating to proposing constitutional amendments creating the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas by the 83rd Legislature, Regular Session, 2013 and also contingent on the enactment of **HB 4** or similar legislation relating to the administration and functions of the Texas Water Development Board and establishment of the state water implementation fund, by the 83rd Legislature, Regular Session, 2013, \$2,000,000,000 is appropriated out of the economic stabilization fund to the state water implementation fund of Texas to implement the provisions of the legislation.

(b) Appropriations made in this section shall be available to the Water Development Board for the purposes described in **HB 4**, or similar legislation to finance projects in the state water plan according to the provisions of the legislation.

SECTION 34. HEALTH AND HUMAN SERVICES COMMISSION: CHILDRENS HEALTH INSURANCE. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,109,935 is appropriated out of the general revenue fund for the state fiscal year ending August 31, 2013, to the Health and Human Services Commission under Goal C, CHIP, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing services under the CHIP program.

(b) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$10,351,951 is appropriated out of federal funds for the state fiscal year ending August 31, 2013, to the Health and Human Services Commission under Goal C, CHIP, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing services under the CHIP program.

SECTION 35. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: ADOPTION SUBSIDIES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$394,675 is appropriated out of the general revenue fund for the state fiscal year ending August 31, 2013, to the Department of Family and Protective Services under Strategy B.1.12. Adoption/PCA Payments, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing adoption subsidies.

SECTION 36. PARKS AND WILDLIFE DEPARTMENT: CEDAR BAYOU RESTORATION. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013 and contingent on the Parks and Wildlife Department receiving funds from units of local government for the purpose described in this section, the amount of \$3,000,000 is appropriated out of

general revenue dedicated account number 9, Game, Fish, and Water Safety, to the Parks and Wildlife Department for Strategy A.2.3, Coastal Fisheries Management, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of the Cedar Bayou Restoration Project in Aransas County.

SECTION 37. TEXAS EDUCATION AGENCY: FOUNDATION SCHOOL PROGRAM. (a) The Texas Education Agency is appropriated \$101,346,715 from the Foundation School Fund No. 193 in the fiscal year ending August 31, 2014 and \$100,387,174 is appropriated from Foundation School Fund No. 193 in the fiscal year ending August 31, 2015 for the purpose of funding the Foundation School Program. Appropriations made in **SB 1**, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act) to the Texas Education Agency in Strategy A.1.1, FSP - Equalized Operations, out of Appropriated Receipts are reduced by \$8,586,715 in the fiscal year ending August 31, 2014 and by \$8,227,174 in the fiscal year ending August 31, 2015.

(b) Notwithstanding Rider 3 to the bill pattern of the appropriations to the Texas Education Agency in **SB 1**, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act), the sum certain appropriation to the Foundation School Program is \$19,909,737,000 in the fiscal year ending August 31, 2014 and \$20,489,435,000 in the fiscal year ending August 31, 2015.

(c) For purposes of distributing the Foundation School Program basic tier state aid appropriated in this Act and in **SB 1**, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act) in accordance with §42.101 of the Texas Education Code, the Basic Allotment is established at \$4,950 in fiscal year 2014 and \$5,040 in fiscal year 2015. If this Section conflicts with provisions in other legislation enacted by the Eighty-third Legislature, Regular Session, 2013, this Section prevails.

SECTION 38. HIGHER EDUCATING COORDINATING BOARD: GRADUATE MEDICAL EDUCATION EXPANSION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$9,250,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of expansion of first-year residency positions. Money appropriated by this section must be allocated as provided by this section.

(b) \$1,875,000 of the money appropriated under this section must be used to provide funding for one-time planning grants of \$150,000 each to entities that do not currently operate, and have not previously operated, a graduate medical education (GME) program and are therefore eligible for Medicare GME funding. The grants described by this subsection are intended to provide support for those entities to establish GME programs in order to increase the number of first-year residency positions in this state. The application for a grant described by this subsection must be submitted to the Higher Education Coordinating Board on or before November 15 of each year, and the board must determine the grant recipients on or before December 15 of each year. The grants must be awarded based on a competitive application process. Unless additional money is made

available as provided by Subsection (f) of this section, not more than 12 planning grants may be awarded. An entity that receives a grant under this subsection, becomes accredited, and fills residency positions is eligible to apply for the grants provided under Subsections (c) and (d) of this section, but may not receive more than \$35,000 per resident.

(c) A portion of the money appropriated under this section must be used to provide grants of \$65,000 per resident to currently accredited GME programs for the purpose of filling currently accredited but unfilled first-year residency positions. The grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. An application for a grant described by this subsection must be made by submitting to the Higher Education Coordinating Board proof of the number of accredited but unfilled positions in the applicant's program on or before October 1 of each year, and the board must determine the grant recipients on or before January 1 of the following year. The board may disburse the money to the applicant only after the applicant verifies with the board that the residency position has been filled. An applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, shall receive an equivalent grant in the state fiscal year ending August 31, 2015.

(d) A portion of the money appropriated under this section must be used to provide grants of \$65,000 per resident to currently accredited GME programs to provide support to expand existing or establish new GME programs with first-year residency positions. The grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. An application for a grant described by this subsection must be made by submitting a plan for receiving accreditation for the expanded or new GME program to the Higher Education Coordinating Board on or before October 1 of each year, and the board must determine the grant recipients on or before January 1 of the following year. The board may disburse the money to the applicant only after the applicant verifies with the board that a residency position created by the expanded or new GME program has been filled. An applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, shall receive an equivalent grant in the state fiscal year ending August 31, 2015.

(e) The Higher Education Coordinating Board may award not more than 25 grants described by Subsections (c) and (d) of this section in the state fiscal year ending August 31, 2014. The number of grants to be awarded in the fiscal year ending August 31, 2015 is based on available appropriations in this section. If in either state fiscal year the number of applications for grants described by Subsections (c) and (d) of this section exceeds the limitation on the number of awards established by this subsection, the board may give priority for up to 50 percent to be awarded to first-year positions in primary care and other critical shortage areas in this state. The board may not reduce the amount of a grant under this section, but may reduce the number of first-year positions funded to each grant recipient on a pro rata basis.

(f) If the Higher Education Coordinating Board determines, based on the number of applications for grants described by Subsections (c) and (d) of this section received by the board by October 2014, that the entire appropriation made by Subsection (a) of this section will not be used, the board may adjust the number of planning grants authorized under Subsection (b) of this section so that the entire appropriation to the board is spent.

SECTION 39. HIGHER EDUCATING COORDINATING BOARD: FAMILY PRACTICE RESIDENCY PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$7,750,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for Strategy D.1.3 Family Practice Residency Program for the purpose of awarding grants to family practice residency programs.

SECTION 40. TEXAS DEPARTMENT OF TRANSPORTATION: ROAD REPAIRS IN ENERGY SECTORS; CONTINGENCY. (a) Contingent on the enactment of **HB 2741** or similar legislation relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense, by the 83rd Legislature, Regular Session, 2013 and also contingent on the enactment of **SB 1747** or similar legislation relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones, by the 83rd Legislature, Regular Session, 2013 and in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$225,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to State Highway Fund 6 for the purposes for which amounts appropriated by that Act to the department for Strategy C.1.2, New Maintenance Contracts, may be used for maintenance and safety, including repairs to roadways and bridges within the state highway system for damage caused by oversized vehicles or overweight loads used in the development and production of energy or by above normal usage of roadways and bridges within the state highway system by vehicles used in the development and production of energy. It is the intent of the legislature that projects be prioritized by according to safety issues, traffic volumes, pavement widths and pavement conditions.

(b) Contingent on the enactment of **HB 2741** or similar legislation relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense, by the 83rd Legislature, Regular Session, 2013 and also contingent on the enactment of **SB 1747** or similar legislation relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones, by the 83rd Legislature, Regular Session, 2013 the amount of \$225,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to the Transportation Infrastructure Fund for the purposes of implementing the provisions of **SB 1747** or similar legislation.

(c) Contingent on the enactment of **HB 2741** or similar legislation relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense, by the 83rd Legislature, Regular Session, 2013 and if **SB 1747** or similar legislation relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones, by the 83rd Legislature, Regular Session, 2013 is not enacted by the 83rd Legislature, Regular Session, 2013 and in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to State Highway Fund 6 for the purposes describe in subsection (a).

(d) If **HB 2741** or similar legislation relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense, is not enacted by the 83rd Legislature, Regular Session, 2013 the amount of \$450,000,000 is appropriated out of the general revenue fund to the Health and Human Services Commission for the two-year period beginning on the effective date of this Act for the purposes for which amounts appropriated to the commission for Strategy B.1.5, Children, may be used.

SECTION 41. CONTINGENCY FOR SB 16: TUITION REVENUE BOND DEBT SERVICE. (a) Contingent upon enactment of **SB 16** or similar legislation relating to tuition revenue bonds for institutions of higher education by the Eighty-third Legislature, Regular Session, \$175,000,000, is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the fiscal year ending August 31, 2015 for distribution to university systems for debt service on tuition revenue bonds for their component institutions.

(b) The Higher Education Coordinating Board shall present a plan for allocation of the appropriations made in subsection (a) to the Legislative Budget Board.

(c) Appropriations made in subsection (a) may not be expended without the prior written approval of the Legislative Budget Board.

(d) The Higher Education Coordinating Board may not expend appropriations made in subsection (a) for administrative expenses.

SECTION 42. FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS: APPROPRIATION FOR ENDANGERED SPECIES RESEARCH. The Fiscal Programs - Comptroller of Public Accounts is appropriated \$5,000,000 in General Revenue for the biennium ending August 31, 2015 for transfer to the Habitat Protection Fund under Section 403.452 of the Government Code, as added by **SB 1**, 82nd Leg., 1st C.S., 2011, to allow the Comptroller to enter into interagency contracts, after appropriate coordination which may include using advisory committees, with state public universities with demonstrated experience in species or habitat research, evaluation, and analysis to conduct research studies on species of interest, including candidate, threatened, or endangered species and appropriate contract administration.

SECTION 43. TEXAS EDUCATION AGENCY: STUDENT SUCCESS INITIATIVE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013 to the Texas Education Agency, \$10,000,000 is appropriated out of the general revenue fund to the Texas Education Agency for the two year period beginning on the effective date of this Act for the purpose of funding the Student Success Initiative.

SECTION 44. HIGHER EDUCATION COORDINATING BOARD: TEXAS RESEARCH INCENTIVE PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$34,400,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for Strategy B.1.16, Texas Research Incentive Program, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of distributing money to emerging research universities based on a match for certain private donations.

SECTION 45. TEXAS FACILITIES COMMISSION: HEALTH AND SAFETY PROJECTS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$20,000,000 is appropriated out of the general revenue fund to the Facilities Commission for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding health and safety repairs.

SECTION 46. DEPARTMENT OF AGING AND DISABILITY SERVICES: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$23,000,000 is appropriated out of the general revenue fund to the Department of Aging and Disability Services for Strategy A.9.1, Capital Repairs and Renovations, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at State Supported Living Centers.

SECTION 47. DEPARTMENT OF STATE HEALTH SERVICES: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$20,000,000 is appropriated out of the general revenue fund to the Department of State Health Services for Strategy F.1.2, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at state hospitals.

SECTION 48. DEPARTMENT OF CRIMINAL JUSTICE: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$5,000,000 is appropriated out of the general revenue fund to the Department of Criminal Justice for Strategy D.1.1, Facilities Construction, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd

Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs and renovation.

SECTION 49. PARKS AND WILDLIFE DEPARTMENT: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$5,000,000 is appropriated out of the general revenue fund to the Parks and Wildlife Department for Strategy D.1.1, Facilities, Improvements and Major Repairs, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at state parks.

SECTION 50. SECRETARY OF STATE. CAPITAL BUDGET AUTHORITY. Notwithstanding the limitations of Section 14.03 in Article IX, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), and in addition to existing capital budget authority authorized in the bill pattern of the Secretary of State, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), \$5,000,000 may be expended by the Secretary of State for capital outlay for the two year period beginning on the effective date of this Act for the purpose of transitioning the information technology supporting statewide voter registration.

SECTION 51. UNIVERSITY OF NORTH TEXAS AT DALLAS: NEW UNIVERSITY MODEL START-UP. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$1,000,000 is appropriated out of the general revenue fund to the University of North Texas at Dallas for Strategy C.1.1, Transitional Funding, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act ending August 31, 2013, for the purpose of new university innovation.

SECTION 52. CONSTRUCTION OF FACILITIES FOR STATE AGENCIES. (a) In accordance with Government Code Chapters 1232 and 2166, the Texas Public Finance Authority (TFPA) shall issue revenue bonds on behalf of the Texas Facilities Commission (TFC) in an amount not to exceed \$325,586,000 for the purpose of constructing one office building in the Capitol Complex, as defined by Government Code, Chapter 443.0071(b), and one office building and one parking structure in the North Austin Complex, as described in the Facilities Master Plan. The Facilities Commission is appropriated an amount not to exceed \$325,586,000 out of Revenue Bond Proceeds in Strategy A.2.1, Facilities Design and Construction, for the fiscal biennium ending August 31, 2015, for the construction of facilities for state agencies, pursuant to Government Code, Section 2166.453.

(b) The Facilities Commission is appropriated \$5,193,445 out of the general revenue fund the fiscal biennium ending August 31, 2015 for lease payments (debt service) to the Texas Public Finance Authority for any revenue bonds issued under subsection (a).

SECTION 53. CERTAIN AUTHORITY AT THE TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR. (a) All unexpended and unobligated balances, estimated unexpended and unobligated balances, interest earnings and other revenues from funds appropriated to the Office of the Governor or the Trusteed Programs within the Office of the Governor for the fiscal year ending August 31, 2013 in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are appropriated for the biennium ending August 31, 2015.

(b) The Office of the Governor and the Trusteed Programs within the Office of the Governor may, notwithstanding any other provision of this Act, transfer from any item of appropriation to any other item of appropriation except that no transfers may be made between the Texas Emerging Technology Fund and the Texas Enterprise Fund without approval of Legislative Budget Board.

SECTION 54. WATER DEVELOPMENT BOARD: WATER ASSISTANCE FUND. (a) Any unencumbered and unobligated balances from the general revenue fund from Goal A, Water Resource Planning and Goal B, Water Project Financing in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), in excess of the amounts described in Section 3 of this Act and in amount not to exceed \$10,000,000 are appropriated to the Water Development Board for Strategy B.1.1, State and Federal Financial Assistance, for the two year period beginning on the effective date of this Act, for transfer to Water Assistance Fund Account Number 480.

(b) Funds appropriated in subsection (a) shall be used by the Water Development to issue 0 percent interest loans to be repaid by the loan recipient over a period not to exceed 40 years, or for the purpose of a grant, if the political subdivision can provide \$10,000,000 in matching local money, or has expended \$10,000,000 on the proposed project.

(c) The Water Development Board shall provide the loan or grant to political subdivisions for the acquisition, construction, improvements, or expansion of the water, drainage, or wastewater systems of a political subdivision or for refunding debt issued for such purposes.

(d) Political subdivisions eligible to receive money in this section must be located on a Texas border county that has expended a minimum of \$50,000,000 on a border security or levee project.

(e) Projects eligible to receive money in this section must be an authorized and designated a flood control project by the U.S. Army Corps of Engineers; have a regional impact; and include components related to regional storm water management, flood mitigation, water re-use, reclamation, or water conservation.

SECTION 55. DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS: COMMUNITY-BASED PREVENTION AND INTERVENTION PROGRAMS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the Department of Housing and Community Affairs is appropriated \$1,000,000 from the general revenue fund for the two year period beginning on the effective date of this Act for the purpose of providing one-time facility start-up funds for a settlement house in northeast

Houston. Funds appropriated in this section are contingent on Harris County providing the operating costs for the facility and also contingent on the land for the facility being donated.

SECTION 56. PRAIRIE VIEW A&M UNIVERSITY: COMMUNITY DEVELOPMENT PROJECT. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$150,000 is appropriated out of the general revenue fund to Prairie View A&M University for Strategy C.3.3, Community Development Project, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding community development projects.

SECTION 57. PRAIRIE VIEW A&M UNIVERSITY: OFFICE OF INTERNATIONAL AFFAIRS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$350,000 is appropriated out of the general revenue fund to Prairie View A&M University for the two year period beginning on the effective date of this Act, for the purpose of funding the Office of International Affairs.

SECTION 58. UNIVERSITY OF HOUSTON - DOWNTOWN: COMMUNITY DEVELOPMENT PROJECT. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$150,000 is appropriated out of the general revenue fund to the University of Houston - Downtown for Strategy C.1.1, Community Development Project, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding community development projects.

SECTION 59. UNIVERSITY OF HOUSTON: SCHOOL OF PUBLIC AFFAIRS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$100,000 is appropriated out of the general revenue fund to the University of Houston for Strategy C.2.3, William P. Hobby Jr. School of Public Affairs, as listed in Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding the William P. Hobby Jr. School of Public Affairs.

SECTION 60. UNIVERSITY OF TEXAS AT AUSTIN: DEPARTMENT OF MEXICAN-AMERICAN STUDIES. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$1,500,000 is appropriated out of the general revenue fund to the University of Texas at Austin for the two year period beginning on the effective date of this Act for the purpose of funding the Department of Mexican-American Studies.

SECTION 61. TEXAS A&M INTERNATIONAL UNIVERSITY: PETROLEUM ENGINEERING. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$2,000,000 is appropriated out of the general revenue fund to the Texas A&M International

University for the two year period beginning on the effective date of this Act for the purpose of providing a one-time start-up costs to match local funds for the petroleum engineering program.

SECTION 62. DEPARTMENT OF PUBLIC SAFETY: METHOD OF FINANCE CHANGE. (a) The unencumbered appropriations from the state highway fund 006 to the Department of Public Safety for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (**HB 1**), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are reduced by the amount of \$134,750,000.

(b) In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$134,750,000 is appropriated out of the general revenue fund to the Department of Public Safety for the two year period beginning on the effective date of this Act, for the purpose of changing the method of finance of certain funds.

SECTION 63. EFFECTIVE DATE. (a) This Act takes effect immediately as provided for a general appropriations act under Section 39, Article III, Texas Constitution.

(b) Sections 13, 18, 20, 21, 22, 25, 32 and 33 of this Act take effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

HB 1025 - POINT OF ORDER

Representative Simpson raised a point of order against further consideration of **HB 1025** under Rule 11, Section 3 of the House Rules.

The speaker overruled the point of order and submitted the following statement:

Representative Simpson raises a point of order against further consideration of **HB 1025**. He argues that the conference committee report changed the original purpose of the bill and thus violates Rule 11, Section 3 of the House Rules. Specifically, Representative Simpson argues that it was represented that the bill would only expend funds in the current biennium and that it currently spends funds in two different biennium and therefore must violate the original purpose rule. The point of order is overruled.

In its house, senate, and conference committee report versions, **HB 1025** was, at all times, a general appropriations bill (along with **HB 10**) for the current biennium and appropriated funds in the current biennium. Accordingly, there was no change in purpose and the provisions of Rule 11, Section 3 of the House Rules were not violated.

HB 1025 - POINT OF ORDER

Representative Simpson raised a point of order against further consideration of **HB 1025** under Rule 8, Section 21(b) of the House Rules on the grounds that the general appropriations bill has not yet been certified by the comptroller.

The speaker overruled the point of order and submitted the following statement:

Representative Simpson raises a point of order against further consideration of **HB 1025** under Rule 8, Section 21(b) of the House Rules. Rule 8, Section 21(b) of the House Rules states: (b) In order to assure compliance with the limitation on appropriations of state tax revenue not dedicated by the constitution as provided by Article VIII, Section 22 of the Texas Constitution, it is not in order for the speaker to lay before the house, prior to the time that the general appropriations bill has been finally passed and sent to the comptroller, any bill that appropriates funds from the state treasury that are not dedicated by the constitution. The point of order is overruled. **HB 1025** (Like **HB 10** and **SB 1**) is a general appropriations bill. Under the terms of Rule 8, Section 21(b) of the House Rules, the rule does not apply to a general appropriations bill.

HB 1025 - POINT OF ORDER

Representative Simpson raised a point of order against further consideration of **HB 1025** under Rule 11, Section 2 of the House Rules.

The speaker overruled the point of order and submitted the following statement:

Representative Simpson raises a point of order against further consideration of **HB 1025** under Rule 11, Section 2 of the House Rules or under the Texas Constitution. Specifically, Representative Simpson argues that the changes made in the conference committee report were either not germane or violated the one-subject rule. Representative Simpson argues that **HB 1025**, a supplemental general appropriations bill, was limited to appropriations for the 2012-13 biennium and that subsequently it was amended to appropriate funds in another biennium. This point of order is respectfully overruled.

As noted in the chairs previous ruling under Rule 11, Section 3 of the House Rules, in its house, senate, and conference committee report version, **HB 1025** was, at all times, a general appropriations bill (along with **HB 10**). In the house engrossed version, **HB 1025** had various references to appropriations for the "two-year period beginning on the effective date of this Act." The two-year period of this act will clearly be beyond the current biennium ending August 31, 2013, and any subsequent senate amendments or other changes were germane to the same purpose of the bill. Accordingly, neither the provisions of Rule 11, Section 3 of the House Rules, nor the Texas Constitution were violated.

Representative Pitts moved to adopt the conference committee report on **HB 1025**.

The motion to adopt the conference committee report on **HB 1025** prevailed by (Record 1334): 110 Yeas, 29 Nays, 0 Present, not voting.

Yeas — Mr. Speaker(C); Allen; Alonzo; Alvarado; Anderson; Ashby; Aycocock; Bohac; Bonnen, D.; Burnam; Button; Callegari; Canales; Coleman; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farney; Farrar; Flynn; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Johnson; Kacal; King, K.; King, T.; Kleinschmidt;

Kuempel; Larson; Lavender; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Moody; Morrison; Muñoz; Murphy; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheets; Sheffield, J.; Sheffield, R.; Smith; Stephenson; Strama; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zerwas.

Nays — Bonnen, G.; Capriglione; Creighton; Fallon; Fletcher; Frank; Goldman; Hughes; Isaac; King, P.; King, S.; Klick; Kolkhorst; Krause; Laubenberg; Leach; Miller, R.; Sanford; Schaefer; Simmons; Simpson; Smithee; Springer; Stickland; Taylor; Thompson, E.; Toth; Turner, E.S.; Zedler.

Absent, Excused — Lucio.

Absent — Anchia; Bell; Branch; Burkett; Carter; Clardy; Davis, Y.; Guillen; Keffer; Naishtat.

The speaker stated that **HB 1025** was passed subject to the provisions of Article III, Section 49a of the Texas Constitution.

STATEMENTS OF VOTE

When Record No. 1334 was taken, my vote failed to register. I would have voted yes.

Anchia

When Record No. 1334 was taken, my vote failed to register. I would have voted yes.

Bell

When Record No. 1334 was taken, my vote failed to register. I would have voted yes.

Branch

When Record No. 1334 was taken, my vote failed to register. I would have voted no.

Burkett

When Record No. 1334 was taken, my vote failed to register. I would have voted no.

Carter

When Record No. 1334 was taken, I was in the house but away from my desk. I would have voted yes.

Clardy

When Record No. 1334 was taken, my vote failed to register. I would have voted yes.

Guillen

When Record No. 1334 was taken, I was in the house but away from my desk. I would have voted yes.

Keffer

When Record No. 1334 was taken, I was in the house but away from my desk. I would have voted yes.

Naishtat

REASONS FOR VOTE

I support funding water with the \$2 billion amount removed from the economic stabilization fund, just as I would have supported **HB 11**. However, my vote against **HB 1025** was promoted by the bill's striking of language from **HB 10**, passed earlier in the session, which would have paid for the school funding deferral payment from 2012-2013 budget. I do not support undoing an earlier action taken by this legislature, which paid the deferral from general revenue. Furthermore, **HB 1025** takes \$1.75 billion out of the economic stabilization fund to pay the deferral, the same deferral already paid for with **HB 10**. Thus, **HB 1025** puts another \$1.75 billion into general revenue. I cannot support such action because I believe there was enough general revenue available to not take more out of the state's savings account to pay for our core government functions.

Kolkhorst

I am a strong supporter of and worked to help pass **HB 4**, which established a program by which we can effectively implement our statewide water plan. I also supported and argued for **HB 10**, which would have transferred \$2 billion from the economic stabilization fund to a new infrastructure bank, exclusively used for the state water plan. I was disappointed when this bill failed on a point of order and was not brought back up for a vote. When I learned that the \$2 billion was then placed in **HB 1025**, I was initially supportive. However, when \$1.75 billion that we initially agreed to pay for from general revenue in **HB 10** was moved to **HB 1025** and paid for from the economic stabilization fund. I cannot support paying one of our regular, ongoing expenses out of the economic stabilization fund (ESF) unless there currently exists an extreme economic emergency. It is for these reasons I voted against **HB 1025**. I am hopeful that Governor Perry will line-item veto the \$1.75 billion from the ESF and require it to be paid from general revenue as we originally stated.

Simmons

REMARKS ORDERED PRINTED

Representative Zedler moved to print all remarks on **HB 1025**.

The motion prevailed. [Please refer to the supplement to today's journal for the text of the debate on **HB 1025**.]

MESSAGES FROM THE SENATE

Messages from the senate were received at this time (see the addendum to the daily journal, Messages from the Senate, Message Nos. 8, 9, and 10).

HR 2700 - ADOPTED
(by Pitts)

The following privileged resolution was laid before the house:

HR 2700, Suspending limitations on conference committee jurisdiction,
SB 1.

HR 2700 - POINT OF ORDER

Representative Simpson raised a point of order against further consideration of **HR 2700** under Rule 13, Section 9(g)(5) of the House Rules.

The speaker overruled the point of order and submitted the following statement:

Representative Simpson raised a point of order against further consideration of **HR 2700** under Rule 13, Section 9(g)(5) of the House Rules, which requires "a fiscal note distributed with a resolution" to suspend limitations imposed on conference committee reports. The point of order is respectfully overruled.

Representative Simpson urges that the fiscal-note requirement was violated because the fiscal note was not attached to the resolution itself and was instead distributed as a separate document. As such, he contends the fiscal note was not distributed "with" the resolution. Fiscal notes, which are prepared by the Legislative Budget Board, are uploaded online by the LBB and automatically made available to members through the Floor Amendment System; this is how the requirement for distributing fiscal notes with resolutions under Rule 13, Section 9(g)(5) of the House Rules, has been satisfied since the addition of this requirement in 2007. In this instance, the chief clerk's records show that the fiscal note was available in the Floor Amendment System as of May 24, 2013 at 8:41 a.m., two days before the resolution was laid before the house. Under the circumstances, the chair concludes that distribution of the fiscal note through the Floor Amendment System satisfied the distribution requirement under Rule 13, Section 9(g)(5) of the House Rules.

HR 2700 - POINT OF ORDER

Representative Simpson raised a point of order against further consideration of **HR 2700** under Rule 13, Section 9(h)(4) of the House Rules.

The speaker overruled the point of order and submitted the following statement:

Representative Simpson raised a point of order against further consideration of **HR 2700** under Rule 13, Section 9(h)(4) of the House Rules which requires that, for an appropriations bill, the accompanying resolution to suspend limitations imposed on conference committee reports must "be available in its entirety on the electronic legislative information system that is accessible by the general public." The point of order is respectfully overruled.

Representative Simpson asserts that because a fiscal note must be distributed along with this resolution pursuant to Rule 13, Section 9(g)(5) of the House Rules, the fiscal note must necessarily be available online to the public in order for the resolution to be available "in its entirety" under Section 9(h)(4). Although

four of the five requirements for resolutions under Section 9(g)(5) pertain to the content of the resolution itself, the fifth requirement calls for distribution of a fiscal note with the resolution, rather than as part of the resolution. Because the fiscal note is not one of the items that composes the resolution, failure to post the fiscal note to the electronic legislative information system that is accessible by the general public does not contravene Section 9(h)(4) of the House Rules.

HR 2700 - POINT OF ORDER

Representative Y. Davis raised a point of order against further consideration of **HR 2700** under Rule 13, Section 9 of the House Rules on the grounds that text of the bill that was not in disagreement between the two houses was changed.

The speaker overruled the point of order and submitted the following statement:

Representative Y. Davis raised a point of order against further consideration of **HR 2700**, asserting "multiple defects with the mandates found in various parts" of Rule 13, Section 9 of the House Rules. Representative Y. Davis specifically alleges that "all of the text contained with the resolution is in both the final House and Senate versions of **SB 1**," and concludes that, therefore, "the only rule for available for **HR 2700** to suspend is Rule 13, Section 9, Subsection (b), Subdivision 3." She further appears to assert that not all of the provisions of Rule 13, Section 9(h)(3) of the House Rules were not properly satisfied. Having reviewed Representative Y. Davis's written point of order and reviewed **HR 2700** and relevant portions of **SB 1**, the chair respectfully overrules the point of order.

HR 2700 was adopted by (Record 1335): 118 Yeas, 25 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Branch; Burkett; Burnam; Button; Callegari; Canales; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Eiland; Elkins; Farias; Farney; Farrar; Flynn; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Johnson; Kacal; Keffer; King, K.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Kuempel; Larson; Lavender; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheets; Sheffield, J.; Sheffield, R.; Smith; Stephenson; Strama; Thompson, E.; Thompson, S.; Turner, C.; Turner, S.; Villarba; Villarreal; Vo; Walle; Wu; Zerwas.

Nays — Bonnen, G.; Capriglione; Fallon; Fletcher; Frank; Goldman; Hughes; Isaac; Klick; Krause; Laubenberg; Leach; Miller, R.; Sanford; Schaefer; Simmons; Simpson; Springer; Stickland; Taylor; Toth; Turner, E.S.; White; Workman; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Dale; Dutton; Gutierrez; King, P.; Smithee.

STATEMENTS OF VOTE

When Record No. 1335 was taken, my vote failed to register. I would have voted yes.

Dale

When Record No. 1335 was taken, I was in the house but away from my desk. I would have voted yes.

Gutierrez

When Record No. 1335 was taken, I was in the house but away from my desk. I would have voted yes.

P. King

SB 1 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Pitts submitted the conference committee report on **SB 1**.

SB 1 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE MUÑOZ: Dr. Zerwas, in your layout, I guess I just have a question regarding Rider 51, which is the cost-containment initiative for the Medicaid program?

REPRESENTATIVE ZERWAS: Correct.

MUÑOZ: And the way I read the rider, it is my understanding that the goal is to find another \$400 million in savings in the Medicaid program over the next biennium, is that correct?

ZERWAS: That's correct.

MUÑOZ: And wouldn't you agree with me that, already, the amount of money we pay in Medicaid rates is one of the lowest for the medical providers that treat patients that qualify for Medicaid?

ZERWAS: I'm not certain if they're one of the lowest across the country. I haven't really done an assessment of that.

MUÑOZ: Well, with the goal of trying to look for another \$400 million in savings for the next biennium in just the Medicaid program, how do they expect to accomplish that?

ZERWAS: Well, they defined that through about 25 different suggested ways that you can do in order to accomplish that.

MUÑOZ: Is that \$400 million already included in the bill pattern as actual—but they're already anticipating the \$400 million, so that's already included in the amount of money that they're calculating for the next biennium? Because, what about the reduction—

ZERWAS: Not fully included. The LBB does not fully include the amount of savings in terms of the budget, ultimately, being balanced.

MUÑOZ: Okay, so they would just expect that for over the next two years they're going to have \$400 million less in Medicaid services?

ZERWAS: A portion of that is included in there, but not the full \$400 million.

MUÑOZ: And at what point do we feel that instead of trying to balance out the rates or put them at a substantial level where you are going to have more people want to serve people who have Medicaid? If we continue to have cost-containment initiatives like last session when we expanded managed care—the amount of money went down. If we're doing this for the next two years, is this, in a way, aimed at the reducing of services to people that are on Medicaid?

ZERWAS: We've had some success in the past in terms of identifying cost-efficiencies out there without compromising access or quality. This is in the same spirit of continuing that effort in this biennium.

MUÑOZ: And does this rider have anything that will track the services that people are currently receiving right now within the next two years, to see if there is going to be a reduction in services to achieve a cost-containment?

ZERWAS: Well, there certainly is a maintenance of effort that's required as part of being involved in this federal program, or federally-matched program. So those are things we have to make sure we live up to, in terms of maintaining the eligibility.

MUÑOZ: And what happens if the \$400 million is not achieved in the next biennium as the rider dictates?

ZERWAS: If we don't achieve that and there aren't other things that occur and that becomes a shortfall we have to address in the next biennium as a supplemental payment.

MUÑOZ: And was this rider brought at the direction of Health and Human Services?

ZERWAS: It was brought forward in the terms of the introduced bill. There were some modifications made to it as it came forward, but, in general, that was what came in the introduced bill.

MUÑOZ: But was this directive brought forth by Health and Human Services directing them to look for \$400 million in savings in the Medicaid program?

ZERWAS: It was brought forward by the LBB which is—you know, there are members of the legislature that sit on the Legislative Budget Board. And in the process of developing the budget over the months before we ever come to the floor, this was included as part of the effort to help reign in the cost.

MUÑOZ: I just want to be clear, because when we come here two years from now, and we do receive several complaints from individuals that their services have been reduced because they are trying to achieve these savings, we want to make sure that, if we're going to look at that even further that we're going to be

speaking to the right people. And if this directive came from the Legislative Budget Board and not from Health and Human Services, then we need to make sure that, if those concerns are brought forth, we're going to be speaking to the right individuals, and that's why I was asking that question. So none of this would come from Health and Human Services then?

ZERWAS: Well, certainly Health and Humans Services has weighed in and been involved in the discussion, but once it comes to the legislature we own the bill and we own anything that happens to it, ultimately. And we have had the opportunity to really scrub this bill. In particular, we've had the opportunity to scrub Rider 51 to look for those things that are reasonably capable of helping us reign in the cost without compromising any services out there, without compromising the quality of those services. So, these are things that I think are reasonable in terms of actually trying to reign in the costs, and I think they could very likely result in \$400 million in savings.

MUÑOZ: And Dr. Zerwas, I have another question, because you laid out several provisions on the article that you're responsible for, and you mentioned the OIG. And what specific reason were you referring to in **SB 1**?

ZERWAS: There was a request from the Health and Human Services Commission, as one of their exceptional items, to enhance the number of people that would work in terms of Medicaid fraud, and some of the investigators and just some of the software that they're using in order to be able to better, you know, search out Medicaid fraud.

MUÑOZ: And how much is that?

ZERWAS: \$19 million.

MUÑOZ: \$19 million?

ZERWAS: Over and above what we had in our budget.

MUÑOZ: Okay, and that's the \$19 million for the next biennium?

ZERWAS: Well, that's in the exceptional items, over and above what's already in the base budget.

MUÑOZ: Okay, so whatever their baseline request was, this was above what they would be asking for?

ZERWAS: It's above what we put in our budget. We didn't put anything in the budget originally. The senate had an amount in there; we negotiated that amount; and that was the amount we came to—over and above what was in the budget.

MUÑOZ: Okay, and if we're going to be putting in another request for \$19 million for more investigations, and so forth, which are tools that are going to be extremely necessary for them to do their jobs, do we have anything in **SB 1** that will allow for an audit of the resources that are currently used to make sure that they are being used efficiently and where those resources are targeted, to what areas of the state?

ZERWAS: Right. There's nothing that I'm aware of in the bill right now that necessarily describes an audit, or actually requests that an audit be done at any time. I think that an audit can be performed if there's reason to request one, but there's nothing in the bill that would provide for that.

MUÑOZ: Well, just as we're appropriating more money above and beyond what is already asked for to make sure medical providers are working in an efficient manner, I think, if we're going to be appropriating more resources, we probably should have put in some sort of protections in the bill to make sure that they're going to be used efficiently, in a way that's going to be legal and proper in what we're going to be doing. But I guess we can work on that over the interim to make sure that is, in fact, going to occur.

REMARKS ORDERED PRINTED

Representative Muñoz moved to print remarks between Representative Zerwas and Representative Muñoz.

The motion prevailed.

(Keffer in the chair)

REPRESENTATIVE Y. DAVIS: I appreciate your comments with regard to special items, because that's what I wanted to ask you about. And so, maybe terminology, because I want to ask, when we see on the budget, institutional enhancement—

REPRESENTATIVE OTTO: That's the \$1 million that we gave to those institutions who do not qualify for the research dollars—to participate in those funds.

Y. DAVIS: And so that money there, is that amount varied based on the institution? Is that correct?

OTTO: Well, it basically covered all 50 of the community colleges—or 51, or however many there are—all of the junior colleges, and all of the general academic who do not qualify for research dollars.

Y. DAVIS: Okay, so when we see something like a Rural Hostel Outreach Program for university, what would that mean?

OTTO: I'm sorry, what?

Y. DAVIS: Rural Hostel Outreach Program under The University of Texas at Arlington—and it's a small amount, but I just want to understand, what does that mean when you see those types of—

OTTO: Well, it has to be something that was in their strategy already, that existed—and the formula money gets apportioned into that strategy—because, I don't remember that specific item receiving a special request.

Y. DAVIS: And it's such a small amount, that's why I was trying to figure out how do we figure out what these small amounts are, when you see, like, \$32,674 and then you've got one for—

OTTO: I was talking about the money that was added to the budget, which you start with the 2012-13 base.

Y. DAVIS: Okay.

OTTO: Okay, so if that program was funded at that amount in 2012-13, it continued to be funded at that amount in the 2014-15 budget. Because, all of the additional money that we put in above the base, pretty much—other than the \$1 million per an institution that we just talked about—went through the formulas.

Y. DAVIS: Okay. I guess my point is, so, are you saying that any of the programs in last year's—last biennium—you can't tell us what those are? You just refunded them? Is that essentially what you're saying?

OTTO: Well, in other words, if there was a particular strategy that they were utilizing money for, that they received in the 2012-13 base—yes. As far as I know, those items were continued.

Y. DAVIS: Well, what about if they did not receive money, would you probably know what they were for?

OTTO: I didn't understand what you were asking.

Y. DAVIS: When I'm looking at the different university budgets, and they have specific items that have amounts that could be \$50,000; it could be \$29,000; it could be \$168,000. I'm trying to understand, are those not considered specialty items, necessarily?

OTTO: They're not specialty items that I made a decision to increase, decrease. That's probably the money that they received, like I said, last biennium, and we cut the formula last biennium.

Y. DAVIS: So, what do you consider specialty items?

OTTO: A special item to me is when an institution comes before my subcommittee and asks for money outside the formulas.

Y. DAVIS: Outside of? I'm sorry.

OTTO: Outside. There are three formulas. There's a formula for the community and junior colleges; there's a formula for the general academic; and there's a formula for the health-related.

Y. DAVIS: Would an art museum be part of the formula? I'm trying to understand, would the art museum be part of their formula funding or would it be outside the formula?

OTTO: Well, ultimately they would get money through the formula to cover that. The only thing I remember we did with an art museum was transfer control of it from, I think, if it's the one—which one are you asking about?

Y. DAVIS: Well, I'm trying to understand any of this, because you've got lots of different things, and you said there were no specialty items. And so I am wondering, what do we call a Water Resources Center or what do we call a Sea Grant Program?

OTTO: When we—

Y. DAVIS: Or what do we call the Coastal Zone Laboratory? Are those not specialty items?

OTTO: No. They did not receive funding, when this session—we did not go in and say, "We're going to fund that item," and pick winners and losers, or "You get yours and you don't get yours." We put the money in the formula. The institution decides—once the money goes in the formula—how they want to allocate it, but what you're looking at is what's in there based on the previous programs.

Y. DAVIS: So, my point is, though, when you look at the different strategies that deal with this, you're saying that the—let me see, let me pick one here—energy—well, let's see—the Panhandle-Plains Museum for \$376,000, it went through the formula?

OTTO: That money, if we increased it at all—the allocations of that specific university that has that function—it went through the formula. I did not go in and pick out specific items, and say, "We're going to increase the amount of money for this museum."

Y. DAVIS: But, so these items under here—but they are in fact specialty items, right?

OTTO: Well, I mean, if they've been—who knows how long—if they've been in the budget—

Y. DAVIS: I'm not suggesting that you put them here, but you funded them this time, so that means, you took a look at them. Is that correct?

OTTO: I did not add money to any specific item. I added it in the formula.

Y. DAVIS: What's an urban redevelopment renewal? What is that? For \$65,000.

OTTO: I could not without going back and pulling the documents to see what that is, but I didn't fund that specific item.

Y. DAVIS: Okay, then how did you—I mean, I don't understand what you mean you didn't fund it if it's in the budget.

OTTO: The committee took the money we had to work with, that was over the introduced bill, and made decisions on how it would be allocated. And in all cases—

REMARKS ORDERED PRINTED

Representative Stickland moved to print remarks between Representative Y. Davis and Representative Otto.

The motion prevailed.

(Speaker in the chair)

SB 1 - REMARKS

REPRESENTATIVE FALLON: About two months ago, on the night of April 4th, this chamber passed **SB 1** for the first time by an overwhelming majority. At roughly 10 p.m. that night, many people were thanked for their work

on the budget. Chairman Jim Pitts was thanked. And there were long hours, days, weeks, and months spent on the budget, so we thank Chairman Pitts. And rightfully so. Then we thank the Appropriations vice-chair Sylvester Turner, and rightfully so. We went on to thank the subcommittee chairs—Representative Darby, Dr. Zerwas, Representative Otto, Representative Crownover—and we should have. We thanked the entire 27 members of the Appropriations Committee, and rightfully so. We thanked the speaker's appropriations staff. We even thanked the entire Legislative Budget Board by marching them out along the north rail. And we gave and thanked them with a standing ovation, and rightfully so. But there's one person we failed to recognize that night, and I'd like to make amends for that.

The government doesn't make any money, and we don't produce anything. The private sector does all that, and the one person we should, must, and will thank today, is the Texas taxpayer. The one who paid for the budget in full; the one that's paid for every budget in the past; and the one that will pay for every budget in the future. And so, for the computer programmer here in Austin, the pharmacist in the Panhandle, the investment banker in Dallas, the physician in the Valley, the commercial fisherman in Corpus, the wildcatter in West Texas, the welder in Houston, the nurse in Longview, entrepreneur in Denton, and the web developer in El Paso—Texas taxpayers all—thank you for making Texas the most prosperous state and the greatest country history has ever known.

REMARKS ORDERED PRINTED

Representative Leach moved to print remarks by Representative Fallon.

The motion prevailed.

REPRESENTATIVE SIMPSON: I will be brief in my opposition to the passage of **SB 1**. My concerns have been several. Perhaps the most important is doing things—the right thing, in the right way. I respect Chairman Pitts, the speaker, and the leadership, and many of you for advocating for this bill. However, I think that we are not operating by the rules—by the spirit in the rules—specifically, when we go outside the bounds—Rule 13, Section 9. I've spoken to members who have been here much longer than me who don't understand some of the things we've been doing here today. I sought to bring attention to—

The rules are not only for our benefit, but for the public's. And many of us here—I've heard the remark made, well, there's no use being on Appropriations, because, ultimately, it's going to be five members from the senate and five members from the house that are going to write or rewrite the budget. But it's not supposed to be that way. Rule 13, Section 9 speaks about how the presiding officer from each house shall strictly enforce the limits placed upon the conference committee—for both houses. And it puts it in the prospective. It considers the future of what they shall do. It's not retrospective.

But it's not just the leadership that must enforce this, it is you and me as members of this house. Today, we've been granting forgiveness—not permission—time after time for going outside the bounds, outside the limits. And for some, for those of you who are new, what that means is that you have to reconcile the two different versions of the bill. And if it's just alike in the house

bill and in the senate bill, they're not supposed to mess with it, and we're not supposed to add anything to it that's not in either one. We've added about one-half billion dollars—way above what was the limit on the senate version or house version—for corporate welfare. We are going to raise our pensions here in this body—not mine, because I don't partake of it. And I don't disrespect you for doing that, but we need to be careful when we go outside the bounds. We're just supposed to grant that permission; this body is supposed to do it. And we, in the hurried last moments of the session, because we have to pass this bill, are allowing that to override the spirit of Rule 13, Section 9.

I hope when we come back here, God willing, in the 84th session, that it won't just be the leadership that allows this to go on—and you and me—but that we all seek to enforce this, so that this body, and even the other chamber, as a whole, will have a direct effect on matters that go outside the bounds on a conference committee. Earlier today, I sought to bring a point of order on Rule 13, Section 9(h)(4). And it says that the fiscal note with the resolution authorizing us to go outside the bounds is supposed to be distributed with the resolution. It was not with the physical copy. I could not find it on TLO. I was told by the speaker and the parliamentarian that it was available in iFAS. I tried to ask them questions if whether iFAS was available to the general public. I've not found anybody that says that it's available to the general public. It was asserted that you have to be here at the Capitol. Well, I daresay, 25 million people are not here at the Capitol, and they have not seen the fiscal implications of going outside the bounds on this bill.

What we've seen here is that constitutional limits on spending and debt are no match for legislative magic. Political magicians thrive not just in Washington, but here in Austin where upholding the Constitution, abiding by legislative rules, and political pledges are trumped by accounting ingenuity and hidden by complexity and obscurity. This is not the way a representative, democratic republic is supposed to work. We have increased spending dramatically. Now, I support fixing the smoke and mirrors from last session. And I stood here at this desk, and I asked you if you would vote on passing a budget without raising taxes and doing it according to the rules. At that time, we weren't talking about smoke and mirrors. Now, thankfully we did talk about it. And the leadership of this house and of the governor's mansion—the state, the governor—and others have taken that up. But, I dare say that when we were in a shortfall, we used smoke and mirrors, and we are using smoke and mirrors now when we have a budget surplus. There are three, four, five, six moving parts here. I wish I could put four nutshells on top of this desk and say, well, where is this? It took me about 10 hours to prepare a little spreadsheet to present to you to show the complexities of what is being spent by which legislature and for what biennium—and it is not easy. And when the fiscal note is not available to the general public, they have no ability to comment to us as their representatives.

I urge you to vote no. Don't put your summer vacation before doing what's right for the State of Texas. I'm confident we've done many good things in this budget. But throwing \$500 million in for CPRIT at the last minute is not one of those. And raising our pensions when we have not fulfilled our obligations with

respect to the dedicated funds—particularly for volunteer firefighters—is just a glimpse of \$4 billion worth of more we're going to do. I say, this is not a good budget bill though there is good in it, and I urge you to vote against **SB 1**.

REMARKS ORDERED PRINTED

Representative Simpson moved to print his remarks.

The motion prevailed.

Representative Pitts moved to adopt the conference committee report on **SB 1**.

The motion to adopt the conference committee report on **SB 1** prevailed by (Record 1336): 118 Yeas, 29 Nays, 0 Present, not voting.

Yeas — Mr. Speaker(C); Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Branch; Burkett; Burnam; Button; Callegari; Canales; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farney; Farrar; Flynn; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Howard; Huberty; Hunter; Johnson; Kacal; Keffer; King, K.; King, S.; King, T.; Kleinschmidt; Kuempel; Larson; Lavender; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheets; Sheffield, J.; Sheffield, R.; Smith; Stephenson; Strama; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Wu; Zerwas.

Nays — Bonnen, G.; Capriglione; Carter; Creighton; Fallon; Fletcher; Frank; Goldman; Herrero; Hilderbran; Hughes; Isaac; King, P.; Klick; Kolkhorst; Krause; Laubenberg; Leach; Sanford; Schaefer; Simmons; Smithee; Springer; Stickland; Taylor; Thompson, E.; Toth; Workman; Zedler.

Absent, Excused — Lucio.

Absent — Simpson; Turner, E.S.

The speaker stated that **SB 1** was passed subject to the provisions of Article III, Section 49a of the Texas Constitution.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1336. I am in favor of **SB 1**, but since it has an increase in funding for state judges, which may affect my retirement pension, I intended to vote present, not voting.

Lewis

When Record No. 1336 was taken, I was at the back microphone. The speaker gavelled so quickly, I was unable to vote. I would have voted no.

Simpson

When Record No. 1336 was taken, I was at the back microphone and was not able to make it back to my desk to record my vote. I would have voted no.

E. S. Turner

REASONS FOR VOTE

While I deeply appreciate the conferees for their hard work on crafting this bill, I was forced in the end to vote against the conference committee report for **SB 1**. In fact, I supported the bill when it was considered in the house, but I sadly watched the total spending amount expand during the conference committee process. I support many measures in this bill, but in a final analysis I could not support the bill because of the cumulative spending increase. With **SB 1** and **HB 1025** now law, (along with **HB 10** which was signed into law earlier this session), Texas has approved \$22 billion more in spending this session than did the 82nd Legislature. Even if we consider the \$6.5 billion or so needed to cover Medicaid, education, and wildfire costs in the current biennium, this means that our body is still adding more than \$15 billion to new spending. I also believe that district judges should receive adequate pay raises without the raising of pensions for lawmakers like myself. Earlier in the session, I supported a failed effort to decouple legislative pensions from district judges' salaries. In the end, I could not vote to raise legislative pensions. I could not support such large spending increases over the next two years when only a small fraction of the current surplus money was returned to the taxpayers in the form of a tax rebate. Some have said it is hardest to govern when there is a surplus of money, and indeed the State of Texas has been blessed with a vibrant economy. However, I believe that it is the taxpayer's money, and they should share more in that blessing, either with large tax rebates or tax cuts.

Kolkhorst

SB 1 includes a pay increase for district judges, which impacts the pensions of members of the Texas Legislature. I do not participate in the Texas Employee Retirement System.

Sheets

There are many, many good items covered in **SB 1**. Items such as increased contributions to the Teacher Retirement System, stronger commitment to the mentally ill, and a solidly funded public education system, plus many more. The house version that we voted on early in the session had my strong support. I voted for **SB 1** as it left the house. However, the senate version of **SB 1** was higher than the house version and then the conference committee came out higher than either the house or senate version of **SB 1** by almost \$2 billion. In addition, the process that has been in place in this body for years relating to how the final budget is derived is a process by which I believe does not lend itself to complete review by the vast majority of house members. The process needs to be slower and more deliberate. This is no fault of any particular person, just a process that has been in place for a long while and needs to be changed.

Simmons

(Harper-Brown in the chair)

HB 3447 - VOTE RECONSIDERED

Representative Huberty moved to reconsider the vote by which the motion to adopt the conference committee report on **HB 3447** was lost earlier today.

The motion to reconsider prevailed.

HB 3447 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Gutierrez submitted the following conference committee report on **HB 3447**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3447** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Uresti
Hinojosa
Campbell
Zaffirini
Taylor
On the part of the senate

Gutierrez
Farias
Larson
J. Rodriguez
Villarreal
On the part of the house

HB 3447, A bill to be entitled An Act relating to the establishment and functions of certain urban land banks.

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

SECTION 1. Section 379C.002, Local Government Code, is amended to read as follows:

Sec. 379C.002. **APPLICABILITY.** This chapter applies only to home-rule municipalities that:

- (1) have a population of 1.18 million or more; and
- (2) are located predominantly in a county that has a total area of less than 1,300 [~~1,000~~] square miles.

SECTION 2. Chapter 397C, Local Government Code, is amended by adding Section 379C.014 to read as follows:

Sec. 379C.014. LAND USED FOR WORLD EXPOSITION. (a) A municipality may transfer to a land bank land that was part of the site of a world exposition recognized by the Bureau International des Expositions, subject to any deed restrictions the municipality adopts, after public notice and hearing, before January 1, 2014.

(b) Section 253.001(b) does not apply to the sale of land described by Subsection (a) if the remainder of the world exposition site includes dedicated public squares or parks that have a total area of 18 acres or more, which may include an area for which the municipality commits to demolishing any non-park improvements within 48 months after the date of the dedication.

(c) A petition for judicial review of a sale under Subsection (b) must be filed on or before the 60th day after the date the ordinance or resolution authorizing the sale is adopted. A petition filed after that date is barred.

(d) The restrictions and requirements applicable to the sale of land by a land bank under this chapter or any other law do not apply to land sold by a land bank under this section.

SECTION 3. This Act takes effect September 1, 2013.

Representative Gutierrez moved to adopt the conference committee report on **HB 3447**.

The motion to adopt the conference committee report on **HB 3447** prevailed by (Record 1337): 114 Yeas, 26 Nays, 6 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Callegari; Canales; Clardy; Coleman; Collier; Cook; Cortez; Crownover; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Geren; Giddings; Goldman; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Howard; Huberty; Hughes; Hunter; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Lavender; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Patrick; Perez; Phillips; Pickett; Pitts; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheffield, J.; Sheffield, R.; Simmons; Smith; Stephenson; Strama; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Bell; Button; Capriglione; Carter; Craddick; Creighton; Fallon; Frullo; Hilderbran; Krause; Kuempel; Larson; Lewis; Orr; Otto; Paddie; Parker; Price; Schaefer; Sheets; Simpson; Smithee; Springer; Stickland; Taylor; Thompson, E.

Present, not voting — Mr. Speaker; Dale; Gonzales; Harper-Brown(C); Isaac; Perry.

Absent, Excused — Lucio.

Absent — Laubenberg; Leach; Menéndez.

STATEMENT OF VOTE

When Record No. 1337 was taken, I was in the house but away from my desk. I would have voted no.

Laubenberg

HR 3010 - ADOPTED
(by Coleman)

The following privileged resolution was laid before the house:

HR 3010

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 3793** (powers, duties, and services of entities serving counties and county residents) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTION to the bill:

SECTION 2. Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

(1) major depressive disorder, including single episode or recurrent major depressive disorder;

(2) post-traumatic stress disorder;

(3) schizoaffective disorder, including bipolar and depressive types;

(4) obsessive compulsive disorder;

(5) anxiety disorder;

(6) attention deficit disorder;

(7) delusional disorder;

(8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or

(9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing

adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

- (1) post-traumatic stress disorder;
- (2) schizoaffective disorder, including bipolar and depressive types;
- (3) anxiety disorder; or
- (4) delusional disorder.

Explanation: The addition is necessary to allow certain entities to provide certain mental health services to certain county residents.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following provision to SECTION 8 of the bill:

(b) Section 533.0354, Health and Safety Code, as amended by this Act, takes effect January 1, 2014.

Explanation: This addition to the effective date provision of the bill is necessary to reflect the change made by the addition of SECTION 2 to the bill.

HR 3010 was adopted by (Record 1338): 142 Yeas, 3 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Schaefer; Simpson; Stickland.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Laubenberg; Stephenson.

HB 3793 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Coleman submitted the following conference committee report on **HB 3793**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3793** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hinojosa

Coleman

Nelson

J. Davis

Taylor

Farias

Garcia

Zerwas

Schwertner

On the part of the senate

On the part of the house

HB 3793, A bill to be entitled An Act relating to powers, duties, and services of entities serving counties and county residents.

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

SECTION 1. Section 21.054, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board shall adopt rules that allow an educator to fulfill up to 12 hours of continuing education by participating in a mental health first aid or assistance training program offered by a provider under Section 1001.203, Health and Safety Code. The number of hours of continuing education an educator may fulfill under this subsection may not exceed the number of hours the educator actually spends participating in a mental health first aid or assistance training program.

SECTION 2. Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

(1) major depressive disorder, including single episode or recurrent major depressive disorder;

(2) post-traumatic stress disorder;

(3) schizoaffective disorder, including bipolar and depressive types;

(4) obsessive compulsive disorder;

(5) anxiety disorder;

(6) attention deficit disorder;

(7) delusional disorder;

(8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or

(9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

(1) post-traumatic stress disorder;

(2) schizoaffective disorder, including bipolar and depressive types;

(3) anxiety disorder; or

(4) delusional disorder.

SECTION 3. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Sections 533.051, 533.052, and 533.053 to read as follows:

Sec. 533.051. ALLOCATION OF OUTPATIENT MENTAL HEALTH SERVICES AND BEDS IN STATE HOSPITALS. (a) To ensure the appropriate and timely provision of mental health services to patients who voluntarily receive those services or who are ordered by a court to receive those services in civil or criminal proceedings, the department, in conjunction with the commission, shall plan for the proper and separate allocation of outpatient or community-based mental health services provided by secure and nonsecure outpatient facilities that provide residential care alternatives and mental health services and for the proper and separate allocation of beds in the state hospitals for the following two groups of patients:

(1) patients who are voluntarily receiving outpatient or community-based mental health services, voluntarily admitted to a state hospital under Chapter 572, admitted to a state hospital for emergency detention under Chapter 573, or ordered by a court under Chapter 574 to receive inpatient mental health services at a state hospital or outpatient mental health services from an outpatient facility that provides residential care alternatives and mental health services; and

(2) patients who are ordered to participate in an outpatient treatment program to attain competency to stand trial under Chapter 46B, Code of Criminal Procedure, or committed to a state hospital or other facility to attain competency to stand trial under Chapter 46B, Code of Criminal Procedure, or to receive inpatient mental health services following an acquittal by reason of insanity under Chapter 46C, Code of Criminal Procedure.

(b) The plan developed by the department under Subsection (a) must include:

(1) a determination of the needs for outpatient mental health services of the two groups of patients described by Subsection (a);

(2) a determination of the minimum number of beds that the state hospital system must maintain to adequately serve the two groups of patients;

(3) a statewide plan for and the allocation of sufficient funds for meeting the outpatient mental health service needs of and for the maintenance of beds by the state hospitals for the two groups of patients; and

(4) a process to address and develop, without adverse impact to local service areas, the accessibility and availability of sufficient outpatient mental health services provided to and beds provided by the state hospitals to the two groups of patients based on the success of contractual outcomes with mental health service providers and facilities under Sections 533.034 and 533.052.

(c) To assist in the development of the plan under Subsection (a), the department shall establish and meet at least monthly with an advisory panel composed of the following persons:

(1) one representative designated by the Texas Department of Criminal Justice;

(2) one representative designated by the Texas Association of Counties;

(3) two representatives designated by the Texas Council of Community Centers, including one representative of an urban local service area and one representative of a rural local service area;

(4) two representatives designated by the County Judges and Commissioners Association of Texas, including one representative who is the presiding judge of a court with jurisdiction over mental health matters;

(5) one representative designated by the Sheriffs' Association of Texas;

(6) two representatives designated by the Texas Municipal League, including one representative who is a municipal law enforcement official;

(7) one representative designated by the Texas Conference of Urban Counties;

(8) one representative designated by the Texas Catalyst for Empowerment; and

(9) four representatives designated by the Department of State Health Services' Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, including:

(A) the chair of the council;

(B) one representative of the council's members who is a consumer of or advocate for mental health services;

(C) one representative of the council's members who is a consumer of or advocate for substance abuse treatment; and

(D) one representative of the council's members who is a family member of or advocate for persons with mental health and substance abuse disorders.

(d) In developing the plan under Subsection (a), the department and advisory panel shall consider:

(1) needs for outpatient mental health services of the two groups of patients described by Subsection (a);

(2) the frequency of use of beds and the historical patterns of use of beds in the state hospitals and other facilities by the two groups of patients;

(3) local needs and demands for outpatient mental health services by the two groups of patients;

(4) local needs and demands for beds in the state hospitals and other facilities for the two groups of patients;

(5) the availability of outpatient mental health service providers and inpatient mental health facilities that may be contracted with to provide outpatient mental health services and beds for the two groups of patients;

(6) the differences between the two groups of patients with regard to:

(A) admission to and discharge from a state hospital or outpatient facility;

(B) rapid stabilization and discharge to the community;

(C) length of stay in a state hospital or outpatient facility;

(D) disputes arising from the determination of a patient's length of stay in a state hospital by a health maintenance organization or a managed care organization;

(E) third-party billing; and

(F) legal challenges or requirements related to the examination and treatment of the patients; and

(7) public input provided to the department or advisory panel in a form and at a time and place that is effective and appropriate and in a manner that complies with any applicable laws, including administrative rules.

(e) The department shall update the plan biennially.

(f) Not later than December 31, 2013, the department, in conjunction with the advisory panel, shall develop the initial version of the plan required by Subsection (a).

(g) Not later than August 31, 2014, the department shall:

(1) identify standards and methodologies for the implementation of the plan required by Subsection (a); and

(2) begin implementing the plan.

(h) Not later than December 1, 2014, the department shall submit a report to the legislature and governor that includes the initial version of the plan, the status of the plan's implementation, and the impact of the plan on the delivery of services.

(i) While the plan required by Subsection (a) is being developed and implemented, the department may not, pursuant to any rule, contract, or directive, impose a sanction, penalty, or fine on a local mental health authority for the authority's noncompliance with any methodology or standard adopted or applied by the department relating to the allocation of beds by authorities for the two groups of patients described by Subsection (a).

Sec. 533.052. CONTRACTING WITH CERTAIN MENTAL HEALTH SERVICE PROVIDERS AND FACILITIES TO PROVIDE SERVICES AND BEDS FOR CERTAIN PERSONS. The department shall make every effort, through collaboration and contractual arrangements with local mental health authorities, to contract with and use a broad base of local community outpatient

mental health service providers and inpatient mental health facilities, as appropriate, to make available a sufficient and appropriately located amount of outpatient mental health services and a sufficient and appropriately located number of beds in inpatient mental health facilities, as specified in the plan developed by the department under Section 533.051, to ensure the appropriate and timely provision of mental health services to the two groups of patients described by Section 533.051(a).

Sec. 533.053. INFORMING COURTS OF COMMITMENT OPTIONS. The department shall develop and implement a procedure through which a court that has the authority to commit a person who is incompetent to stand trial or who has been acquitted by reason of insanity under Chapters 46B and 46C, Code of Criminal Procedure, is aware of all of the commitment options for the person, including jail diversion and community-based programs.

SECTION 4. Chapter 1001, Health and Safety Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. MENTAL HEALTH FIRST AID AND ASSISTANCE TRAINING

Sec. 1001.201. DEFINITIONS. In this subchapter:

(1) "Educator" means a person who is required to hold a certificate issued under Subchapter B, Chapter 21, Education Code.

(2) "Local mental health authority" has the meaning assigned by Section 531.002.

(3) "Regional education service center" means a regional education service center established under Chapter 8, Education Code.

Sec. 1001.202. REQUEST FOR PROPOSALS FOR TRAINING OF MENTAL HEALTH FIRST AID AND ASSISTANCE TRAINERS. (a) To the extent funds are appropriated to the department for that purpose, the department shall establish a request for proposals process to select providers and award funds to those providers to train individuals as mental health first aid and assistance trainers.

(b) Except as provided by Subsection (c), the department shall award each provider whose proposal is accepted under this section an amount equal to \$1,000 times the number of individuals the provider will train as mental health first aid or assistance trainers.

(c) For each state fiscal year, the total amount the department may award to providers whose proposals are accepted under this section for the training of mental health first aid and assistance trainers in a single local mental health authority's local service area may not exceed the lesser of \$30,000 or three percent of the funds appropriated to the department for selecting and awarding funds to providers under this section.

(d) The executive commissioner shall adopt rules to establish the requirements for a provider to be selected by the department to train individuals as mental health first aid and assistance trainers. The rules must ensure that a provider who is selected by the department has experience in providing and is qualified to provide training in:

(1) the potential risk factors and warning signs for various mental illnesses, including depression, anxiety, trauma, psychosis, eating disorders, substance abuse disorders, and self-injury;

(2) the prevalence of various mental illnesses in the United States and the need to reduce the stigma associated with mental illness;

(3) an action plan for use by the individuals being trained that involves the use of skills, resources, and knowledge to assess a situation and develop and implement an appropriate intervention to help an individual experiencing a mental health crisis obtain appropriate professional care; and

(4) the evidence-based professional, peer, social, and self-help resources available to help individuals with mental illness.

(e) Two or more providers may collaborate and share resources to provide training under this section.

Sec. 1001.203. REQUEST FOR PROPOSALS FOR TRAINING CERTAIN EDUCATORS IN MENTAL HEALTH FIRST AID AND ASSISTANCE. (a) To the extent funds are appropriated to the department for that purpose, the department shall establish a request for proposals process to select providers and award funds to those providers to provide an approved mental health first aid or assistance training program or other evidence-based mental health assistance program, administered by mental health first aid or assistance trainers, at no cost to educators.

(b) For each state fiscal year, the total amount the department may award to providers whose proposals are accepted under this section for the provision of a mental health first aid or assistance training program in a single local mental health authority's local service area may not exceed the lesser of \$40,000 or three percent of the funds appropriated to the department for selecting and awarding funds to providers under this section.

(c) Subject to the limit provided by Subsection (b), out of the funds appropriated to the department for selecting and awarding funds to providers under this section, the department shall award \$100 to a provider for each educator who successfully completes a mental health first aid or assistance training program provided by the provider under this section.

(d) The executive commissioner shall adopt rules to establish the requirements for a provider to be selected by the department to provide a mental health first aid or assistance training program. The rules must ensure that a provider who is selected by the department has experience providing a mental health first aid or assistance training program.

(e) A mental health first aid or assistance training program provided under this section must:

(1) be conducted by an individual trained as a mental health first aid or assistance trainer;

(2) provide participants with the skills necessary to help an individual experiencing a mental health crisis until the individual is able to obtain appropriate professional care; and

(3) include:

(A) instruction in a five-step strategy for helping an individual experiencing a mental health crisis, including assessing risk, listening respectfully to and supporting the individual, and identifying professional help and other supports for the individual;

(B) an introduction to the risk factors and warning signs for mental illness and substance abuse problems;

(C) experiential activities to increase participants' understanding of the impact of mental illness on individuals and families; and

(D) a presentation of evidence-supported treatment and self-help strategies.

(f) A provider may contract with a regional education service center to provide a mental health first aid or assistance training program to educators under this section.

(g) Two or more providers may collaborate and share resources to develop and operate a mental health first aid or assistance training program under this section. A local mental health authority may collaborate and share resources with a regional education service center to develop and operate a mental health first aid or assistance training program to educators under this section.

Sec. 1001.204. PLANS FOR MENTAL HEALTH FIRST AID OR ASSISTANCE TRAINING PROGRAMS. (a) Not later than October 1 of each state fiscal year for which a provider will submit a proposal to the department under Section 1001.203, the provider shall submit to the department a plan demonstrating the manner in which any funds awarded to the provider under that section will be used:

(1) to train individuals in mental health first aid or assistance to maximize the number of children who have direct contact with an individual who has successfully completed a mental health first aid or assistance training program provided by the provider;

(2) to meet the greatest needs of the local service area where the provider will provide the training, as identified by the provider; and

(3) to complement existing resources and not duplicate established mental health first aid or assistance training efforts.

(b) The department may not select a proposal submitted by a provider under Section 1001.203 unless the department has evaluated a plan submitted by the provider under this section.

Sec. 1001.205. REPORTS. (a) Not later than July 1 of each year, a provider shall provide to the department the number of:

(1) individuals who were trained as mental health first aid or assistance trainers under Section 1001.202;

(2) educators who completed a mental health first aid or assistance training program offered by the provider under Section 1001.203 during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid or assistance training program offered by the provider during the preceding calendar year.

(b) Not later than August 1 of each year, the department shall compile the information submitted by providers as required by Subsection (a) and submit a report to the legislature containing the number of:

- (1) individuals trained as mental health first aid or assistance trainers;
- (2) educators who completed a mental health first aid or assistance training program provided by a provider during the preceding calendar year; and
- (3) individuals who are not educators who completed a mental health first aid or assistance training program provided by a provider during the preceding calendar year.

Sec. 1001.206. LIABILITY. A person who has completed a mental health first aid or assistance training program offered by a provider under this subchapter and who in good faith attempts to assist an individual experiencing a mental health crisis is not liable in civil damages for an act performed in attempting to assist the individual unless the act is wilfully or wantonly negligent.

SECTION 5. Subtitle A, Title 3, Special District Local Laws Code, is amended by adding Chapter 1122 to read as follows:

CHAPTER 1122. HIDALGO COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1122.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the Hidalgo County Hospital District.

Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County Hospital District may be created and, if created, operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hidalgo County.

Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION.

(a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Hidalgo County Commissioners Court shall order an election for the registered voters of Hidalgo County on the question of creation of the Hidalgo County Hospital District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of Hidalgo County.

(c) The order calling an election under this section must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

(e) The Hidalgo County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Hidalgo County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date set for the election.

(f) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Hidalgo County Hospital District, providing for the imposition of an ad valorem tax at a rate not to exceed 75 cents on each \$100 valuation on all taxable property in the district."

(g) The Hidalgo County Commissioners Court shall find that the Hidalgo County Hospital District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of the district is approved at the election held under Section 1122.021, the district shall be governed by a nine-member board of directors, appointed as follows:

(1) the Hidalgo County Commissioners Court shall appoint four directors;

(2) the governing body of the municipality with the largest population in Hidalgo County shall appoint two directors;

(3) the governing body of the municipality with the second largest population in Hidalgo County shall appoint one director;

(4) the governing body of a municipality with the third largest population in Hidalgo County shall appoint one director; and

(5) the governing body of a municipality with the fourth largest population in Hidalgo County shall appoint one director.

(b) Directors serve staggered four-year terms, with as near as possible to one-fourth of the directors' terms expiring each year. The terms of the initial directors are as follows:

(1) the directors appointed by the governing bodies of the municipalities in Hidalgo County described by Subsection (a) shall draw lots to determine which two directors serve a one-year term, which director serves a two-year term, which director serves a three-year term, and which director serves a four-year term; and

(2) the directors appointed by the Hidalgo County Commissioners Court shall draw lots to determine which director serves a one-year term, which director serves a two-year term, which director serves a three-year term, and which director serves a four-year term.

(c) A director may not serve more than two consecutive four-year terms.

Sec. 1122.052. QUALIFICATIONS. The Hidalgo County Commissioners Court shall by order provide for the qualifications of appointees to the board. The qualifications must provide that a person is not eligible for appointment to the board if the person is:

- (1) an employee of Hidalgo County;
- (2) a district employee; or
- (3) related within the third degree of consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, to a member of the commissioners court or to a person described by Subdivision (1) or (2).

Sec. 1122.053. OFFICERS. (a) The board shall elect from among the directors:

- (1) a chairman; and
 - (2) a vice-chairman to preside in the chairman's absence.
- (b) The board shall elect a director or the district administrator to serve as secretary.

Sec. 1122.054. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

- (1) reported in the district's records; and
- (2) approved by the board.

Sec. 1122.055. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of \$5,000 payable to the district and conditioned on the faithful performance of the director's duties.

- (b) The bond shall be kept in the permanent records of the district.
- (c) The board may pay for a director's bond with district money.

Sec. 1122.056. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 1122.057. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Sec. 1122.058. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND. (a) The board may appoint a qualified person as district administrator.

- (b) The district administrator serves at the will of the board.
- (c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than \$5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

- (e) The board may pay for the bond with district money.

Sec. 1122.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

- (1) supervise the work and activities of the district; and
- (2) direct the general affairs of the district.

Sec. 1122.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Sec. 1122.061. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Sec. 1122.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses;

(3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or

(4) contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Sec. 1122.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

(1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;

(2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and

(3) make temporary appointments to the medical staff as the board considers necessary.

Sec. 1122.064. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Sec. 1122.103. RULES. The board may adopt rules governing:

- (1) the operation of the hospital and hospital system; and
- (2) the duties, functions, and responsibilities of district staff and employees.

Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

- (1) the method of making purchases and expenditures by and for the district; and
- (2) accounting and control procedures for the district.

Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine:

- (1) the type, number, and location of buildings required to maintain an adequate hospital system; and
- (2) the type of equipment necessary for hospital care.

(b) The board may:

- (1) acquire property, facilities, and equipment for the district for use in the hospital system;
- (2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;
- (3) sell or otherwise dispose of property, facilities, or equipment for the district; or
- (4) lease hospital facilities for the district.

Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.

Sec. 1122.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.

(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.

Sec. 1122.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.

Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Sec. 1122.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES.

(a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in any county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Hidalgo County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Hidalgo County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Sec. 1122.114. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation created under this section may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT PURPOSES. Under the authority granted by Section 52-a, Article III, Texas Constitution, the district may loan or grant money to any person for the development of medical education and research in the district.

Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1122.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;

(2) the amount of cash on hand to the credit of each fund of the district;
(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

(5) the amount of the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated amount of revenues and balances available to cover the proposed budget; and

(7) the estimated tax rate required.

Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Sec. 1122.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period.

Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Sec. 1122.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Sec. 1122.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Sec. 1122.159. DEBT LIMITATION. Except as provided by this chapter and Chapter 1207, Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Sec. 1122.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1122.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

SUBCHAPTER E. BONDS

Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1122.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

(1) the nature and date of the election;

(2) the hours during which the polls will be open;

(3) the location of polling places;

(4) the amounts of the bonds to be authorized; and

(5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Sec. 1122.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Sec. 1122.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Sec. 1122.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

(1) bonds issued by the district;

(2) any transaction relating to the bonds; and

(3) profits made in the sale of the bonds.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.

(b) The tax may be used to pay:

(1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Sec. 1122.252. TAX RATE. (a) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each \$100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(b) In setting the tax rate, the board shall consider district income from sources other than taxation.

Sec. 1122.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

SUBCHAPTER G. DISSOLUTION

Sec. 1122.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Sec. 1122.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Sec. 1122.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hidalgo County Hospital District."

Sec. 1122.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Hidalgo County or another governmental entity in Hidalgo County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board determines that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the tax assessor-collector for Hidalgo County.

Sec. 1122.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Hidalgo County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Hidalgo County Commissioners Court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

SECTION 6. (a) Section 1001.206, Health and Safety Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

(b) Not later than May 1, 2014, the executive commissioner of the Health and Human Services Commission shall adopt any rules necessary to implement Section 533.051, Health and Safety Code, as added by this Act, and the rules required by Section 533.053, Health and Safety Code, as added by this Act.

SECTION 7. Proof of publication of the notice required to enact Chapter 1122, Special District Local Laws Code, as added by this Act, under the provisions of Section 9, Article IX, Texas Constitution, has been made in the manner and form provided by law pertaining to the enactment of local and special laws, and the notice is found and declared proper and sufficient to satisfy the requirement.

SECTION 8. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2013.

(b) Section 533.0354, Health and Safety Code, as amended by this Act, takes effect January 1, 2014.

HB 3793 - POINT OF ORDER

Representative Taylor raised a point of order against further consideration of **HB 3793** under Rule 8, Section 3 and Rule 11, Section 2 of the House Rules and under Article III, Section 30 of the Texas Constitution.

The chair overruled the point of order and submitted the following statement:

Representative Taylor raises a point of order against further consideration of the conference committee report on **HB 3793** under Rule 8, Section 3 and Rule 11, Section 2 of the House Rules and under Article III, Section 30 of the Texas Constitution. The point of order is respectfully overruled. The chair finds, after examining the conference committee report and all other documents that the conference committee neither violated the one-subject rule or any concepts of germaneness because the elements of the conference committee report embraced a single unifying subject—the powers, duties, and services of entities serving counties and county residents.

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. 45).

HB 3793 - (consideration continued)

Representative Coleman moved to adopt the conference committee report on **HB 3793**.

The motion to adopt the conference committee report on **HB 3793** prevailed by (Record 1339): 113 Yeas, 26 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Callegari; Canales; Clardy; Coleman; Collier; Cook; Cortez; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Flynn; Frank; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Johnson; Keffer; King, K.; King, T.; Klick; Kolkhorst; Kuempel; Larson; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Patrick; Perez; Perry; Pickett; Price; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheffield, J.; Sheffield, R.; Simmons; Smithee; Springer; Strama; Thompson, S.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zedler; Zerwas.

Nays — Bell; Button; Capriglione; Carter; Craddick; Creighton; Fletcher; Goldman; Hughes; Isaac; Kleinschmidt; Krause; Lavender; Leach; Parker; Phillips; Sanford; Schaefer; Sheets; Simpson; Stickland; Taylor; Thompson, E.; Toth; Turner, E.S.; White.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Kacal; King, P.; King, S.; Laubenberg; Pitts; Raney; Smith; Stephenson.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 1339. I intended to vote no.

Anderson

I was shown voting yes on Record No. 1339. I intended to vote no.

Gooden

When Record No. 1339 was taken, I was temporarily out of the house chamber. I would have voted no.

P. King

When Record No. 1339 was taken, I was in the house but away from my desk. I would have voted no.

Laubenberg

When Record No. 1339 was taken, I was in the house but away from my desk. I would have voted yes.

Stephenson

**HR 3009 - MOTION TO ADOPT
(by Guillen)**

The following privileged resolution was laid before the house:

HR 3009

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 508** (the authority of certain governmental officials to carry certain weapons on certain premises, and to certain offenses relating to carrying concealed handguns on property owned or leased by a governmental entity; providing a civil penalty), to consider and take action on the following matter:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 3 of the bill, in added Section 411.209, Government Code:

(i) A state agency or a political subdivision of the state may not provide notice by a communication described by Section 30.06, Penal Code, or by any sign expressly referring to that law or to a concealed handgun license, that a person who is serving in this state as a judge or justice of a federal court, as an active judicial officer, as defined by Section 411.201, or as the holder of a statewide office, as defined by Section 1.005, Election Code, a member of the house of representatives or the senate, a member of the United States Congress, the state prosecuting attorney or an assistant state prosecuting attorney, an assistant attorney general, United States attorney, assistant United States attorney, special assistant United States attorney, district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, or

assistant county attorney licensed to carry a handgun under the authority of this subchapter is, while carrying a handgun under the authority of this subchapter, prohibited from entering or remaining on a premises or other place owned or leased by the governmental entity unless the license holders are prohibited from carrying a handgun on the premises or other place by Section 46.035, Penal Code.

Explanation: This addition is necessary to add in cross-references to a person who is serving in this state as a judge or justice of a federal court, as an active judicial officer, as defined by Section 411.201, Government Code, or as the holder of a statewide office, as defined by Section 1.005, Election Code, a member of the house of representatives or the senate, a member of the United States Congress, the state prosecuting attorney or an assistant state prosecuting attorney, an assistant attorney general, United States attorney, assistant United States attorney, special assistant United States attorney, district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, and assistant county attorney.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to Section 46.035(c), Penal Code, in SECTION 4 of the bill:

The defense to prosecution provided by Subsection (h-1) applies to the prosecution of an offense under this subsection.

Explanation: This addition is for clarification purposes only.

HR 3009 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE GUILLEN: The conference committee on **HB 508** intends to go outside the bounds to add language that bars a state agency or political subdivision in the state from using Section 36 of the Penal Code on signs to prohibit federal judges, statewide office holders, members of the legislature, members of the congress, state and assistant state prosecuting attorneys, assistant attorney generals of the U.S., and assistant U.S. attorneys, district and assistant, district attorneys, criminal and assistant criminal attorneys, and county and assistant county attorneys from carrying a handgun in places owned or leased by governmental entities. This addition is necessary to add, in cross references to a person who's serving in the previously mentioned positions, other additional language not included in either the house or the senate versions of the bill. This is for clarification purposes only, and clarifies the defense and prosecution provisions in the bill. So, I move to adopt the outside the bounds resolution for **HB 508**.

REPRESENTATIVE PICKETT: Mr. Guillen, when you brought this conference committee report the other day, do you remember there was a point of order called?

GUILLEN: Yes.

PICKETT: Do you remember what the discussions were between yourself and the parliamentarian on whether or not that point of order would have been sustained?

GUILLEN: Yes.

PICKETT: And is it your belief that it would have been sustained?

GUILLEN: I guess it probably would.

PICKETT: Okay. And that point of order, though, was removed.

GUILLEN: Right.

PICKETT: Do you know why that was removed?

GUILLEN: No.

PICKETT: Do you remember, Mr. Guillen, that I removed that point of order? Mr. Sheets and some other members had some issues with what you had put on that bill.

GUILLEN: Right.

PICKETT: And I removed the point of order because you promised me, Mr. Guillen, that you would remove the one thing that bothered some members about that bill.

GUILLEN: No.

PICKETT: Yes, sir.

GUILLEN: I figured you would do this, so I wrote down exactly everything that transpired, and I can dictate back to you what exactly transpired.

PICKETT: Now you have a reporter that hangs around with you so he can take notes on the conversations you have privately with a member?

GUILLEN: I figured you would do this, so I wrote everything down exactly like you said and exactly like I said.

PICKETT: Why would I have removed a point of order?

GUILLEN: Because we were going to conference.

PICKETT: You already had gone to conference. You had brought back a bill that had senate amendments, that was a violation of the two-subject rule. I called a point of order. The point of order was going to be sustained, which means your bill would have been sent back to the senate, and they would have had to strip off those amendments. Is that correct?

GUILLEN: That's right.

PICKETT: You and I talked. And I said I will remove the point of order that I called, if you will go to conference and remove the language that Mr. Sheets and some other members had with those amendments. And then, Mr. Guillen, you also, and I said if you would please put myself and Mr. Sheets on that conference committee. You met, without even the courtesy of letting Representative Sheets or myself know that you were going to do this, and now not only did you not

remove the item on there that members had a problem with, that you promised, you're now going outside the bounds to add even more. Now you also want special treatment for congressmen, is that correct?

GUILLEN: Let me tell you exactly how it went down. I asked you if you would remove your point of order so that we could go to conference. You then said yes, if we would remove the senate amendment. To which I had no reply. You then later said to me that you were hoping that we would remove the senate amendment, and that you or Representative Sheets would have a motion to instruct us to do so. To which, again, I had no reply. I then later asked you if you or Representative Sheets were going to go ahead and make the motion to instruct after all, and you said yes. And that was it. Subsequently, I was then recognized to make a motion to go to conference, and no motion to instruct was made. That was the extent of the conversation. That's exactly the way it happened.

PICKETT: Mr. Guillen, I took notes as well. Here are my notes, Mr. Guillen. I will remove the point of order if you take this to conference and remove the language that was offensive to Mr. Sheets and other members. That's the notes that I took. That's the promise that you made me. It's dishonorable for you to make an agreement with a member and then break it. Mr. Sheets—I did not either, Mr. Guillen, because that's not what you had agreed with me or I would have not removed that point of order. I just want the body to understand what your lack of integrity is, Mr. Guillen, in this house.

GUILLEN: This is exactly the way it went down, there was no agreement. You said you would move to instruct and you didn't.

REPRESENTATIVE SHEETS: Mr. Guillen, when you first brought this bill with this amendment to the house floor, I came and I spoke in opposition because you had provisions in there that were exempting members of this body and statewide elected officials from the same restrictions we place on concealed handgun licensees, is that correct?

GUILLEN: Right.

SHEETS: And then we went to conference on this, is that correct?

GUILLEN: Right.

SHEETS: And your bill still includes—those same members are still exempted from those provisions, and then you add congressmen to that, is that correct?

GUILLEN: That's correct.

SHEETS: And you think that fixes the bill?

GUILLEN: Yes.

REPRESENTATIVE ISAAC: Representative Guillen, have you ever felt threatened being a state representative?

GUILLEN: A couple of times.

ISAAC: And not necessarily just on this house floor. Do you believe that congressmen that serve on the U.S. level have ever had any threats against them?

GUILLEN: I have had some conversations here in the last couple of days with members of this body and other members that are listed in this bill, other individuals that are listed in this bill, that would have this authority under the bill, that have talked to just that.

ISAAC: Do you think we owe it to their families to allow them to be able to protect themselves?

GUILLEN: I definitely think so, yes.

ISAAC: I think my wife and my children would be extremely upset if there was an opportunity where I could protect myself and I did not. I had an issue about a year and a half, two years ago, where I did a town hall in a facility where I was invited to participate in a town hall. And it was not a facility where I could carry concealed. And I received threats before attending that event. And I asked for security to be provided, and was assured that security would be provided. A couple weeks after that event, I got an invoice for nearly \$700 for providing that security to me. If it was at a facility where I could carry, I would not have asked for security. Would your bill address these issues?

GUILLEN: Well, it would allow you to carry, yes.

SHEETS: This is not a good move for the Texas House to take today. What we're trying to do through this amendment is we're talking about our concealed handgun licenses. They have various restrictions that apply to them. We're trying to remove those restrictions from us. I don't know about you, but when I was sent here, I was sent here to take care of my constituents and not take care of my own self-interest. Now, I do understand that there's some people who believe that this is a maneuver that will help us move the ball closer towards open-carry or campus-carry. But again, I don't know about you, when I go back to my district, I don't want to say that we were unable to pass campus-carry; but, don't worry, I can carry on campus. My constituents are just as vulnerable to crime as I am, and I don't need to be creating special exceptions for me or for any other members of this body. So, I will be speaking in opposition to this—

REPRESENTATIVE MENÉNDEZ: Representative Sheets, you served valiantly in the armed forces, did you not?

SHEETS: I served in the United States Marine Corps, yes, sir. And I still do.

MENÉNDEZ: And you know how to use a firearm. Do you own firearms?

SHEETS: I know how to use a firearm.

MENÉNDEZ: And, I don't know, do you own a CHL currently?

SHEETS: I do not.

MENÉNDEZ: You probably don't need one. But you own a gun; you've carried a gun; you know how to use it. Do you really think that if you ever felt threatened, that you wouldn't make the decision to carry your gun with you? Would you? I mean, in my opinion, do you really think we need to pass this bill to create something else that constituents can say we're being self-serving?

SHEETS: I don't think we need to pass this legislation, no, because I think we should live by the same laws that we pass for our constituents.

MENÉNDEZ: Exactly. So then, that's the number one thing, don't you agree? That people accuse congress and other legislative bodies of passing laws to give them special benefits that the average citizen doesn't have, don't you agree?

SHEETS: That's absolutely correct, sir.

MENÉNDEZ: So passing this bill, or voting for this bill, wouldn't it be something someone could use against you in a campaign possibly, to say that you did something to help yourself?

SHEETS: You know, I could see that, but my concern is more about the integrity of this body. And from a political standpoint, I think this is a bad vote, but also, from a precedential standpoint, I think this is a bad vote.

MENÉNDEZ: Well, absolutely. I mean, if your integrity is questioned, then politically it's just as bad. I mean, it cuts both ways; it's equally bad. So, I appreciate you speaking against this, and I will be joining you in opposition.

REPRESENTATIVE STICKLAND: Representative Sheets, me and you were vocally against this bill when it came back with the amendments last time?

SHEETS: I did speak in opposition last time, yes, sir.

STICKLAND: Did you get a lot of feedback from your constituents once we had the situation last time?

SHEETS: I did receive a lot of feedback both through telephone conversations and also via social media.

STICKLAND: Representative Sheets, did you have one person tell you that your position was wrong on this issue? Outside of this building?

SHEETS: I've had one person—only one person—tell me they would support this measure, but in the end, they would support whatever decision I made on this.

STICKLAND: Right, and you got a lot of feedback who agreed with you, correct?

SHEETS: That is correct, yes, sir.

STICKLAND: Would you say it was more than 100?

SHEETS: I didn't keep count, sir.

STICKLAND: What is the Second Amendment about to you, Representative Sheets?

SHEETS: To me, the Second Amendment is about preserving the people's rights and protecting themselves from the government.

STICKLAND: Protecting themselves from the government—and this bill now gives the government the upper hand on the citizens, correct?

SHEETS: Well, Mr. Stickland, what I would say is that this doesn't look good when we go home and we say that we passed a bill that will allow us as legislators to do something our constituents cannot do.

STICKLAND: Right. Well, Representative Sheets, I appreciate you speaking against this, and I will say that I hold the same position as I did before, and more resolute against it, and I'm very sad that we took a good bill that I voted for last time and turned it into this. It's very unfortunate.

SHEETS: Members, I just want to close with this—this is a good bill, and it has an unfortunate amendment attached to it. The entire amendment is not bad, there's just a provision in this amendment that exempts us as members of the legislature from the same rules that apply to our constituents. And then in conference committee, they took it a step further in exempting members of congress. And so, that is the reason I will be opposing this bill—or this resolution—and I hope you will do the same, as well.

REPRESENTATIVE TOTH: Members, I don't know what transpired between Representative Guillen and anybody else. But I believe, with all my heart, that the constitution—the Second Amendment—makes very clear what our rights are, and that is my guiding principle. And at the end of the Second Amendment, it says it shall not be infringed. I've been outspoken throughout this whole session about Second Amendment rights for all of us. Not some of us, but all of us. When the shooting took place in Kaufman County, it took the life of a district attorney. I tried to reach my DA about a piece of legislation that was going through Criminal Jurisprudence. Brett took almost a week and a half to get back to me. And when I finally got a hold of him, I said, "Man, what's going on, you usually call me back within 24 hours?" And he said, "Steve, I've had two credible death threats against me this week alone, and I'm going everywhere with a bodyguard." And I said, "Well, what can I do for you, Brett?" And he said, "You can get open-carry for DAs in the courthouses." He says we need this. He said, "If I've got to drop to my knee to get a gun to protect myself," he said, "it will be too late and I'll die."

And we tried to get that through, but we couldn't. And if this is the first step towards allowing more freedom in carrying, then I'm going to support it. I have not in any way, shape, or form been for privilege of elected officials in any way, shape, or form. But if this is the first step towards allowing more freedom when it comes to the Second Amendment, then I will stand gladly and proudly for this bill. And next year or next session, I will come back, and I will try to amend this bill to include all people. If this is the first step, then I will take it. Thank you very much, and I hope you support this bill.

REPRESENTATIVE C. TURNER: Representative Toth, first let me say I agree with you when we're talking about district attorneys and others who are involved in these high profile cases in dealing with dangerous people, and clearly we know, we've had bad instances where people have unfortunately been targets, tragically. That said, I don't think that this extends—that level of danger—extends to members of the legislature or members of congress. So, as a

proponent of that—I know you're not the bill author—but as a proponent of the bill, is it your contention that this measure is designed to provide extra privileges for people who have reason to have them and are actually in some sort of danger?

TOTH: What happened to Gabrielle Giffords?

C. TURNER: I'm sorry?

TOTH: What happened to Congresswoman Gabrielle Giffords?

C. TURNER: I'm aware of what happened to Congresswoman Giffords—

TOTH: What happened to her?

C. TURNER: I'm aware of what happened to her.

TOTH: She was shot in the head.

C. TURNER: She was, so—

TOTH: Have you ever had a death threat against you?

C. TURNER: I have not, no.

TOTH: I've had DPS in my office three times since January. I've had three death threats, personally, since January. I've had DPS in my office three times.

C. TURNER: Okay. Did DPS advise you that having—and I'm sorry to hear that—but did DPS advise you that having the ability to carry a concealed weapon anywhere is the answer to your security situation? Because I've never had a law enforcement officer tell that to me.

TOTH: Do you know how the Supreme Court has ruled on the responsibility of law enforcement to protect you?

C. TURNER: Well, okay, I get that—

TOTH: In two different cases—two different occasions—when people brought suit against 9-1-1 for law enforcement not responding quickly enough, both times the Supreme Court has ruled that it's not the responsibility of law enforcement to protect you. If this is the first step in allowing greater freedom for people to protect themselves, I will take it.

C. TURNER: Okay, my last question was then, if we're about protecting people who need additional protection, what about, why are we not including members of the news media, journalists, high profile celebrities who often get death threats? If we're going to open it up and say that people, you know, who are in the public limelight, I would ask why they're excluded from this amendment?

TOTH: This is not an issue of minutes, this is an issue of seconds, and if we can expand this to all people, then I'm for it.

REPRESENTATIVE GEREN: Mr. Toth, are you aware that I've talked to Alice Tripp, and Alice says this is a bill that we really don't need?

TOTH: I'm not interested in what the NRA believes.

GEREN: I understand, I'm just telling you that. And every time that you've called DPS, have they showed up just whenever you asked them to?

TOTH: Yes, they did.

GEREN: Do you not think they do a really good job protecting us?

TOTH: They do a great job, but they've informed me that it's my responsibility ultimately to protect myself.

GEREN: I don't see any reason at all that we should provide ourselves with something that our constituents do not have and will not be able to get.

TOTH: Nor do I believe that we should use this house to protect ourselves from people that don't like us.

REPRESENTATIVE TAYLOR: This bill is much bigger than just the people in this chamber. This includes, not only members of this house, but it includes members of the senate, members of the United States Congress, U.S. senators, the assistant state prosecuting attorney, assistant attorney general, U.S. attorneys, assistant U.S. attorneys, special assistant United States attorneys, district attorneys, assistant district attorneys, criminal district attorneys, assistant criminal district attorneys, county attorneys, assistant county attorneys—this is a bill far bigger than just the people in this chamber.

SHEETS: Mr. Taylor, didn't Mr. Guillen have a chance to fix the one objection that most of the members in this body had with this bill?

TAYLOR: I can't speak to that, but—

SHEETS: Well, no, that's the point; that Mr. Guillen had a chance to fix this, and instead of fixing the problem—the objection that was raised with this bill two days ago—he decided to come back to this body with adding more people accepted to it. And so, while I agree with you, we need to make sure that our judges, our DAs, our assistant AGs, are taken care of. The fact is that Mr. Guillen could have stripped the language that was objectionable and he chose not to.

SHEETS: Madam Speaker, parliamentary inquiry?

CHAIR (Harper-Brown in the chair): State your inquiry.

SHEETS: If we as a body decide not to adopt this resolution, what happens?

CHAIR: The conference committee report is based on—if it is based on going outside the bounds, then the bill dies.

SHEETS: Is there a chance to resurrect the bill if we do not accept the conference committee report?

CHAIR: The chair is not advised, Mr. Sheets. You will have to work on that and come down and give us an idea of what you might do.

TAYLOR: I will say, one thing that has been surprising to me in this bill, in **HB 508**, is hearing the number of members of this chamber who have received death threats. I mean, I've heard stories—and I had not heard it until this bill came out—but the number of members who, you know, "I had to hide in my house for a week because of death threats." I had thought it was just me, but it's unfortunately widespread. And I think when you think about Congresswoman Gabrielle Giffords, what's interesting about what happened there is 18 people

were wounded and six people were killed on the morning that she was shot. What's interesting is that not only was she shot and wounded, but also a federal judge was shot and killed the morning she was killed. And with this law both of those individuals, both the congresswoman and the federal judge, would have extended carrying privileges. And I think that's what we need to do to protect our public servants, not because of the people that they are, but because of the position they hold.

STICKLAND: Van, you realize that nobody who is against this amendment, or the bill as it is right now, is arguing the fact that our lives are in danger at some point. And nobody is arguing that a gun would not make us safer, but our constituents are in the same position, Van. And the problem that we have is that we don't want to carve out an elitist group of people and give them special rights over others. That's the problem.

TAYLOR: Well, you know—look, I'm certainly—

STICKLAND: I think it's a distraction to sit here and say, "because we've had death threats" and everything else that this is a good bill. You are missing the whole point, and I think you know that.

TAYLOR: I never got a death threat until I was elected to this office. And furthermore, I really do not want any privileges of office. I'm just not into that. I don't wear a member's pin, I don't have a state official license plate—

STICKLAND: Van, have you talked to anybody outside of this building about this?

TAYLOR: I have.

STICKLAND: And your average, everyday person, you find that they agree with you?

TAYLOR: Well, I think you need to look at this measure in its entirety. I mean, when you look at district attorneys in our state who were killed just a few months ago—assistant district attorney, the district attorney's wife that was killed; when you look at Congresswoman Gabrielle Giffords who was shot and wounded, when you look at the federal judge who was killed, if you look at the nine-year-old girl who was also with Gabrielle Giffords at a Safeway supermarket with Congress on Your Corner, at 10 o'clock in the morning, north of Tucson, who was shot and killed dead—I think you've just got to ask yourself why shouldn't we have done everything we could do to help these people to defend themselves? And I think that this bill goes a great length toward helping Texans and Texas public officials to protect themselves. We need to support this. This is good public policy.

MENÉNDEZ: I was for this bill before they put the house and senate in it. I just think it's wrong for U.S. to pass these laws that give us rights that are greater than our constituents' rights, number one. Number two, this bill was dead. It was dead right there, until Chairman Pickett removed his point of order, and he asked, "Ryan, would you go to conference and remove us from it?" I don't understand how any of us—if we don't have our word, what do we have in this body? So, no

matter how good this bill is, I don't understand how we can let the process go forward. I would like to make the motion—if you allow me, if the speaker allows me—to send this bill back, to strip us out of it, and I'll support and vote for the bill.

GUILLEN: Let me tell you what the conference committee report does—what **HB 508** does. There's four main parts. First, it would add state and statewide officials, members of congress, state prosecuting attorneys, U.S. attorneys, assistant state prosecuting attorneys, assistant attorney generals, assistant U.S. attorneys, special assistant U.S. attorneys to Section 411.1882 of the Government Code, which lists those eligible to demonstrate handgun proficiency to receive a CHL. Secondly, the bill changes the definition of an active judicial officer to now include a magistrate. Third, the bill discourages the wrongful placement of a no-carry sign through a civil penalty and allows for a 15-day cure period for each violation. And finally, the bill adds—under the unlawful carry exceptions in Sections 46.03 and 46.035 of the Penal Code, it adds state and statewide officials, members of congress, state prosecuting attorneys, U.S. attorneys—

REPRESENTATIVE D. BONNEN: Representative Guillen, I'm trying to understand what's the most appropriate decision to make on this bill. And, let me ask you this, if a threat was made against one of our judges—district, county court at law—today, do they have the right to personal security protection?

GUILLEN: District and which county judges?

D. BONNEN: County court at law or a district judge—would they have the right to personal security protection?

GUILLEN: I believe so, yes.

D. BONNEN: Okay.

GUILLEN: But a federal judge wouldn't, in those places.

D. BONNEN: A federal judge what?

GUILLEN: A federal judge doesn't have it—doesn't have the authority to carry.

D. BONNEN: No, I'm not talking about whether they have the authority to carry, Mr. Guillen. I'm asking you—and I'm pretty certain I know the answer on a federal judge—that a federal judge would be given security protection by trained professional security, is that correct?

GUILLEN: I would assume he would have protection, like, in the courtroom. But I'm not sure about out in public.

D. BONNEN: Well, I guess that's what I'm trying to understand. I think that out in the public, a federal judge would; but my question was more about a district court and a county court at law judge. Do you know whether they would have the right at a taxpayer expense for the state or the county to provide them with a security guard?

GUILLEN: Everywhere they go, you mean?

D. BONNEN: Yes.

GUILLEN: Oh, no. No, I mean, I don't think anyone would be able to afford that.

D. BONNEN: Well, I'm not saying for every last one of them. I'm simply saying in the case of a threat. Because I know that when threats are made against a federal judge, they're investigated, and if they are found to be credible, they are provided security.

GUILLEN: Right. I'm not sure how detailed that assistance would actually be.

D. BONNEN: And Mr. Guillen, I guess the other thing I'm trying to understand is, your bill isn't expanding a privilege to a district attorney that they don't presently have, am I right? They can already carry today?

GUILLEN: Right.

D. BONNEN: Okay, so this isn't about a district attorney?

GUILLEN: I'm sorry?

D. BONNEN: So this is not about increasing a privilege to a district attorney, is that correct?

GUILLEN: Not specifically a district attorney, but U.S. attorneys, and AG, and U.S. assistant attorneys, assistant attorney generals—

D. BONNEN: So, a U.S. attorney, under their federal jurisdiction—

REMARKS ORDERED PRINTED

Representative Toth moved to print all remarks on **HR 3009**.

The motion prevailed.

HR 3009 failed of adoption by (Record 1340): 38 Yeas, 103 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anderson; Bell; Bohac; Burkett; Clardy; Creighton; Davis, Y.; Deshotel; Dutton; Elkins; Farias; Fletcher; Flynn; Guillen; Hughes; Hunter; Isaac; King, P.; Laubenberg; Lavender; Leach; Lozano; Martinez; Miles; Miller, R.; Morrison; Raney; Sanford; Schaefer; Simmons; Springer; Taylor; Thompson, S.; Toth; Turner, E.S.; Zedler.

Nays — Allen; Anchia; Ashby; Aycock; Bonnen, D.; Bonnen, G.; Branch; Burnam; Button; Canales; Capriglione; Carter; Coleman; Collier; Cook; Cortez; Craddick; Crownover; Dale; Darby; Davis, J.; Davis, S.; Dukes; Eiland; Fallon; Farny; Farrar; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; Gonzalez, N.; Gooden; Guerra; Gutierrez; Harless; Hernandez Luna; Herrero; Howard; Huberty; Johnson; Kacal; Keffer; King, K.; King, S.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lewis; Longoria; Márquez; Martinez Fischer; McClendon; Menéndez; Miller, D.; Moody; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sheets; Sheffield, J.; Sheffield, R.; Simpson; Smith; Smithee; Stephenson; Stickland; Strama; Thompson, E.; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Wu; Zerwas.

Present, not voting — Mr. Speaker; Harper-Brown(C).

Absent, Excused — Lucio.

Absent — Callegari; González, M.; Hilderbran; King, T.; Muñoz; Workman.

REASONS FOR VOTE

I would have voted for **HR 3009**, the resolution regarding the conference committee report on **HB 508**, had the bill not included a provision to allow lawmakers to carry concealed handguns where our constituents cannot. I do not believe we, as legislators, should exempt ourselves from those laws that are applicable to our constituents.

G. Bonnen, Goldman, Kleinschmidt, Pickett,
Sheets, R. Sheffield, Simpson, Smithee,
Stickland, and E. Thompson

(Speaker in the chair)

HR 3094 - ADOPTED

(by Otto)

The following privileged resolution was laid before the house:

HR 3094

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 6** (relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed Section 2 of the bill to read as follows:

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Except as otherwise specifically provided by this Act, all funds and accounts created or re-created by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law are abolished on the later of August 31, 2013, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

Explanation: The omission is necessary to clarify that Section 2 of the bill applies to a dedication of revenue irrespective of whether the revenue collected is in the state treasury.

(2) House Rule 13, Section 9(a)(3), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed Sections 11(5)-(10) of the bill to read as follows:

(5) the dedication of fee revenue collected under Section 91.0115, Natural Resources Code, for deposit to the oil and gas regulation and cleanup fund as provided by **HB 7** or similar legislation;

(6) the dedication of tax revenue imposed under Chapter 171, Tax Code, for deposit to the property tax relief fund as provided by Section 171.664 of that code, as added by **HB 800** or similar legislation;

(7) the allocation of tax revenue for deposit to the credit of the available school fund and to the credit of the state highway fund as provided by Section 162.506, Tax Code, as added by **HB 2148** or similar legislation;

(8) the dedication of amounts for deposit to the compensation to victims of crime fund as provided by Section 140.012, Civil Practice and Remedies Code, as added by **HB 3241** or similar legislation;

(9) the dedication of fees and court costs for deposit to the statewide electronic filing system fund as provided by Section 51.851, Government Code, as added by **HB 2302** or similar legislation; and

(10) the allocation of money received by the attorney general as provided by Section 402.007, Government Code, as amended by **HB 1445** or similar legislation.

Explanation: This addition is necessary to provide for Section 2 of the bill not to abolish the identified dedications of revenue.

(3) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed Sections 12(a)(3), (a)(4), and (b) of the bill to read as follows:

(3) the habitat protection and research fund held inside the treasury as provided by Section 490F.404, Government Code, as added by **HB 3509** or similar legislation; and

(4) the transportation infrastructure fund created in the state treasury by Section 256.102, Transportation Code, as added by **SB 1747** or similar legislation.

(b) Section 2 of this Act does not apply to the State Water Implementation Fund for Texas or to the State Water Implementation Revenue Fund for Texas in the state treasury as established by **HB 4** of the 83rd Legislature, Regular Session, 2013, to implement the creation of those funds by the constitutional amendment proposed by **SJR 1**, 83rd Legislature, Regular Session, 2013, except that those funds are not created if the voters do not approve of that constitutional amendment at an election held November 5, 2013.

Explanation: This addition is necessary to provide for Section 2 of the bill not to abolish the identified funds.

(4) House Rule 13, Sections 9(a)(1) and (2), are suspended to permit the committee to change and omit text not in disagreement in proposed Section 15 of the bill, in amended Section 403.095(b), Government Code, as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that[;] on August 31, 2015 [~~2013~~], are estimated to exceed the amount appropriated by the General

Appropriations Act or other laws enacted by the 83rd ~~[82nd]~~ Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121.

Explanation: The changes and omissions are necessary to provide for unappropriated dedicated revenues to be made available for general governmental purposes and to be considered available for certification under Section 403.121, Government Code.

(5) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed Sections 8, 9, 10, 13, and 14 of the bill to read as follows:

SECTION 8. CREATION OF NEW ACCOUNTS FOR LICENSE PLATE FEES. Section 2 of this Act does not apply to a new account created for receipt of fees for special license plates or for receipt of related revenue, gifts, or grants as provided by an Act of the 83rd Legislature, Regular Session, 2013, or to the dedication of revenue to or contained in the new account.

SECTION 9. ADDITIONAL USES FOR DEDICATED FUNDS, ACCOUNTS, OR REVENUE. Section 2 of this Act does not apply to a newly authorized dedication of or use of a dedicated fund, a dedicated account, or dedicated revenue as provided by an Act of the 83rd Legislature, Regular Session, 2013, to the extent that Act affects a fund, an account, or revenue that was exempted from funds consolidation before January 1, 2013. A dedicated fund, a dedicated account, or dedicated revenue that was exempted from funds consolidation before January 1, 2013, may be used as an Act of the 83rd Legislature, Regular Session, 2013, provides, and a change in the name or authorized use of a previously exempted dedicated fund or account does not affect the fund's or account's dedicated nature.

SECTION 10. ACCOUNTS IN GENERAL REVENUE FUND. Effective on the later of the effective date of the Act creating the account or August 31, 2013, the following account and the revenue deposited to the credit of the account are exempt from Section 2 of this Act and the account is created in the general revenue fund, if created by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law:

The statewide electronic filing system fund created as an account in the general revenue fund by Section 51.852, Government Code, as added by **HB 2302** or similar legislation.

SECTION 13. MONEY TRANSFERRED ON DISSOLUTION OF TEXAS HEALTH INSURANCE POOL; ACCOUNT. Section 2 of this Act does not apply to the account created in the Texas Treasury Safekeeping Trust Company for the purposes of Section 6 of **SB 1367** or similar legislation of the 83rd Legislature, Regular Session, 2013, and does not apply to the revenue dedicated for deposit to that account.

SECTION 14. DEDICATION OF ASSESSMENTS AND FEES RELATING TO EXAMINATION OF INSURERS. Section 2 of this Act does not apply to the dedication of assessments or fee revenue under Section 401.156, Insurance Code, as provided by **SB 1665** or similar legislation of the 83rd Legislature, Regular Session, 2013.

Explanation: These additions are necessary to provide for Section 2 of the bill not to abolish additional uses of funds, accounts, or revenue and not to abolish the identified accounts and dedications of revenue.

(6) House Rule 13, Sections 9(a)(1) and (4), are suspended to permit the committee to change text not in disagreement and to add text on a matter not included in either the house or senate version of the bill in Sections 16(a) and (b) of the bill as follows:

SECTION 16. EFFECT OF ACT. (a) This Act prevails over any other Act of the 83rd Legislature, Regular Session, 2013, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) An exemption from the application of Section 403.095, Government Code, contained in another Act of the 83rd Legislature, Regular Session, 2013, that is exempted from the application of Section 2 of this Act has no effect.

Explanation: The changes and additions are necessary to clarify the effect of the bill.

HR 3094 was adopted by (Record 1341): 141 Yeas, 4 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Schaefer; Simpson; Stickland; Taylor.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Ashby; Goldman; Laubenberg.

STATEMENT OF VOTE

When Record No. 1341 was taken, I was in the house but away from my desk. I would have voted yes.

Goldman

HB 6 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Otto submitted the following conference committee report on **HB 6**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 6** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Williams
Hinojosa
Duncan
Nelson

Otto
D. Bonnen
Geren
Darby
Pitts

On the part of the senate

On the part of the house

HB 6, A bill to be entitled An Act relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

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

SECTION 1. DEFINITION. In any provision of this Act that does not amend current law, "state agency" means an office, institution, or other agency that is in the executive branch or the judicial branch of state government, has authority that is not limited to a geographical portion of the state, and was created by the constitution or a statute of this state. The term does not include an institution of higher education as defined by Section 61.003, Education Code.

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Except as otherwise specifically provided by this Act, all funds and accounts created or re-created by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law are abolished on the later of August 31, 2013, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Section 2 of this Act does not apply to:

(1) statutory dedications, funds, and accounts that were enacted before the 83rd Legislature convened to comply with requirements of state constitutional or federal law;

(2) dedications, funds, or accounts that remained exempt from former Section 403.094(h), Government Code, at the time dedications, accounts, and funds were abolished under that provision;

(3) increases in fees or in other revenue dedicated as described by this section; or

(4) increases in fees or in other revenue required to be deposited in a fund or account described by this section.

SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not apply to funds created pursuant to an Act of the 83rd Legislature, Regular Session, 2013, for which separate accounting is required by federal law, except that the funds shall be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 5. TRUST FUNDS. Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 83rd Legislature, Regular Session, 2013, except that the trust funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 6. BOND FUNDS. Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 83rd Legislature, Regular Session, 2013, except that the funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 7. CONSTITUTIONAL FUNDS. Section 2 of this Act does not apply to funds or accounts that would be created or re-created by the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution under a constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, or to dedicated revenue deposited to funds or accounts that would be so created or re-created, if the constitutional amendment is approved by the voters.

SECTION 8. CREATION OF NEW ACCOUNTS FOR LICENSE PLATE FEES. Section 2 of this Act does not apply to a new account created for receipt of fees for special license plates or for receipt of related revenue, gifts, or grants as provided by an Act of the 83rd Legislature, Regular Session, 2013, or to the dedication of revenue to or contained in the new account.

SECTION 9. ADDITIONAL USES FOR DEDICATED FUNDS, ACCOUNTS, OR REVENUE. Section 2 of this Act does not apply to a newly authorized dedication of or use of a dedicated fund, a dedicated account, or dedicated revenue as provided by an Act of the 83rd Legislature, Regular Session, 2013, to the extent that Act affects a fund, an account, or revenue that was exempted from funds consolidation before January 1, 2013. A dedicated fund, a dedicated account, or dedicated revenue that was exempted from funds consolidation before January 1, 2013, may be used as an Act of the 83rd

Legislature, Regular Session, 2013, provides, and a change in the name or authorized use of a previously exempted dedicated fund or account does not affect the fund's or account's dedicated nature.

SECTION 10. ACCOUNTS IN GENERAL REVENUE FUND. Effective on the later of the effective date of the Act creating the account or August 31, 2013, the following account and the revenue deposited to the credit of the account are exempt from Section 2 of this Act and the account is created in the general revenue fund, if created by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law:

The statewide electronic filing system fund created as an account in the general revenue fund by Section 51.852, Government Code, as added by **HB 2302** or similar legislation.

SECTION 11. REVENUE DEDICATION. Effective on the later of the effective date of the Act dedicating or rededicating the specified revenue or August 31, 2013, the following dedications or rededications of revenue collected for a particular purpose are exempt from Section 2 of this Act, if dedicated or rededicated by an Act of the 83rd Legislature, Regular Session, 2013:

(1) the dedication of penalty revenue to the compensation to victims of crime fund as provided by **HB 508** or similar legislation;

(2) the dedication of fee and penalty revenue for deposit to and revenue held in the oyster sales account in the general revenue fund provided by **HB 1903** or similar legislation;

(3) the dedication of voluntary contributions for deposit to the fund for veterans' assistance provided by **HB 633** or similar legislation;

(4) the rededication of revenue held in the system benefit fund as provided by **HB 7** or similar legislation;

(5) the dedication of fee revenue collected under Section 91.0115, Natural Resources Code, for deposit to the oil and gas regulation and cleanup fund as provided by **HB 7** or similar legislation;

(6) the dedication of tax revenue imposed under Chapter 171, Tax Code, for deposit to the property tax relief fund as provided by Section 171.664 of that code, as added by **HB 800** or similar legislation;

(7) the allocation of tax revenue for deposit to the credit of the available school fund and to the credit of the state highway fund as provided by Section 162.506, Tax Code, as added by **HB 2148** or similar legislation;

(8) the dedication of amounts for deposit to the compensation to victims of crime fund as provided by Section 140.012, Civil Practice and Remedies Code, as added by **HB 3241** or similar legislation;

(9) the dedication of fees and court costs for deposit to the statewide electronic filing system fund as provided by Section 51.851, Government Code, as added by **HB 2302** or similar legislation; and

(10) the allocation of money received by the attorney general as provided by Section 402.007, Government Code, as amended by **HB 1445** or similar legislation.

SECTION 12. SEPARATE FUNDS IN THE TREASURY. (a) Effective on the later of the effective date of the Act creating or re-creating the specified fund or August 31, 2013, the following funds, if created by an Act of the 83rd Legislature, Regular Session, 2013, the revenue deposited to the funds, and the revenue dedicated for deposit to the funds, are exempt from Section 2 of this Act and the funds are created as separate funds in the state treasury:

(1) the Texas economic development fund, created as a fund in the state treasury by **SB 1214** or similar legislation;

(2) the permanent fund supporting military and veterans exemptions, created as a special fund in the treasury by **SB 1158** or similar legislation;

(3) the habitat protection and research fund held inside the treasury as provided by Section 490F.404, Government Code, as added by **HB 3509** or similar legislation; and

(4) the transportation infrastructure fund created in the state treasury by Section 256.102, Transportation Code, as added by **SB 1747** or similar legislation.

(b) Section 2 of this Act does not apply to the State Water Implementation Fund for Texas or to the State Water Implementation Revenue Fund for Texas in the state treasury as established by **HB 4** of the 83rd Legislature, Regular Session, 2013, to implement the creation of those funds by the constitutional amendment proposed by **SJR 1**, 83rd Legislature, Regular Session, 2013, except that those funds are not created if the voters do not approve of that constitutional amendment at an election held November 5, 2013.

SECTION 13. MONEY TRANSFERRED ON DISSOLUTION OF TEXAS HEALTH INSURANCE POOL; ACCOUNT. Section 2 of this Act does not apply to the account created in the Texas Treasury Safekeeping Trust Company for the purposes of Section 6 of **SB 1367** or similar legislation of the 83rd Legislature, Regular Session, 2013, and does not apply to the revenue dedicated for deposit to that account.

SECTION 14. DEDICATION OF ASSESSMENTS AND FEES RELATING TO EXAMINATION OF INSURERS. Section 2 of this Act does not apply to the dedication of assessments or fee revenue under Section 401.156, Insurance Code, as provided by **SB 1665** or similar legislation of the 83rd Legislature, Regular Session, 2013.

SECTION 15. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Effective September 1, 2013, Sections 403.095(b), (d), and (e), Government Code, are amended to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that [5] on August 31, 2015 [~~2013~~], are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 83rd [~~82nd~~] Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the 83rd [~~82nd~~] Legislature, the comptroller shall reduce each dedicated account as directed by the legislature by an amount

that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

- (1) funds outside the treasury;
 - (2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;
 - (3) funds created by the constitution or a court; or
 - (4) funds for which separate accounting is required by federal law.
- (e) This section expires ~~on~~ September 1, 2015 ~~[2013]~~.

SECTION 16. EFFECT OF ACT. (a) This Act prevails over any other Act of the 83rd Legislature, Regular Session, 2013, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) An exemption from the application of Section 403.095, Government Code, contained in another Act of the 83rd Legislature, Regular Session, 2013, that is exempted from the application of Section 2 of this Act has no effect.

(c) Revenue that, under the terms of another Act of the 83rd Legislature, Regular Session, 2013, would be deposited to the credit of a special account or fund shall be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

SECTION 17. EFFECTIVE DATE. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

Representative Otto moved to adopt the conference committee report on **HB 6**.

The motion to adopt the conference committee report on **HB 6** prevailed by (Record 1342): 143 Yeas, 4 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez,

N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Schaefer; Simpson; Stickland; Taylor.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Laubenberg.

HB 3648 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Harper-Brown submitted the following conference committee report on **HB 3648**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3648** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Paxton
Campbell
Davis

Harper-Brown
Fletcher
Laubenberg
Lavender
Longoria

On the part of the senate

On the part of the house

HB 3648, A bill to be entitled An Act relating to the award and performance of certain state contracts.

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

SECTION 1. Subchapter B, Chapter 2155, Government Code, is amended by adding Section 2155.088 to read as follows:

Sec. 2155.088. MATERIAL CHANGES TO CONTRACTS. (a) Notwithstanding any other law, the performance of a contract for goods or services awarded under this chapter must substantially comply with the terms

contained in the written solicitation for the contract and the terms considered in awarding the contract, including terms regarding cost of materials or labor, duration, price, schedule, and scope.

(b) After a contract for goods or services is awarded under this chapter, the governing body of a state agency, if applicable, must hold a meeting to consider a material change to the contract and why that change is necessary. For purposes of this section, a material change includes:

(1) extending the length of or postponing the completion of a contract for six months or more; or

(2) increasing the total consideration to be paid under a contract by at least 10 percent, including by substituting certain goods, materials, products, or services.

SECTION 2. Section 2252.002, Government Code, is amended to read as follows:

Sec. 2252.002. AWARD OF CONTRACT TO NONRESIDENT BIDDER. A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the greater of the following:

(1) the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located; or

(2) the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which a majority of the manufacturing relating to the contract will be performed.

SECTION 3. Subchapter B, Chapter 223, Transportation Code, is amended by adding Section 223.050 to read as follows:

Sec. 223.050. PREFERENCE FOR CERTAIN PROVIDERS. (a) Except as provided by Subsection (d), in awarding a contract to a private sector provider, the department shall give preference to a private sector provider if:

(1) the preference serves to create a positive economic impact on job growth and job retention in this state;

(2) the transportation project for which the contract is being awarded is funded entirely from:

(A) state funds;

(B) local funds; or

(C) a combination of state and local funds; and

(3) the amount of the bid or proposal of the provider does not exceed an amount equal to 105 percent of the lowest bid or proposal received by the department for the transportation project.

(b) The department, in determining whether the preference under Subsection (a) serves to create a positive economic impact on job growth and job retention in this state, may consider a private sector provider's employment presence and business establishments in this state.

(c) This section does not apply to the procurement of professional services under Subchapter A, Chapter 2254, Government Code.

(d) The department may not give a preference under this section if:

(1) as a result of the preference, a private sector provider would not be awarded a contract; and

(2) the principal place of business of the private sector provider described by Subdivision (1) is located in a state that:

(A) borders this state; and

(B) does not give a preference to private sector providers in a manner similar to this section.

SECTION 4. (a) Section 2155.088, Government Code, as added by this Act, applies only to a contract for goods or services awarded under Chapter 2155, Government Code, on or after the effective date of this Act.

(b) Section 2252.002, Government Code, as amended by this Act, applies only to the award of a governmental contract to a nonresident bidder on or after the effective date of this Act. The award of a governmental contract to a nonresident bidder made before the effective date of this Act is governed by the law in effect at the time the contract was awarded, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

HB 500 - NOTICE GIVEN

At 8:47 p.m., the speaker announced that Representative Hilderbran would, in at least one hour, be recognized for the purpose of suspending Rule 13, Section 11 of the House Rules for the conference committee report on **HB 500**.

HB 3648 - (consideration continued)

Representative Harper-Brown moved to adopt the conference committee report on **HB 3648**.

The motion to adopt the conference committee report on **HB 3648** prevailed by (Record 1343): 146 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith;

Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Gonzales; Laubenberg.

STATEMENT OF VOTE

When Record No. 1343 was taken, I was in the house but away from my desk. I would have voted yes.

Laubenberg

HR 3012 - ADOPTED (by Aycock)

The following privileged resolution was laid before the house:

HR 3012

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 5** (public school accountability, including assessment, and curriculum requirements; providing a criminal penalty) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(1), is suspended to permit the committee to amend text not in disagreement in SECTION 13 of the bill, in amended Section 28.0212(a), Education Code, to read as follows:

(a) A principal of a junior high or middle school shall designate a school ~~[guidance]~~ counselor, teacher, or other appropriate individual to develop and administer a personal graduation plan for each student enrolled in the [a] junior high or [.] middle[-or high] school who:

(1) does not perform satisfactorily on an assessment instrument administered under Subchapter B, Chapter 39; or

(2) is not likely to receive a high school diploma before the fifth school year following the student's enrollment in grade level nine, as determined by the district.

Explanation: The change is necessary to conform to other references to school counselor in the Education Code.

(2) House Rule 13, Section 9(a)(3), is suspended to permit the committee to add text on a matter not in disagreement in SECTION 14 of the bill, in added Section 28.02121(b), Education Code, to read as follows:

(b) A school district shall publish the information provided to the district under Subsection (a) on the Internet website of the district and ensure that the information is available to students in grades nine and above and the parents or legal guardians of those students in the language in which the parents or legal guardians are most proficient. A district is required to provide information under

this subsection in the language in which the parents or legal guardians are most proficient only if at least 20 students in a grade level primarily speak that language.

Explanation: The change is necessary to establish procedures for providing information to parents or legal guardians of students in the language in which the parent or legal guardian is most proficient.

(3) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in SECTION 14 of the bill, in added Section 28.02121(c), Education Code, to read as follows:

(c) A principal of a high school shall designate a school counselor or school administrator to review personal graduation plan options with each student entering grade nine together with that student's parent or guardian. The personal graduation plan options reviewed must include the distinguished level of achievement described by Section 28.025(b-15) and the endorsements described by Section 28.025(c-1). Before the conclusion of the school year, the student and the student's parent or guardian must confirm and sign a personal graduation plan for the student.

Explanation: The change is necessary to conform to other references to school counselor in the Education Code.

(4) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following text in SECTION 16 of the bill, in amended Section 28.025, Education Code, to read as follows:

(c-3) In adopting rules under Subsection (c-1), the State Board of Education shall adopt criteria to allow a student participating in the arts and humanities endorsement under Subsection (c-1)(4), with the written permission of the student's parent or a person standing in parental relation to the student, to comply with the curriculum requirements for science required under Subsection (c-2)(1)(B) by substituting for an advanced course requirement a course related to that endorsement.

Explanation: The addition is necessary to require parental permission to substitute certain curriculum requirements.

(5) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following text in SECTION 16 of the bill, in amended Section 28.025, Education Code, to read as follows:

(h-2) This subsection applies only to a student participating in the minimum, recommended, or advanced high school program who is completing the fourth year of high school during the 2013-2014 school year. The commissioner by rule shall permit a student who does not satisfy the curriculum requirements of the high school program in which the student is participating to graduate if the student satisfies the curriculum requirements established for the foundation high school program under this section as amended by **HB 5**, 83rd Legislature, Regular Session, 2013, and any other requirement required for graduation. This subsection expires September 1, 2015.

Explanation: The addition is necessary to provide flexibility in implementation of changes to curriculum requirements.

(6) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change and add text on a matter not in disagreement in SECTION 16 of the bill to read as follows:

(b) Except as provided by Subsection (c) of this section, this section applies beginning with the 2014-2015 school year.

(c) Section 28.025(h-2), Education Code, as added by this section, applies during the 2013-2014 school year.

Explanation: The change is necessary to provide flexibility in implementation of changes to curriculum requirements.

(7) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 20 of the bill, in amended Section 29.081, Education Code, to read as follows:

(d) For purposes of this section, "student at risk of dropping out of school" includes each student who is under 26 [~~24~~] years of age and who:

(1) was not advanced from one grade level to the next for one or more school years;

(2) if the student is in grade 7, 8, 9, 10, 11, or 12, did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester;

(3) did not perform satisfactorily on an assessment instrument administered to the student under Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument;

(4) if the student is in prekindergarten, kindergarten, or grade 1, 2, or 3, did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;

(5) is pregnant or is a parent;

(6) has been placed in an alternative education program in accordance with Section 37.006 during the preceding or current school year;

(7) has been expelled in accordance with Section 37.007 during the preceding or current school year;

(8) is currently on parole, probation, deferred prosecution, or other conditional release;

(9) was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school;

(10) is a student of limited English proficiency, as defined by Section 29.052;

(11) is in the custody or care of the Department of Protective and Regulatory Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;

(12) is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments; or

(13) resided in the preceding school year or resides in the current school year in a residential placement facility in the district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home.

Explanation: This addition is necessary to expand the definition of "student at risk of dropping out of school" to include a student who is at least 21 years of age and under 26 years of age.

(8) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 31 of the bill, in amended Section 39.023, Education Code, to read as follows:

(a-2) Except as required by federal law, a [A] student is not required to be assessed in a subject otherwise assessed at the student's grade level under Subsection (a) if the student:

(1) is enrolled in a course in the subject intended for students above the student's grade level and will be administered an assessment instrument adopted or developed under Subsection (a) that aligns with the curriculum for the course in which the student is enrolled; or

(2) is enrolled in a course in the subject for which the student will receive high school academic credit and will be administered an end-of-course assessment instrument adopted under Subsection (c) for the course.

Explanation: This addition is necessary to ensure compliance with federal law.

(9) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in amended Section 39.025, Education Code, which reads as follows:

(a-2) This subsection applies only to a student who, before entering the ninth grade in the 2011-2012 or 2012-2013 school year, completed a course before the 2011-2012 school year in a subject for which the student received high school credit and for which an end-of-course assessment instrument under Section 39.023 is required during the 2013-2014 school year or a later school year, such as Algebra I. The commissioner shall determine a method by which a student's satisfactory performance on an end-of-course assessment instrument for a course in the same general subject area in which the student is enrolled during or after the ninth grade, such as geometry, shall be used to satisfy the requirements for the end-of-course assessment instrument for the course completed before entering the ninth grade and before the 2011-2012 school year. The commissioner shall adopt rules as necessary for the administration of this section. This subsection expires September 1, 2016 ~~[In addition to the cumulative score requirements under Subsection (a), a student must achieve a score that~~

~~meets or exceeds the score determined by the commissioner under Section 39.0241(a) for English III and Algebra II end-of-course assessment instruments to graduate under the recommended high school program].~~

Explanation: This omission of text is necessary to provide flexibility in implementation of changes to end-of-course assessment instrument requirements.

(10) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in SECTION 40 of the bill, in added Section 39.038, Education Code, to read as follows:

Sec. 39.038. RESTRICTION ON APPOINTMENTS TO ADVISORY COMMITTEES. The commissioner may not appoint a person to a committee or panel that advises the commissioner or agency regarding state accountability systems under this title or the content or administration of an assessment instrument if the person is retained or employed by an assessment instrument vendor.

Explanation: The change is necessary to allow persons reimbursed by an assessment instrument vendor to be appointed to a committee or panel described by Section 39.038, Education Code.

(11) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in SECTION 51 of the bill, in added Section 39.0824(a), Education Code, to read as follows:

(a) A school district or open-enrollment charter school assigned the lowest rating under Section 39.082 shall submit to the commissioner a corrective action plan to address the financial weaknesses of the district or school. A corrective action plan must identify the specific areas of financial weaknesses, such as financial weaknesses in transportation, curriculum, or teacher development, and include strategies for improvement.

Explanation: The change is necessary to conform to financial accountability rating references.

(12) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change and add text on a matter not in disagreement in SECTION 56 of the bill, in amended Section 39.235(b), Education Code, to read as follows:

(b) Before awarding a grant under this section, the commissioner may require a campus or school district to:

(1) obtain local matching funds; or

(2) meet other conditions, including developing a personal graduation plan under Section 28.0212 or 28.02121, as applicable, for each student enrolled at the campus or in a district middle, junior high, or high school.

Explanation: The change is necessary to conform to appropriately reference a high school personal graduation plan.

(13) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 77 of the bill, in amended Section 130.008, Education Code, to read as follows:

(f) A student described by Subsection (a) may enroll in not more than three courses each school year offered as provided by this section.

Explanation: The change is necessary to establish a limit on the number of dual enrollment courses a student may enroll in each school year.

(14) House Rule 13, Section 9(a)(3), is suspended to permit the committee to add text on a matter which is not in disagreement by adding text in SECTIONS 78(a)(1) and (5) of the bill to read as follows:

(a) Effective September 1, 2013, the following sections of the Education Code are repealed:

- (1) Sections 29.190(b), (d), and (e);
- (2) Sections 39.024(b), (c), (d), (e), (f), (g), and (h);
- (3) Section 39.0241(a-2);
- (4) Section 39.0242;
- (5) Sections 39.025(a-2) and (a-3); and
- (6) Section 130.008(d-1).

Explanation: The changes are necessary to repeal:

(1) Section 29.190(d), a provision granting the commissioner of education authority to adopt rules to implement the existing law; and

(2) Section 39.025(a-2), a provision relating to Algebra II and English III end-of-course assessment instruments.

(15) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change and add text on a matter not in disagreement in SECTIONS 79(b) and (c) of the bill to read as follows:

(b) Students who have entered the ninth grade during or after the 2011-2012 school year and before the 2013-2014 school year may be administered only those end-of-course assessment instruments that would have been administered to those students under Section 39.025, Education Code, as amended by Section 35 of this Act, and Section 39.025, Education Code, as amended by Section 35 of this Act, is continued in effect for purposes of satisfying those end-of-course testing requirements.

(c) The commissioner of education may by rule adopt a transition plan to implement the amendments made by this Act relating to end-of-course testing requirements during the 2013-2014 and 2014-2015 school years.

Explanation: The change is necessary to provide flexibility in implementation of changes to end-of-course assessment instrument requirements.

(16) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in SECTION 80 of the bill to read as follows:

SECTION 80. Not later than October 1, 2013, the commissioner of education shall adopt rules to administer Section 39.025(a-1), Education Code, as amended by this Act.

Explanation: The change is necessary to omit a reference to adopting rules to administer amended Section 39.025(a-2), Education Code, which the committee omitted.

(17) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in SECTION 84 of the bill to read as follows:

SECTION 84. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Explanation: The change is necessary to clarify the effective dates of the bill.

HR 3012 was adopted by (Record 1344): 146 Yeas, 1 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Laubenberg.

HB 5 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Aycock submitted the following conference committee report on **HB 5**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 5** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Patrick
 Williams
 Van de Putte
 Seliger
 Duncan
 On the part of the senate

Aycock
 Huberty
 Deshotel
 Gonzales
 E. Rodriguez
 On the part of the house

HB 5, A bill to be entitled An Act relating to public school accountability, including assessment, and curriculum requirements; providing a criminal penalty.

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

SECTION 1. (a) Section 7.010(c), Education Code, is amended to read as follows:

(c) The electronic student records system must permit an authorized state or district official or an authorized representative of an institution of higher education to electronically transfer to and from an educational institution in which the student is enrolled and retrieve student transcripts, including information concerning a student's:

- (1) course or grade completion;
- (2) teachers of record;
- (3) assessment instrument results;
- (4) receipt of special education services, including placement in a special education program and the individualized education program developed;

and

(5) personal graduation plan as described by Section 28.0212 or 28.02121, as applicable.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 2. (a) Section 7.062(e), Education Code, is amended to read as follows:

(e) The rules must:

(1) limit the amount of assistance provided through a grant to not more than:

(A) for a construction project, \$200 per square foot of the science laboratory to be constructed; or

(B) for a renovation project, \$100 per square foot of the science laboratory to be renovated;

(2) require a school district to demonstrate, as a condition of eligibility for a grant, that the existing district science laboratories are insufficient in number to comply with the curriculum requirements imposed for the distinguished level of achievement under the foundation [~~recommended and advanced~~] high school program [~~programs~~] under Section 28.025 [~~28.025(b-1)(1)~~]; and

(3) provide for ranking school districts that apply for grants on the basis of wealth per student and giving priority in the award of grants to districts with low wealth per student.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 3. Subchapter C, Chapter 7, Education Code, is amended by adding Section 7.064 to read as follows:

Sec. 7.064. CAREER AND TECHNOLOGY CONSORTIUM. (a) The commissioner shall investigate available options for the state to join a consortium of states for the purpose of developing sequences of academically rigorous career and technology courses in career areas that are high-demand, high-wage career areas in this state.

(b) The curricula for the courses must include the appropriate essential knowledge and skills adopted under Subchapter A, Chapter 28.

(c) If the commissioner determines that joining a consortium of states for this purpose would be beneficial for the educational and career success of students in the state, the commissioner may join the consortium on behalf of the state.

SECTION 4. (a) Section 12.111(b), Education Code, is amended to read as follows:

(b) A charter holder of an open-enrollment charter school shall consider including in the school's charter a requirement that the school develop and administer personal graduation plans under Sections [Section] 28.0212 and 28.02121.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 5. (a) Section 25.083, Education Code, is amended to read as follows:

Sec. 25.083. SCHOOL DAY INTERRUPTIONS. (a) The board of trustees of each school district shall adopt and strictly enforce a policy limiting interruptions of classes during the school day for nonacademic activities such as announcements and sales promotions. At a minimum, the policy must limit announcements other than emergency announcements to once during the school day.

(b) The board of trustees of each school district shall adopt and strictly enforce a policy limiting the removal of students from class for remedial tutoring or test preparation. A district may not remove a student from a regularly scheduled class for remedial tutoring or test preparation if, as a result of the removal, the student would miss more than 10 percent of the school days on which the class is offered, unless the student's parent or another person standing in parental relation to the student provides to the district written consent for removal from class for such purpose.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 6. (a) The heading to Section 25.092, Education Code, is amended to read as follows:

Sec. 25.092. MINIMUM ATTENDANCE FOR CLASS CREDIT OR FINAL GRADE.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 7. (a) Sections 25.092(a), (a-1), (b), and (d), Education Code, are amended to read as follows:

(a) Except as provided by this section, a student in any grade level from kindergarten through grade 12 may not be given credit or a final grade for a class unless the student is in attendance for at least 90 percent of the days the class is offered.

(a-1) A student who is in attendance for at least 75 percent but less than 90 percent of the days a class is offered may be given credit or a final grade for the class if the student completes a plan approved by the school's principal that provides for the student to meet the instructional requirements of the class. A student under the jurisdiction of a court in a criminal or juvenile justice proceeding may not receive credit or a final grade under this subsection without the consent of the judge presiding over the student's case.

(b) The board of trustees of each school district shall appoint one or more attendance committees to hear petitions for class credit or a final grade by students who are in attendance fewer than the number of days required under Subsection (a) and have not earned class credit or a final grade under Subsection (a-1). Classroom teachers shall comprise a majority of the membership of the committee. A committee may give class credit or a final grade to a student because of extenuating circumstances. Each board of trustees shall establish guidelines to determine what constitutes extenuating circumstances and shall adopt policies establishing alternative ways for students to make up work or regain credit or a final grade lost because of absences. The alternative ways must include at least one option that does not require a student to pay a fee authorized under Section 11.158(a)(15). A certified public school employee may not be assigned additional instructional duties as a result of this section outside of the regular workday unless the employee is compensated for the duties at a reasonable rate of pay.

(d) If a student is denied credit or a final grade for a class by an attendance committee, the student may appeal the decision to the board of trustees. The decision of the board may be appealed by trial de novo to the district court of the county in which the school district's central administrative office is located.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 8. (a) Section 28.002, Education Code, is amended by amending Subsection (c) and adding Subsections (g-1), (g-2), and (o) to read as follows:

(c) The State Board of Education, with the direct participation of educators, parents, business and industry representatives, and employers shall by rule identify the essential knowledge and skills of each subject of the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials under Chapter 31 and addressed on the assessment instruments required under Subchapter B, Chapter 39. As a condition of accreditation, the board shall require each district to provide instruction in the essential knowledge and skills at appropriate grade levels and to make available to each high school student in the district an Algebra II course.

(g-1) A district may also offer a course or other activity, including an apprenticeship or training hours needed to obtain an industry-recognized credential or certificate, that is approved by the board of trustees for credit without obtaining State Board of Education approval if:

(1) the district develops a program under which the district partners with a public or private institution of higher education and local business, labor, and community leaders to develop and provide the courses; and

(2) the course or other activity allows students to enter:

(A) a career or technology training program in the district's region of the state;

(B) an institution of higher education without remediation;

(C) an apprenticeship training program; or

(D) an internship required as part of accreditation toward an industry-recognized credential or certificate for course credit.

(g-2) Each school district shall annually report to the agency the names of the courses, programs, institutions of higher education, and internships in which the district's students have enrolled under Subsection (g-1). The agency shall make available information provided under this subsection to other districts.

(o) In approving career and technology courses, the State Board of Education must determine that at least 50 percent of the approved courses are cost-effective for a school district to implement.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 9. Subchapter A, Chapter 28, Education Code, is amended by adding Section 28.00222 to read as follows:

Sec. 28.00222. INCREASE IN ADVANCED TECHNOLOGY AND CAREER-RELATED COURSES. (a) Not later than September 1, 2014, the State Board of Education shall ensure that at least six advanced career and technology education or technology applications courses, including courses in personal financial literacy consistent with Section 28.0021 and in statistics, are approved to satisfy a fourth credit in mathematics.

(b) Not later than January 1, 2015, the commissioner shall review and report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the legislature with primary responsibility over public primary and secondary education regarding the progress of increasing the number of courses approved for the career and technology education or technology applications curriculum. The commissioner shall include in the report a detailed description of any new courses, including instructional materials and required equipment, if any.

(c) This section expires September 1, 2015.

SECTION 10. (a) Section 28.014, Education Code, is amended to read as follows:

Sec. 28.014. COLLEGE PREPARATORY COURSES. (a) Each school district shall partner with at least one institution of higher education to develop and provide ~~[The commissioner of education and the commissioner of higher education shall develop and recommend to the State Board of Education for adoption under Section 28.002 the essential knowledge and skills of]~~ courses in college preparatory mathematics, ~~[, science, social studies,]~~ and English language arts. The courses must be designed:

(1) for students at the 12th grade level whose performance on:

(A) ~~[who do not meet college readiness standards on]~~ an end-of-course assessment instrument required under Section 39.023(c) ~~does not meet college readiness standards; or~~

(B) coursework, a college entrance examination, or an assessment instrument designated under Section 51.3062(c) indicates that the student is not ready to perform entry-level college coursework; and

(2) to prepare students for success in entry-level college courses.

(b) A course developed under this section must be provided:

(1) on the campus of the high school offering the course; or

(2) through distance learning or as an online course provided through an institution of higher education with which the school district partners as provided by Subsection (a).

(c) Appropriate faculty of each high school offering courses under this section and appropriate faculty of each institution of higher education with which the school district partners shall meet regularly as necessary to ensure that each course is aligned with college readiness expectations. The commissioner of education, in coordination with the commissioner of higher education, may adopt rules to administer this subsection.

(d) Each school district shall provide a notice to each district student to whom Subsection (a) applies and the student's parent or guardian regarding the benefits of enrolling in a course under this section.

(e) A student who successfully completes an English language arts [a] course developed under this section may use the credit earned in the course toward satisfying the advanced English language arts [applicable mathematics or science] curriculum requirement for the foundation [recommended or advanced] high school program under Section 28.025(b-1)(1) [28.025]. A student who successfully completes a mathematics course developed under this section may use the credit earned in the course toward satisfying an advanced mathematics curriculum requirement under Section 28.025 after completion of the mathematics curriculum requirements for the foundation high school program under Section 28.025(b-1)(2).

(f) A course provided under this section may be offered for dual credit at the discretion of the institution of higher education with which a school district partners under this section.

(g) Each school district, in consultation with each institution of higher education with which the district partners, shall develop or purchase [e] The agency, in consultation with the Texas Higher Education Coordinating Board, shall adopt an end-of-course assessment instrument for each course developed under this section to ensure the rigor of the course. A school district shall, in accordance with State Board of Education rules, administer the end-of-course assessment instrument to a student enrolled in a course developed under this section. Each school district shall adopt a policy that requires a student's performance on the end-of-course assessment instrument to account for 15 percent of the student's final grade for the course. A student's performance on an end-of-course assessment instrument administered under this subsection may be used, on a scale of 0-40, in calculating whether the student satisfies the graduation requirements established under Section 39.025.

~~[(d) The agency, in coordination with the Texas Higher Education Coordinating Board, shall adopt a series of questions to be included in an end of course assessment instrument administered under Subsection (e) to be used for purposes of Section 51.3062. The questions must be developed in a manner consistent with any college readiness standards adopted under Sections 39.223 and 51.3062.~~

~~[(e) The State Board of Education shall adopt] instructional materials for a course developed under this section consistent ~~[in accordance]~~ with Chapter 31. The instructional materials must include technology resources that enhance the effectiveness of the course and draw on established best practices.~~

~~(h) [(h)] To the extent applicable, a district ~~[the commissioner]~~ shall draw from curricula and instructional materials developed under Section ~~[Sections]~~ 28.008 ~~[and 61.0763]~~ in developing a course and related instructional materials under this section. A ~~[Not later than September 1, 2010, the State Board of Education shall adopt essential knowledge and skills for each course developed under this section. The State Board of Education shall make each]~~ course developed under this section and the related instructional materials shall be made available to students ~~[school districts]~~ not later than the 2014-2015 school year. ~~[As required by Subsection (e), a school district shall adopt a policy requiring a student's performance on an end of course assessment instrument administered under that subsection to account for 15 percent of the student's grade for a course developed under this section not later than the 2014-2015 school year.]~~ This subsection expires September 1, 2015.~~

(b) This section applies beginning with the 2013-2014 school year.

SECTION 11. Section 28.0211, Education Code, is amended by amending Subsection (m) and adding Subsection (m-1) to read as follows:

(m) The commissioner shall certify, not later than July 1 of each school year or as soon as practicable thereafter, whether sufficient funds have been appropriated statewide for the purposes of this section and Section 28.0217. A determination by the commissioner is final and may not be appealed. For purposes of certification, the commissioner shall consider:

(1) the average cost per student per assessment instrument administration;

(2) the number of students that require accelerated instruction because the student failed to perform satisfactorily on an assessment instrument;

(3) whether sufficient funds have been appropriated to provide support to students in grades three through 12 identified as being at risk of dropping out of school, as defined in Section 29.081(d); and

(4) whether sufficient funds have been appropriated to provide instructional materials that are aligned with the assessment instruments under Sections 39.023(a) and (c).

(m-1) For purposes of certification under Subsection (m), the commissioner may not consider Foundation School Program funds except for compensatory education funds under Section 42.152. This section may be implemented only if the commissioner certifies that sufficient funds have been appropriated during a

school year for administering the accelerated instruction programs specified under this section and Section 28.0217, including teacher training for that purpose.

SECTION 12. (a) The heading to Section 28.0212, Education Code, is amended to read as follows:

Sec. 28.0212. JUNIOR HIGH OR MIDDLE SCHOOL PERSONAL GRADUATION PLAN.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 13. (a) Sections 28.0212(a) and (b), Education Code, are amended to read as follows:

(a) A principal of a junior high or middle school shall designate a school ~~[guidance]~~ counselor, teacher, or other appropriate individual to develop and administer a personal graduation plan for each student enrolled in the [a] junior high or [r] middle[-or high] school who:

(1) does not perform satisfactorily on an assessment instrument administered under Subchapter B, Chapter 39; or

(2) is not likely to receive a high school diploma before the fifth school year following the student's enrollment in grade level nine, as determined by the district.

(b) A personal graduation plan under this section must:

(1) identify educational goals for the student;

(2) include diagnostic information, appropriate monitoring and intervention, and other evaluation strategies;

(3) include an intensive instruction program described by Section 28.0213;

(4) address participation of the student's parent or guardian, including consideration of the parent's or guardian's educational expectations for the student; and

(5) provide innovative methods to promote the student's advancement, including flexible scheduling, alternative learning environments, on-line instruction, and other interventions that are proven to accelerate the learning process and have been scientifically validated to improve learning and cognitive ability.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 14. (a) Subchapter B, Chapter 28, Education Code, is amended by adding Section 28.02121 to read as follows:

Sec. 28.02121. HIGH SCHOOL PERSONAL GRADUATION PLAN. (a) The agency, in consultation with the Texas Workforce Commission and the Texas Higher Education Coordinating Board, shall prepare and make available to each school district in English and Spanish information that explains the advantages of the distinguished level of achievement described by Section 28.025(b-15) and each endorsement described by Section 28.025(c-1). The information must contain an explanation:

(1) concerning the benefits of choosing a high school personal graduation plan that includes the distinguished level of achievement under the foundation high school program and includes one or more endorsements to enable the student to achieve a class rank in the top 10 percent for students at the campus; and

(2) that encourages parents, to the greatest extent practicable, to have the student choose a high school personal graduation plan described by Subdivision (1).

(b) A school district shall publish the information provided to the district under Subsection (a) on the Internet website of the district and ensure that the information is available to students in grades nine and above and the parents or legal guardians of those students in the language in which the parents or legal guardians are most proficient. A district is required to provide information under this subsection in the language in which the parents or legal guardians are most proficient only if at least 20 students in a grade level primarily speak that language.

(c) A principal of a high school shall designate a school counselor or school administrator to review personal graduation plan options with each student entering grade nine together with that student's parent or guardian. The personal graduation plan options reviewed must include the distinguished level of achievement described by Section 28.025(b-15) and the endorsements described by Section 28.025(c-1). Before the conclusion of the school year, the student and the student's parent or guardian must confirm and sign a personal graduation plan for the student.

(d) A personal graduation plan under Subsection (c) must identify a course of study that:

(1) promotes:

(A) college and workforce readiness; and

(B) career placement and advancement; and

(2) facilitates the student's transition from secondary to postsecondary education.

(e) A school district may not prevent a student and the student's parent or guardian from confirming a personal graduation plan that includes pursuit of a distinguished level of achievement or an endorsement.

(f) A student may amend the student's personal graduation plan after the initial confirmation of the plan under this section. If a student amends the student's personal graduation plan, the school shall send written notice to the student's parents regarding the change.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 15. Subchapter B, Chapter 28, Education Code, is amended by adding Section 28.0217 to read as follows:

Sec. 28.0217. ACCELERATED INSTRUCTION FOR HIGH SCHOOL STUDENTS. Each time a student fails to perform satisfactorily on an assessment instrument administered under Section 39.023(c), the school district in which the student attends school shall provide to the student accelerated instruction in the applicable subject area, using funds appropriated for accelerated instruction under

Section 28.0211. Accelerated instruction may require participation of the student before or after normal school hours and may include participation at times of the year outside normal school operations.

SECTION 16. (a) Section 28.025, Education Code, is amended by amending Subsections (a), (b), (b-1), (b-2), (b-3), (b-4), (b-5), (b-7), (b-9), (b-10), (b-11), and (e) and adding Subsections (b-12), (b-13), (b-14), (b-15), (b-16), (b-17), (b-18), (b-19), (c-1), (c-2), (c-3), (c-4), (c-5), (e-1), (e-2), (e-3), (h), (h-1), and (h-2) to read as follows:

(a) The State Board of Education by rule shall determine curriculum requirements for the foundation ~~[minimum, recommended, and advanced]~~ high school program ~~[programs]~~ that are consistent with the required curriculum under Section 28.002. The ~~[Subject to Subsection (b-1), the]~~ State Board of Education shall designate the specific courses in the foundation curriculum under Section 28.002(a)(1) required under ~~[for a student participating in]~~ the foundation ~~[minimum, recommended, or advanced]~~ high school program. Except as provided by this section ~~[Subsection (b-1)]~~, the State Board of Education may not designate a specific course or a specific number of credits in the enrichment curriculum as requirements for the ~~[recommended]~~ program.

(b) A school district shall ensure that each student, on entering ninth grade, indicates in writing an endorsement under Subsection (c-1) that the student intends to earn. A district shall permit a student to choose, at any time, to earn an endorsement other than the endorsement the student previously indicated. A student may graduate under the foundation high school program without earning an endorsement if, after the student's sophomore year:

(1) the student and the student's parent or person standing in parental relation to the student are advised by a school counselor of the specific benefits of graduating from high school with one or more endorsements; and

(2) the student's parent or person standing in parental relation to the student files with a school counselor written permission, on a form adopted by the agency, allowing the student to graduate under the foundation high school program without earning an endorsement ~~[enrolls in the courses necessary to complete the curriculum requirements identified by the State Board of Education under Subsection (a) for the recommended or advanced high school program unless the student, the student's parent or other person standing in parental relation to the student, and a school counselor or school administrator agree in writing signed by each party that the student should be permitted to take courses under the minimum high school program and the student:~~

~~[(1) is at least 16 years of age;~~

~~[(2) has completed two credits required for graduation in each subject of the foundation curriculum under Section 28.002(a)(1); or~~

~~[(3) has failed to be promoted to the tenth grade one or more times as determined by the school district].~~

(b-1) The State Board of Education by rule shall require that[:

~~[(1) except as provided by Subsection (b-2);]~~ the curriculum requirements for the foundation ~~[recommended and advanced]~~ high school program ~~[programs]~~ under Subsection (a) include a requirement that students successfully complete:

~~(1) [(A)]~~ four credits in English language arts ~~[each subject of the foundation curriculum]~~ under Section 28.002(a)(1)(A), including one credit in English I, one credit in English II, one credit in English III, and one credit in an advanced English course authorized under Subsection (b-2);

~~(2)~~ three credits in mathematics under Section 28.002(a)(1)(B), including one credit in Algebra I, one credit in geometry, and one credit in any advanced mathematics course authorized under Subsection (b-2);

~~(3)~~ three credits in science under Section 28.002(a)(1)(C), including one credit in biology, one credit in any advanced science course authorized under Subsection (b-2), and one credit in integrated physics and chemistry or in an additional advanced science course authorized under Subsection (b-2);

~~(4)~~ three credits in social studies under Section 28.002(a)(1)(D) ~~[28.002(a)(1)]~~, including one credit in United States history, at least one-half credit in government and at least one-half credit in economics, and one credit in world geography or world history ~~[to meet the social studies requirement]~~;

~~(5) except as provided under Subsections (b-12), (b-13), and (b-14) [(B) for the recommended high school program]~~, two credits in the same language in a language other than English under Section 28.002(a)(2)(A) ~~[and, for the advanced high school program, three credits in the same language in a language other than English under Section 28.002(a)(2)(A)]~~; ~~[and]~~

~~(6) five [(C) for the recommended high school program, six]~~ elective credits ~~[and, for the advanced high school program, five elective credits]~~;

~~(7) [(2) one or more credits offered in the required curriculum for the recommended and advanced high school programs include a research writing component; and~~

~~[(3) the curriculum requirements for the minimum, recommended, and advanced high school programs under Subsection (a) include a requirement that students successfully complete:~~

~~[(A)]~~ one credit in fine arts under Section 28.002(a)(2)(D); and

~~(8) [(B)]~~ except as provided by Subsection (b-11), one credit in physical education under Section 28.002(a)(2)(C).

(b-2) In adopting rules under Subsection (b-1), the State Board of Education shall provide for ~~[allow]~~ a student to comply with the curriculum requirements for an advanced English course under Subsection (b-1)(1) taken after successful completion of English I, English II, and English III, for an advanced ~~[a]~~ mathematics course under Subsection (b-1)(2) ~~[(b-1)(1)]~~ taken after the successful completion of Algebra I and geometry, and for any advanced ~~[either after the successful completion of or concurrently with Algebra II or a]~~ science course under Subsection (b-1)(3) ~~[(b-1)(1) taken after the successful completion of biology and chemistry and either after the successful completion of or concurrently with physics]~~ by successfully completing a course in the appropriate content area that has been approved as an advanced course by board rule or that is

offered as an advanced course for credit without board approval as provided by Section 28.002(g-1) [career and technical course designated by the State Board of Education as containing substantively similar and rigorous academic content. A student may use the option provided by this subsection for not more than two courses].

(b-3) In adopting rules for purposes of Subsection (b-2) ~~[to provide students with the option described by Subsection (b-1)(1)(A)]~~, the State Board of Education must approve a variety of advanced English, mathematics, and science courses that may be taken ~~[after the completion of Algebra II and physics]~~ to comply with the foundation high school [recommended] program requirements, provided that each approved course prepares students to enter the workforce successfully or postsecondary education without remediation.

(b-4) A school district may offer the curriculum described in Subsections (b-1)(1) through (4) [Subsection (b-1)(1)(A)] in an applied manner. Courses delivered in an applied manner must cover the essential knowledge and skills, and the student shall be administered the applicable end-of-course assessment instrument as provided by Sections 39.023(c) and 39.025.

(b-5) A school district may offer a mathematics or science course to be taken by a student after completion of Algebra II and physics ~~[to comply with the recommended program requirements in Subsection (b-1)(1)(A)]~~. A course approved under this subsection must be endorsed by an institution of higher education as a course for which the institution would award course credit or as a prerequisite for a course for which the institution would award course credit.

(b-7) The State Board of Education, in coordination with the Texas Higher Education Coordinating Board, shall adopt rules to ensure that a student may comply with the curriculum requirements under the foundation [minimum, recommended, or advanced] high school program or for an endorsement under Subsection (c-1) [for each subject of the foundation curriculum under Section 28.002(a)(1) and for languages other than English under Section 28.002(a)(2)(A)] by successfully completing appropriate courses in the core curriculum of an institution of higher education under Section 61.822. Notwithstanding Subsection (b-15) or (c) of this section, Section 39.025, or any other provision of this code and notwithstanding any school district policy, a student who has completed the core curriculum of an institution of higher education under Section 61.822, as certified by the institution in accordance with commissioner rule, is considered to have earned a distinguished level of achievement under the foundation high school program and is entitled to receive a high school diploma from the appropriate high school as that high school is determined in accordance with commissioner rule. A student who is considered to have earned a distinguished level of achievement under the foundation high school program under this subsection may apply for admission to an institution of higher education for the first semester or other academic term after the semester or other academic term in which the student completes the core curriculum.

(b-9) A school district, with the approval of the commissioner, may allow [The agency shall establish a pilot program allowing] a student [attending school in a county with a population of more than one million and in which more than

~~75 percent of the population resides in a single municipality]~~ to satisfy the fine arts credit required under Subsection (b-1)(7) ~~[(b-1)(3)(A)]~~ by participating in a community-based fine arts program not provided by the school district in which the student is enrolled. The fine arts program must provide instruction in the essential knowledge and skills identified for fine arts by the State Board of Education under Section 28.002(c). The fine arts program may be provided on or off a school campus and outside the regular school day. ~~[Not later than December 1, 2010, the agency shall provide to the legislature a report regarding the pilot program, including the feasibility of expanding the pilot program statewide.]~~

(b-10) A school district, with the approval of the commissioner, may allow a student to comply with the curriculum requirements for the physical education credit required under Subsection (b-1)(8) ~~[(b-1)(3)(B)]~~ by participating in a private or commercially sponsored physical activity program provided on or off a school campus and outside the regular school day.

(b-11) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student who is unable to participate in physical activity due to disability or illness to substitute one credit in English language arts, mathematics, science, or social studies, one credit in a course that is offered for credit as provided by Section 28.002(g-1), or one academic elective credit for the physical education credit required under Subsection (b-1)(8) ~~[(b-1)(3)(B)]~~. A credit allowed to be substituted under this subsection may not also be used by the student to satisfy a graduation requirement other than completion of the physical education credit. The rules must provide that the determination regarding a student's ability to participate in physical activity will be made by:

(1) if the student receives special education services under Subchapter A, Chapter 29, the student's admission, review, and dismissal committee;

(2) if the student does not receive special education services under Subchapter A, Chapter 29, but is covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), the committee established for the student under that Act; or

(3) if each of the committees described by Subdivisions (1) and (2) is inapplicable, a committee established by the school district of persons with appropriate knowledge regarding the student.

(b-12) In adopting rules under Subsection (b-1), the State Board of Education shall adopt criteria to allow a student to comply with the curriculum requirements for the two credits in a language other than English required under Subsection (b-1)(5) by substituting two credits in computer programming languages.

(b-13) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student to substitute credit in another appropriate course for the second credit in the same language in a language other than English otherwise required by Subsection (b-1)(5) if the student, in completing the first credit required under Subsection (b-1)(5), demonstrates that the student is unlikely to be able to complete the second credit. The board rules must establish:

(1) the standards and, as applicable, the appropriate school personnel for making a determination under this subsection; and

(2) appropriate substitute courses for purposes of this subsection.

(b-14) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student who, due to disability, is unable to complete two courses in the same language in a language other than English, as provided under Subsection (b-1)(5), to substitute for those credits two credits in English language arts, mathematics, science, or social studies or two credits in career and technology education, technology applications, or other academic electives. A credit allowed to be substituted under this subsection may not also be used by the student to satisfy a graduation credit requirement other than credit for completion of a language other than English. The rules must provide that the determination regarding a student's ability to participate in language-other-than-English courses will be made by:

(1) if the student receives special education services under Subchapter A, Chapter 29, the student's admission, review, and dismissal committee; or

(2) if the student does not receive special education services under Subchapter A, Chapter 29, but is covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), the committee established for the student under that Act.

(b-15) A student may earn a distinguished level of achievement under the foundation high school program by successfully completing:

(1) four credits in mathematics, which must include Algebra II and the courses described by Subsection (b-1)(2);

(2) four credits in science, which must include the courses described by Subsection (b-1)(3);

(3) the remaining curriculum requirements under Subsection (b-1); and

(4) the curriculum requirements for at least one endorsement under Subsection (c-1).

(b-16) A student may satisfy an elective credit required under Subsection (b-1)(6) with a credit earned to satisfy the additional curriculum requirements for the distinguished level of achievement under the foundation high school program or an endorsement under Subsection (c-1). This subsection may apply to more than one elective credit.

(b-17) The State Board of Education shall adopt rules to ensure that a student may comply with the curriculum requirements under Subsection (b-1)(6) by successfully completing an advanced career and technical course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.

(b-18) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student to comply with the curriculum requirements under Subsection (b-1) by successfully completing a dual credit course.

(b-19) In adopting rules under Subsection (b-1), the State Board of Education shall adopt criteria to allow a student to comply with curriculum requirements for the world geography or world history credit under Subsection (b-1)(4) by successfully completing a combined world history and world geography course developed by the State Board of Education.

(c-1) A student may earn an endorsement on the student's diploma and transcript by successfully completing curriculum requirements for that endorsement adopted by the State Board of Education by rule. The State Board of Education by rule shall provide students with multiple options for earning each endorsement, including, to the greatest extent possible, coherent sequences of courses. The State Board of Education by rule must permit a student to enroll in courses under more than one endorsement curriculum before the student's junior year. An endorsement under this subsection may be earned in any of the following categories:

(1) science, technology, engineering, and mathematics (STEM), which includes courses directly related to science, including environmental science, technology, including computer science, engineering, and advanced mathematics;

(2) business and industry, which includes courses directly related to database management, information technology, communications, accounting, finance, marketing, graphic design, architecture, construction, welding, logistics, automotive technology, agricultural science, and heating, ventilation, and air conditioning;

(3) public services, which includes courses directly related to health sciences and occupations, education and training, law enforcement, and culinary arts and hospitality;

(4) arts and humanities, which includes courses directly related to political science, world languages, cultural studies, English literature, history, and fine arts; and

(5) multidisciplinary studies, which allows a student to:

(A) select courses from the curriculum of each endorsement area described by Subdivisions (1) through (4); and

(B) earn credits in a variety of advanced courses from multiple content areas sufficient to complete the distinguished level of achievement under the foundation high school program.

(c-2) In adopting rules under Subsection (c-1), the State Board of Education shall:

(1) require a student in order to earn any endorsement to successfully complete:

(A) four credits in mathematics, which must include:

(i) the courses described by Subsection (b-1)(2); and

(ii) an additional advanced mathematics course authorized under Subsection (b-2) or an advanced career and technology course designated by the State Board of Education;

(B) four credits in science, which must include:

(i) the courses described by Subsection (b-1)(3); and

(ii) an additional advanced science course authorized under Subsection (b-2) or an advanced career and technology course designated by the State Board of Education; and

(C) two elective credits in addition to the elective credits required under Subsection (b-1)(6); and

(2) develop additional curriculum requirements for each endorsement with the direct participation of educators and business, labor, and industry representatives, and shall require each school district to report to the agency the categories of endorsements under Subsection (c-1) for which the district offers all courses for curriculum requirements, as determined by board rule.

(c-3) In adopting rules under Subsection (c-1), the State Board of Education shall adopt criteria to allow a student participating in the arts and humanities endorsement under Subsection (c-1)(4), with the written permission of the student's parent or a person standing in parental relation to the student, to comply with the curriculum requirements for science required under Subsection (c-2)(1)(B)(ii) by substituting for an advanced course requirement a course related to that endorsement.

(c-4) Each school district must make available to high school students courses that allow a student to complete the curriculum requirements for at least one endorsement under Subsection (c-1). A school district that offers only one endorsement curriculum must offer the multidisciplinary studies endorsement curriculum.

(c-5) A student may earn a performance acknowledgment on the student's diploma and transcript by satisfying the requirements for that acknowledgment adopted by the State Board of Education by rule. An acknowledgment under this subsection may be earned:

(1) for outstanding performance:

(A) in a dual credit course;

(B) in bilingualism and biliteracy;

(C) on a college advanced placement test or international baccalaureate examination; or

(D) on the PSAT, the ACT-Plan, the SAT, or the ACT; or

(2) for earning a nationally or internationally recognized business or industry certification or license.

(e) Each school district shall report the academic achievement record of students who have completed the foundation ~~[a minimum, recommended, or advanced]~~ high school program on transcript forms adopted by the State Board of Education. The transcript forms adopted by the board must be designed to clearly ~~[differentiate between each of the high school programs and]~~ identify whether a student received a diploma or a certificate of coursework completion.

(e-1) A school district shall clearly indicate a distinguished level of achievement under the foundation high school program as described by Subsection (b-15), an endorsement described by Subsection (c-1), and a performance acknowledgment described by Subsection (c-5) on the diploma and transcript of a student who satisfies the applicable requirements. The State Board of Education shall adopt rules as necessary to administer this subsection.

(e-2) At the end of each school year, each school district shall report through the Public Education Information Management System (PEIMS) the number of district students who, during that school year, were:

(1) enrolled in the foundation high school program;

(2) pursuing the distinguished level of achievement under the foundation high school program as provided by Subsection (b-15); and

(3) enrolled in a program to earn an endorsement described by Subsection (c-1).

(e-3) Information reported under Subsection (e-2) must be disaggregated by all student groups served by the district, including categories of race, ethnicity, socioeconomic status, sex, and populations served by special programs, including students in special education programs under Subchapter A, Chapter 29.

(h) The commissioner by rule shall adopt a transition plan to implement and administer the amendments made by **HB 5**, 83rd Legislature, Regular Session, 2013, replacing the minimum, recommended, and advanced high school programs with the foundation high school program beginning with the 2014-2015 school year. Under the transition plan, a student who entered the ninth grade before the 2014-2015 school year must be permitted to complete the curriculum requirements required for high school graduation under:

(1) the foundation high school program, if the student chooses during the 2014-2015 school year to take courses under this program;

(2) the minimum high school program, as that program existed before the adoption of **HB 5**, 83rd Legislature, Regular Session, 2013, if the student was participating in that program before the 2014-2015 school year;

(3) the recommended high school program, as that program existed before the adoption of **HB 5**, 83rd Legislature, Regular Session, 2013, if the student was participating in that program before the 2014-2015 school year; or

(4) the advanced high school program, as that program existed before the adoption of **HB 5**, 83rd Legislature, Regular Session, 2013, if the student was participating in that program before the 2014-2015 school year.

(h-1) This subsection and Subsection (h) expire September 1, 2018.

(h-2) This subsection applies only to a student participating in the minimum, recommended, or advanced high school program who is completing the fourth year of high school during the 2013-2014 school year. The commissioner by rule shall permit a student who does not satisfy the curriculum requirements of the high school program in which the student is participating to graduate if the student satisfies the curriculum requirements established for the foundation high school program under this section as amended by **HB 5**, 83rd Legislature, Regular Session, 2013, and any other requirement required for graduation. This subsection expires September 1, 2015.

(b) Except as provided by Subsection (c) of this section, this section applies beginning with the 2014-2015 school year.

(c) Section 28.025(h-2), Education Code, as added by this section, applies during the 2013-2014 school year.

SECTION 17. (a) Section 28.0253(e), Education Code, is amended to read as follows:

(e) A student who receives a high school diploma through the pilot program is considered to have earned a distinguished level of achievement under [completed] the foundation [recommended] high school program adopted under Section 28.025 [28.025(a)]. The student is not guaranteed admission to any

institution of higher education or to any academic program at an institution of higher education solely on the basis of having received the diploma through the program. The student may apply for admission to an institution of higher education for the first semester or other academic term after the semester or other academic term in which the student earns a diploma through the pilot program.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 18. (a) Section 28.026, Education Code, is amended to read as follows:

Sec. 28.026. NOTICE OF REQUIREMENTS FOR AUTOMATIC COLLEGE ADMISSION AND FINANCIAL AID. (a) The board of trustees of a school district and the governing body of each open-enrollment charter school that provides a high school shall require each high school in the district or provided by the charter school, as applicable, to post appropriate signs in each counselor's office, in each principal's office, and in each administrative building indicating the substance of Section 51.803 regarding automatic college admission and stating the curriculum requirements for financial aid authorized under Title 3. To assist in the dissemination of that ~~this~~ information, the ~~school~~ district or charter school shall:

(1) require that each high school counselor and class advisor be provided a detailed explanation of the substance of Section 51.803 and the curriculum requirements for financial aid authorized under Title 3;

(2) provide each district or school student, at the time the student first registers for one or more classes required for high school graduation, with a written notification, including a detailed explanation in plain language, of the substance of Section 51.803, the curriculum requirements for financial aid authorized under Title 3, and the benefits of completing the requirements for that automatic admission and financial aid;

(3) require that each high school counselor and senior class advisor explain to eligible students the substance of Section 51.803; and

(4) not later than the 14th day after the last day of classes for the fall semester or an equivalent date in the case of a school operated on a year-round system under Section 25.084, provide each ~~eligible~~ senior student eligible under Section 51.803 and each student enrolled in the junior year of high school who has a grade point average in the top 10 percent of the student's high school class, and the student's parent or guardian, with a written notification of the student's eligibility with a detailed explanation in plain language of the substance of Section 51.803.

(b) The commissioner shall adopt forms, including specific language, to use in providing notice under Subsections (a)(2) and (4). In providing notice under Subsection (a)(2) or (4), a school district or open-enrollment charter school shall use the appropriate form adopted by the commissioner. The notice to a student and the student's parent or guardian under Subsections (a)(2) and (4) ~~Subsection (a)(4)~~ must be on a single form that contains ~~may contain one or more~~ signature lines to indicate receipt of notice by the student and ~~or~~ the student's

parent or guardian. The notice under Subsection (a)(2) must be signed by the student's counselor in addition to being signed by the student and the student's parent or guardian.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 19. (a) Sections 28.027(a) and (b), Education Code, are amended to read as follows:

(a) In this section, "applied STEM course" means an applied science, technology, engineering, or mathematics course offered as part of a school district's career and technology education or technology applications curriculum.

(b) The State Board of Education shall establish a process under which an applied STEM course may be reviewed and approved for purposes of satisfying the mathematics and science curriculum requirements for the foundation ~~[recommended]~~ high school program ~~[imposed]~~ under Section 28.025 ~~[28.025(b-1)(1)(A)]~~ through substitution of the applied STEM course for a specific mathematics or science course otherwise required under the foundation ~~[recommended]~~ high school program ~~[and completed during the student's fourth year of mathematics or science course work]~~. ~~[The State Board of Education may only approve a course to substitute for a mathematics course taken after successful completion of Algebra I and geometry and after successful completion of or concurrently with Algebra II.]~~ The State Board of Education may only approve a course to substitute for a science course taken after successful completion of biology ~~[and chemistry and after successful completion of or concurrently with physics]~~.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 20. Section 29.081, Education Code, is amended by adding Subsections (b-1), (b-2), and (b-3) and amending Subsection (d) to read as follows:

(b-1) Each school district shall offer before the next scheduled administration of the assessment instrument, without cost to the student, additional accelerated instruction to each student in any subject in which the student failed to perform satisfactorily on an end-of-course assessment instrument required for graduation.

(b-2) A district that is required to provide accelerated instruction under Subsection (b-1) shall separately budget sufficient funds, including funds under Section 42.152, for that purpose. A district may not budget funds received under Section 42.152 for any other purpose until the district adopts a budget to support additional accelerated instruction under Subsection (b-1).

(b-3) A district shall evaluate the effectiveness of accelerated instruction programs under Subsection (b-1) and annually hold a public hearing to consider the results.

(d) For purposes of this section, "student at risk of dropping out of school" includes each student who is under 26 ~~[24]~~ years of age and who:

(1) was not advanced from one grade level to the next for one or more school years;

(2) if the student is in grade 7, 8, 9, 10, 11, or 12, did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester;

(3) did not perform satisfactorily on an assessment instrument administered to the student under Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument;

(4) if the student is in prekindergarten, kindergarten, or grade 1, 2, or 3, did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;

(5) is pregnant or is a parent;

(6) has been placed in an alternative education program in accordance with Section 37.006 during the preceding or current school year;

(7) has been expelled in accordance with Section 37.007 during the preceding or current school year;

(8) is currently on parole, probation, deferred prosecution, or other conditional release;

(9) was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school;

(10) is a student of limited English proficiency, as defined by Section 29.052;

(11) is in the custody or care of the Department of Protective and Regulatory Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;

(12) is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments; or

(13) resided in the preceding school year or resides in the current school year in a residential placement facility in the district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home.

SECTION 21. (a) Section 29.096(e), Education Code, is amended to read as follows:

(e) The commissioner shall establish minimum standards for a local collaborative agreement, including a requirement that the agreement must be signed by an authorized school district or open-enrollment charter school officer and an authorized representative of each of the other participating entities that is a partner in the collaboration. The program must:

(1) limit participation in the program to students authorized to participate by a parent or other person standing in parental relationship;

(2) have as a primary goal graduation from high school [~~under at least the recommended high school program~~];

(3) provide for local businesses or other employers to offer paid employment or internship opportunities and advanced career and vocational training;

(4) include an outreach component and a lead educational staff member to identify and involve eligible students and public and private entities in participating in the program;

(5) serve a population of students of which at least 50 percent are identified as students at risk of dropping out of school, as described by Section 29.081(d);

(6) allocate not more than 15 percent of grant funds and matching funds, as determined by the commissioner, to administrative expenses;

(7) include matching funds from any of the participating entities; and

(8) include any other requirements as determined by the council.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 22. Section 29.182(b), Education Code, is amended to read as follows:

(b) The state plan must include procedures designed to ensure that:

(1) all secondary and postsecondary students have the opportunity to participate in career and technology education programs;

(2) the state complies with requirements for supplemental federal career and technology education funding; ~~and~~

(3) career and technology education is established as a part of the total education system of this state and constitutes an option for student learning that provides a rigorous course of study consistent with the required curriculum under Section 28.002 and under which a student may receive specific education in a career and technology program that:

(A) incorporates competencies leading to academic and technical skill attainment;

(B) leads to:

(i) an industry-recognized license, credential, or certificate; or

(ii) at the postsecondary level, an associate or baccalaureate degree;

(C) includes opportunities for students to earn college credit for coursework; and

(D) includes, as an integral part of the program, participation by students and teachers in activities of career and technical student organizations supported by the agency and the State Board of Education; and

(4) a school district provides, to the greatest extent possible, to a student participating in a career and technology education program opportunities to enroll in dual credit courses designed to lead to a degree, license, or certification as part of the program.

SECTION 23. (a) Sections 29.190(a) and (c), Education Code, are amended to read as follows:

(a) A student is entitled to a subsidy under this section if:

(1) the student:

(A) successfully completes the career and technology program of a school district in which the student receives training and instruction for employment [~~in a current or emerging high demand, high wage, high skill occupation, as determined under Subsection (e)~~]; or

(B) is enrolled in a special education program under Subchapter A;
and

(2) the student passes a certification examination to qualify for a license or certificate [~~for the occupation; and~~

~~(3) the student submits to the district a written application in the form, time, and manner required by the district for the district to subsidize the cost of an examination described by Subdivision (2)].~~

(c) On approval by the commissioner, the agency shall pay each school district an amount equal to the cost paid by the district [~~or student~~] for the certification examination. To obtain reimbursement for a subsidy paid under this section, a district must:

(1) pay the fee for the examination [~~or pay the student the amount of the fee paid by the student for the examination~~]; and

(2) submit to the commissioner a written application on a form prescribed by the commissioner stating the amount of the fee paid under Subdivision (1) for the certification examination.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 24. (a) Section 29.402(b), Education Code, is amended to read as follows:

(b) A person who is under 26 years of age is eligible to enroll in a dropout recovery program under this subchapter if the person:

(1) must complete not more than three course credits to complete the curriculum requirements for the foundation [~~minimum, recommended, or advanced~~] high school program [~~as appropriate~~], for high school graduation; or

(2) has failed to perform satisfactorily on an end-of-course assessment instrument administered under Section 39.023(c) or an assessment instrument administered under Section 39.023(c) as that section existed before amendment by Chapter 1312 (**SB 1031**), Acts of the 80th Legislature, Regular Session, 2007.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 25. (a) Section 29.904(d), Education Code, is amended to read as follows:

(d) A plan developed under this section:

(1) must establish clear, achievable goals for increasing the percentage of the school district's graduating seniors, particularly the graduating seniors attending a high school described by Subsection (a), who enroll in an institution of higher education for the academic year following graduation;

(2) must establish an accurate method of measuring progress toward the goals established under Subdivision (1) that may include the percentage of district high school students and the percentage of students attending a district high school described by Subsection (a) who:

(A) are enrolled in a course for which a student may earn college credit, such as an advanced placement or international baccalaureate course or a course offered through concurrent enrollment in high school and at an institution of higher education;

(B) are enrolled in courses that meet the curriculum requirements for the distinguished level of achievement under the foundation [~~recommended or advanced~~] high school program as determined under Section 28.025;

(C) have submitted a free application for federal student aid (FAFSA);

(D) are exempt under Section 51.3062(p) or (q) from administration of an assessment instrument under Section 51.3062 or have performed successfully on an assessment instrument under Section 51.3062;

(E) graduate from high school;

(F) graduate from an institution of higher education; and

(G) have taken college entrance examinations and the average score of those students on the examinations;

(3) must cover a period of at least five years; and

(4) may be directed at district students at any level of primary or secondary education.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 26. (a) Section 31.0211(c), Education Code, is amended to read as follows:

(c) Subject to Subsection (d), funds allotted under this section may be used to:

(1) purchase:

(A) materials on the list adopted by the commissioner, as provided by Section 31.0231;

(B) instructional materials, regardless of whether the instructional materials are on the list adopted under Section 31.024;

(C) consumable instructional materials, including workbooks;

(D) instructional materials for use in bilingual education classes, as provided by Section 31.029;

(E) instructional materials for use in college preparatory courses under Section 28.014, as provided by Section 31.031;

(F) supplemental instructional materials, as provided by Section 31.035;

(G) [~~F~~] state-developed open-source instructional materials, as provided by Subchapter B-1;

(H) [~~G~~] instructional materials and technological equipment under any continuing contracts of the district in effect on September 1, 2011; and

(I) [~~H~~] technological equipment necessary to support the use of materials included on the list adopted by the commissioner under Section 31.0231 or any instructional materials purchased with an allotment under this section; and

(2) pay:

(A) for training educational personnel directly involved in student learning in the appropriate use of instructional materials and for providing for access to technological equipment for instructional use; and

(B) the salary and other expenses of an employee who provides technical support for the use of technological equipment directly involved in student learning.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 27. Subchapter B, Chapter 31, Education Code, is amended by adding Section 31.0215 to read as follows:

Sec. 31.0215. INSTRUCTIONAL MATERIAL ALLOTMENT PURCHASES. (a) The commissioner shall, as early as practicable during each fiscal year, notify each school district and open-enrollment charter school of the estimated amount to which the district or charter school will be entitled under Section 31.0211 during the next fiscal year.

(b) The commissioner may allow a school district or open-enrollment charter school to place an order for instructional materials before the beginning of a fiscal year and to receive instructional materials before payment. The commissioner shall limit the cost of an order placed under this section to 80 percent of the estimated amount to which a school district or open-enrollment charter school is estimated to be entitled as provided by Subsection (a) and shall first credit any balance in a district or charter school instructional materials account to pay for an order placed under this section.

(c) The commissioner shall make payments for orders placed under this section as funds become available to the instructional materials fund and shall prioritize payment of orders placed under this section over reimbursement of purchases made directly by a school district or open-enrollment charter school.

(d) The commissioner shall ensure that publishers of instructional materials are informed of any potential delay in payment and that payment is subject to the availability of appropriated funds. A publisher may decline to accept an order placed under this section.

(e) Chapter 2251, Government Code, does not apply to purchases of instructional materials under this section.

(f) The commissioner may adopt rules to implement this section.

SECTION 28. (a) Subchapter B, Chapter 31, Education Code, is amended by adding Section 31.031 to read as follows:

Sec. 31.031. COLLEGE PREPARATORY INSTRUCTIONAL MATERIALS. (a) A school district may purchase with the district's instructional materials allotment or otherwise acquire instructional materials for use in college preparatory courses under Section 28.014.

(b) The commissioner shall adopt rules regarding the purchase of instructional materials under this section.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 29. (a) The heading to Section 33.007, Education Code, is amended to read as follows:

Sec. 33.007. COUNSELING REGARDING POSTSECONDARY [HIGHER] EDUCATION.

(b) This section takes effect beginning with the 2014-2015 school year.

SECTION 30. (a) Sections 33.007(a) and (b), Education Code, are amended to read as follows:

(a) Each school counselor at an elementary, middle, or junior high school, including an open-enrollment charter school offering those grades, shall advise students and their parents or guardians regarding the importance of postsecondary ~~[higher]~~ education, coursework designed to prepare students for postsecondary ~~[higher]~~ education, and financial aid availability and requirements.

(b) During the first school year a student is enrolled in a high school or at the high school level in an open-enrollment charter school, and again during each ~~[a student's senior]~~ year of a student's enrollment in high school or at the high school level, a school counselor shall provide information about postsecondary ~~[higher]~~ education to the student and the student's parent or guardian. The information must include information regarding:

(1) the importance of postsecondary ~~[higher]~~ education;

(2) the advantages of earning an endorsement and a performance acknowledgment and completing the distinguished level of achievement under the foundation ~~[recommended or advanced]~~ high school program ~~[adopted]~~ under Section 28.025 ~~[28.025(a)]~~;

(3) the disadvantages of taking courses to prepare for a high school equivalency examination relative to the benefits of taking courses leading to a high school diploma;

(4) financial aid eligibility;

(5) instruction on how to apply for federal financial aid;

(6) the center for financial aid information established under Section 61.0776;

(7) the automatic admission of certain students to general academic teaching institutions as provided by Section 51.803;

(8) the eligibility and academic performance requirements for the TEXAS Grant as provided by Subchapter M, Chapter 56; and

(9) the availability of programs in the district under which a student may earn college credit, including advanced placement programs, dual credit programs, joint high school and college credit programs, and international baccalaureate programs.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 31. (a) Section 39.023, Education Code, is amended by amending Subsections (a-2), (b), (c), (c-3), (e), and (h) and adding Subsections (b-1), (e-1), (e-2), and (e-3) to read as follows:

(a-2) Except as required by federal law, a [A] student is not required to be assessed in a subject otherwise assessed at the student's grade level under Subsection (a) if the student:

(1) is enrolled in a course in the subject intended for students above the student's grade level and will be administered an assessment instrument adopted or developed under Subsection (a) that aligns with the curriculum for the course in which the student is enrolled; or

(2) is enrolled in a course in the subject for which the student will receive high school academic credit and will be administered an end-of-course assessment instrument adopted under Subsection (c) for the course.

(b) The agency shall develop or adopt appropriate criterion-referenced alternative assessment instruments to be administered to each student in a special education program under Subchapter A, Chapter 29, for whom an assessment instrument adopted under Subsection (a), even with allowable accommodations, would not provide an appropriate measure of student achievement, as determined by the student's admission, review, and dismissal committee, including assessment instruments approved by the commissioner that measure growth. The assessment instruments developed or adopted under this subsection, including the assessment instruments approved by the commissioner, must, to the extent allowed under federal law, provide a district with options for the assessment of students under this subsection.

(b-1) The agency, in conjunction with appropriate interested persons, shall redevelop assessment instruments adopted or developed under Subsection (b) for administration to significantly cognitively disabled students in a manner consistent with federal law. An assessment instrument under this subsection may not require a teacher to prepare tasks or materials for a student who will be administered such an assessment instrument. Assessment instruments adopted or developed under this subsection shall be administered not later than the 2014-2015 school year.

(c) The agency shall also adopt end-of-course assessment instruments for secondary-level courses in Algebra I, ~~Algebra II, geometry,~~ biology, ~~chemistry, physics,~~ English I, English II, ~~English III, world geography, world history,~~ and United States history. The Algebra I ~~, Algebra II, and geometry,~~ end-of-course assessment instrument ~~instruments~~ must be administered with the aid of technology. The English I and English II end-of-course assessment instruments must each assess essential knowledge and skills in both reading and writing in the same assessment instrument and must provide a single score. A school district shall comply with State Board of Education rules regarding administration of the assessment instruments listed in this subsection ~~[and shall adopt a policy that requires a student's performance on an end-of-course assessment instrument for a course listed in this subsection in which the student is enrolled to account for 15 percent of the student's final grade for the course. If a student retakes an end-of-course assessment instrument for a course listed in this subsection, as provided by Section 39.025, a school district is not required to use the student's performance on the subsequent administration or administrations of the assessment instrument to determine the student's final grade for the course].~~ If a student is in a special education program under Subchapter A, Chapter 29, the student's admission, review, and dismissal committee shall determine whether any allowable modification is necessary in administering to the student an assessment instrument required under this subsection. The State Board of Education shall administer the assessment instruments. The State Board of Education shall adopt a schedule for the administration of end-of-course assessment instruments that complies with the requirements of Subsection (c-3).

(c-3) In adopting a schedule for the administration of assessment instruments under this section, the State Board of Education shall require:

(1) assessment instruments administered under Subsection (a) to be administered on a schedule so that the first assessment instrument is administered at least two weeks later than the date on which the first assessment instrument was administered under Subsection (a) during the 2006-2007 school year; and

(2) the spring administration of end-of-course assessment instruments under Subsection (c) to occur in each school district not earlier than the first full week in May, except that the spring administration of the end-of-course assessment instruments in English I and^[5] English II ~~and English III~~ must be permitted to occur at an earlier date.

(e) Under rules adopted by the State Board of Education, every third year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (b), (c), (d), or (l), excluding any assessment instrument administered to a student for the purpose of retaking the assessment instrument, after the last time the instrument is administered for that school year. To ensure a valid bank of questions for use each year, the agency is not required to release a question that is being field-tested and was not used to compute the student's score on the instrument. The agency shall also release, under board rule, each question that is no longer being field-tested and that was not used to compute a student's score. During the 2014-2015 and 2015-2016 school years, the agency shall release the questions and answer keys to assessment instruments as described by this subsection each year.

(e-1) Under rules adopted by the commissioner, for the 2012-2013 school year, the agency each year shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (c), (d), or (l), excluding any assessment instrument administered to a student for the purpose of retaking the assessment instrument, after the last time the instrument is administered for that school year. This subsection expires December 31, 2013.

(e-2) Under rules adopted by the commissioner, for the 2013-2014 school year, the agency each year shall release the questions and answer keys to each assessment instrument administered under Subsection (b), (c), or (l), excluding any assessment instrument administered to a student for the purpose of retaking the assessment instrument and any assessment instrument covering a subject or course for which the questions and answer keys for the 2012-2013 assessment instrument covering that subject or course were released, after the last time the instrument is administered for the 2013-2014 school year. This subsection expires December 31, 2014.

(e-3) Under rules adopted by the commissioner, for the 2013-2014 school year, the agency each year shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (b), (c), (d), or (l) during the 2013-2014 school year after the last time any assessment instrument is administered for the 2013-2014 school year. This subsection expires December 31, 2014.

(h) The agency shall notify school districts and campuses of the results of assessment instruments administered under this section [at the earliest possible date determined by the State Board of Education but] not later than the 21st day after the date the assessment instrument is administered [beginning of the subsequent school year]. The school district shall disclose to each district teacher the results of assessment instruments administered to students taught by the teacher in the subject for the school year in which the assessment instrument is administered.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 32. (a) Section 39.0232, Education Code, is amended to read as follows:

Sec. 39.0232. USE OF END-OF-COURSE ASSESSMENT INSTRUMENT AS PLACEMENT INSTRUMENT; CERTAIN USES PROHIBITED. (a) To the extent practicable, the agency shall ensure that any high school end-of-course assessment instrument developed by the agency is developed in such a manner that the assessment instrument may be used to determine the appropriate placement of a student in a course of the same subject matter at an institution of higher education.

(b) A student's performance on an end-of-course assessment instrument may not be used:

(1) in determining the student's class ranking for any purpose, including entitlement to automatic college admission under Section 51.803 or 51.804; or

(2) as a sole criterion in the determination of whether to admit the student to a general academic teaching institution in this state.

(c) Subsection (b)(2) does not prohibit a general academic teaching institution from implementing an admission policy that takes into consideration a student's performance on an end-of-course assessment instrument in addition to other criteria.

(d) In this section, "general academic teaching institution" has the meaning assigned by Section 61.003.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 33. (a) Section 39.0233(a), Education Code, is amended to read as follows:

(a) The agency, in coordination with the Texas Higher Education Coordinating Board, shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Section 39.023(c) to be used for purposes of Section 51.3062. The questions adopted under this subsection must be developed in a manner consistent with any college readiness standards adopted under Sections 39.233 ~~[39.113]~~ and 51.3062.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 34. (a) Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.0238 to read as follows:

Sec. 39.0238. ADOPTION AND ADMINISTRATION OF POSTSECONDARY READINESS ASSESSMENT INSTRUMENTS. (a) In addition to other assessment instruments adopted and developed under this

subchapter, the agency shall adopt or develop appropriate postsecondary readiness assessment instruments for Algebra II and English III that a school district may administer at the district's option.

(b) To the extent practicable, the agency shall ensure that each postsecondary readiness assessment instrument:

(1) assesses essential knowledge and skills and growth;

(2) is developed in a manner that measures a student's performance under the college readiness standards established under Section 28.008; and

(3) is validated by national postsecondary education experts for college readiness content and performance standards.

(c) In adopting a schedule for the administration of postsecondary readiness assessment instruments under this section, the State Board of Education shall require the annual administration of the postsecondary readiness assessment instruments to occur not earlier than the second full week in May.

(d) The agency shall adopt a policy requiring each school district that elects to administer postsecondary readiness assessment instruments under Subsection (a) to annually:

(1) administer the applicable postsecondary readiness assessment instrument to each student enrolled in a course for which a postsecondary readiness assessment instrument is adopted or developed under Subsection (a), including applied Algebra II; and

(2) report the results of the postsecondary readiness assessment instruments to the agency.

(e) The agency shall annually deliver a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the legislature with jurisdiction over public education. The report must include a summary of student performance on the preceding year's postsecondary readiness assessment instruments.

(f) The results of a postsecondary readiness assessment instrument administered under this section may not be used by:

(1) the agency for accountability purposes for a school campus or school district;

(2) a school district:

(A) for the purpose of teacher evaluations; or

(B) in determining a student's final course grade or determining a student's class rank for the purpose of high school graduation; or

(3) an institution of higher education:

(A) for admission purposes; or

(B) to determine eligibility for a TEXAS grant.

(g) A school district may not administer an additional benchmark assessment instrument solely for the purpose of preparing for a postsecondary readiness assessment instrument administered under this section. In this subsection, "benchmark assessment instrument" means a district-required assessment instrument designed to prepare students for a postsecondary readiness assessment instrument administered under this section.

(h) The agency shall acknowledge a school district that elects to administer the postsecondary readiness assessment instruments as provided by Subsection (a).

(b) This section applies beginning with the 2015-2016 school year.

SECTION 35. (a) Section 39.025, Education Code, is amended by amending Subsections (a), (a-1), (b), and (b-2) and adding Subsection (a-4) to read as follows:

(a) The commissioner shall adopt rules requiring a student participating in the recommended or advanced high school program to be administered each end-of-course assessment instrument listed in Section 39.023(c) and requiring a student participating in the minimum high school program to be administered an end-of-course assessment instrument listed in Section 39.023(c) only for a course in which the student is enrolled and for which an end-of-course assessment instrument is administered. A student is required to achieve~~[in each subject in the foundation curriculum under Section 28.002(a)(1), a cumulative score that is at least equal to the product of the number of end-of-course assessment instruments administered to the student in that subject and]~~ a scale score that indicates satisfactory performance, as determined by the commissioner under Section 39.0241(a), on each end-of-course assessment instrument listed under Section 39.023(c) that is administered to the student as provided by this subsection. For each scale score required under this subsection that is not based on a 100-point scale scoring system, the commissioner shall provide for conversion, in accordance with commissioner rule, of the scale score to an equivalent score based on a 100-point scale scoring system. ~~[A student must achieve a minimum score as determined by the commissioner to be within a reasonable range of the scale score under Section 39.0241(a) on an end-of-course assessment instrument for the score to count towards the student's cumulative score. For purposes of this subsection, a student's cumulative score is determined using the student's highest score on each end-of-course assessment instrument administered to the student.]~~ A student may not receive a high school diploma until the student has performed satisfactorily on ~~the~~ end-of-course assessment instruments in the manner provided under this subsection. This subsection does not require a student to demonstrate readiness to enroll in an institution of higher education.

(a-1) A student enrolled in a college preparatory course under Section 28.014 who satisfies the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.3062(f) on an assessment instrument designated by the Texas Higher Education Coordinating Board under Section 51.3062(c) administered at the end of the college preparatory course satisfies the requirements concerning an end-of-course assessment in an equivalent course as prescribed by Subsection (a). The commissioner ~~[by rule]~~ shall determine a method by which a student's satisfactory performance on an advanced placement test, an international baccalaureate examination, an SAT Subject Test, the SAT, the ACT, or any nationally recognized norm-referenced ~~[another]~~ assessment instrument used by institutions of higher education to award course credit based on satisfactory

~~performance on the [determined by the commissioner to be at least as rigorous as an end-of-course] assessment instrument shall [adopted under Section 39.023(e) may] be used to satisfy [as a factor in determining whether the student satisfies] the requirements concerning an end-of-course assessment instrument in an equivalent course as prescribed by [of] Subsection (a)[, including the cumulative score requirement of that subsection]. The commissioner shall [by rule may] determine a method by which a student's satisfactory performance on the PSAT [a Preliminary Scholastic Assessment Test (PSAT) assessment] or the ACT-Plan shall [a preliminary American College Test (ACT) assessment may] be used to satisfy [as a factor in determining whether the student satisfies] the requirements concerning an end-of-course assessment instrument in an equivalent course as prescribed by [of] Subsection (a). A student who fails to perform satisfactorily on a test or other assessment instrument authorized under this subsection, other than the PSAT or the ACT-Plan, may retake that test or other assessment instrument for purposes of this subsection or may take the appropriate end-of-course assessment instrument. A student who fails to perform satisfactorily on the PSAT or the ACT-Plan must take the appropriate end-of-course assessment instrument. The commissioner shall adopt rules as necessary for the administration of this subsection.~~

~~(a-4) The admission, review, and dismissal committee of a student in a special education program under Subchapter A, Chapter 29, shall determine whether, to receive a high school diploma, the student is required to achieve satisfactory performance on end-of-course assessment instruments.~~

~~(b) Each time an end-of-course assessment instrument adopted under Section 39.023(c) is administered, a student who failed to achieve a [minimum] score requirement under Subsection (a) may [shall] retake the assessment instrument. [A student who fails to perform satisfactorily on an Algebra II or English III end-of-course assessment instrument under the college readiness performance standard, as provided under Section 39.024(b), may retake the assessment instrument. Any other student may retake an end-of-course assessment instrument for any reason.] A student is not required to retake a course as a condition of retaking an end-of-course assessment instrument.~~

~~(b-2) If a school district determines that a student, on completion of grade 11, is unlikely to achieve the [cumulative] score requirement under Subsection (a) [requirements] for one or more end-of-course assessment instruments administered to the student as provided [subjects prescribed] by Subsection (a) for receiving a high school diploma, the district shall require the student to enroll in a corresponding content-area college preparatory course for which an end-of-course assessment instrument has been adopted, if available. A student who enrolls in a college preparatory course described by this subsection shall be administered an end-of-course assessment instrument for the course, with the end-of-course assessment instrument scored on a scale as determined by the commissioner [not to exceed 20 percent of the cumulative score requirements required to graduate as determined under Subsection (a)]. A student may use the~~

student's score on the end-of-course assessment instrument for the college preparatory course towards satisfying the ~~[cumulative]~~ score requirement ~~[requirements]~~ prescribed by Subsection (a).

(b) This section applies beginning with the 2013-2014 school year.

SECTION 36. (a) Effective September 1, 2014, Section 39.025(a), Education Code, is amended to read as follows:

(a) The commissioner shall adopt rules requiring a student ~~[participating]~~ in the foundation ~~[recommended or advanced]~~ high school program under Section 28.025 to be administered each end-of-course assessment instrument listed in Section 39.023(c) ~~[and requiring a student participating in the minimum high school program to be administered an end-of-course assessment instrument listed in Section 39.023(c) only for a course in which the student is enrolled and for which an end-of-course assessment instrument is administered]~~. A student is required to achieve~~[- in each subject in the foundation curriculum under Section 28.002(a)(1), a cumulative score that is at least equal to the product of the number of end-of-course assessment instruments administered to the student in that subject and]~~ a scale score that indicates satisfactory performance, as determined by the commissioner under Section 39.0241(a), on each end-of-course assessment instrument listed under Section 39.023(c). For each scale score required under this subsection that is not based on a 100-point scale scoring system, the commissioner shall provide for conversion, in accordance with commissioner rule, of the scale score to an equivalent score based on a 100-point scale scoring system. ~~[A student must achieve a minimum score as determined by the commissioner to be within a reasonable range of the scale score under Section 39.0241(a) on an end-of-course assessment instrument for the score to count towards the student's cumulative score. For purposes of this subsection, a student's cumulative score is determined using the student's highest score on each end-of-course assessment instrument administered to the student.]~~ A student may not receive a high school diploma until the student has performed satisfactorily on ~~[the]~~ end-of-course assessment instruments in the manner provided under this subsection. This subsection does not require a student to demonstrate readiness to enroll in an institution of higher education.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 37. (a) Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.0263 to read as follows:

Sec. 39.0263. ADMINISTRATION OF DISTRICT-REQUIRED BENCHMARK ASSESSMENT INSTRUMENTS TO PREPARE STUDENTS FOR STATE-ADMINISTERED ASSESSMENT INSTRUMENTS. (a) In this section, "benchmark assessment instrument" means a district-required assessment instrument designed to prepare students for a corresponding state-administered assessment instrument.

(b) Except as provided by Subsection (c), a school district may not administer to any student more than two benchmark assessment instruments to prepare the student for a corresponding state-administered assessment instrument.

(c) The prohibition prescribed by this section does not apply to the administration of a college preparation assessment instrument, including the PSAT, the ACT-Plan, the SAT, or the ACT, an advanced placement test, an international baccalaureate examination, or an independent classroom examination designed or adopted and administered by a classroom teacher.

(d) A parent of or person standing in parental relation to a student who has special needs, as determined in accordance with commissioner rule, may request administration to the student of additional benchmark assessment instruments.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 38. (a) Section 39.027, Education Code, is amended by adding Subsection (a-2) to read as follows:

(a-2) Unless a student is enrolled in a school in the United States for a period of at least 60 consecutive days during a year, the student may not be considered to be enrolled in a school in the United States for that year for the purpose of determining a number of years under Subsection (a)(1), (2), or (3).

(b) This section applies beginning with the 2013-2014 school year.

SECTION 39. Section 39.0301, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In establishing procedures under Subsection (a)(1) for the administration of assessment instruments, the commissioner shall ensure that the procedures are designed to minimize disruptions to school operations and the classroom environment. In implementing the procedures established under Subsection (a)(1) for the administration of assessment instruments, a school district shall minimize disruptions to school operations and the classroom environment.

SECTION 40. Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.038 to read as follows:

Sec. 39.038. RESTRICTION ON APPOINTMENTS TO ADVISORY COMMITTEES. The commissioner may not appoint a person to a committee or panel that advises the commissioner or agency regarding state accountability systems under this title or the content or administration of an assessment instrument if the person is retained or employed by an assessment instrument vendor.

SECTION 41. (a) Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.039 to read as follows:

Sec. 39.039. PROHIBITION ON POLITICAL CONTRIBUTION OR ACTIVITY BY CERTAIN CONTRACTORS. (a) A person who is an agent of an entity that has been contracted to develop or implement assessment instruments required under Section 39.023 commits an offense if the person makes or authorizes a political contribution to or takes part in, directly or indirectly, the campaign of any person seeking election to or serving on the State Board of Education.

(b) A person who is an agent of an entity that has been contracted to develop or implement assessment instruments required under Section 39.023 commits an offense if the person serves as a member of a formal or informal advisory committee established by the commissioner, agency staff, or the State

Board of Education to advise the commissioner, agency staff, or the State Board of Education regarding policies or implementation of the requirements of this subchapter.

(c) An offense under this section is a Class B misdemeanor.

(b) This section applies September 1, 2013.

SECTION 42. (a) Section 39.053, Education Code, is amended by amending Subsections (c) and (g-1) and adding Subsections (c-1) and (c-2) to read as follows:

(c) Indicators of student achievement adopted under this section must include:

(1) the results of assessment instruments required under Sections 39.023(a), (c), and (l), including the results of assessment instruments required for graduation retaken by a student, aggregated across grade levels by subject area, including:

(A) the performance standard determined by the commissioner under Section 39.0241(a):

(i) the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and

(ii) for students who did not perform satisfactorily, the percentage of students who met the standard for annual improvement, as determined by the agency under Section 39.034, on the assessment instruments, aggregated across grade levels by subject area; and

(B) for the college readiness performance standard as determined under Section 39.0241:

(i) the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and

(ii) for students who did not perform satisfactorily, the percentage of students who met the standard for annual improvement, as determined by the agency under Section 39.034, on the assessment instruments, aggregated across grade levels by subject area;

(2) dropout rates, including dropout rates and district completion rates for grade levels 9 through 12, computed in accordance with standards and definitions adopted by the National Center for Education Statistics of the United States Department of Education; ~~and~~

(3) high school graduation rates, computed in accordance with standards and definitions adopted in compliance with the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et seq.);

(4) the percentage of students who successfully completed the curriculum requirements for the distinguished level of achievement under the foundation high school program;

(5) the percentage of students who successfully completed the curriculum requirements for an endorsement under Section 28.025(c-1); and

(6) at least three additional indicators of student achievement to evaluate district and campus performance, which must include either:

(A) the percentage of students who satisfy the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.3062(f) on an assessment instrument in reading, writing, or mathematics designated by the Texas Higher Education Coordinating Board under Section 51.3062(c); or

(B) the number of students who earn:

(i) at least 12 hours of postsecondary credit required for the foundation high school program under Section 28.025 or to earn an endorsement under Section 28.025(c-1);

(ii) at least 30 hours of postsecondary credit required for the foundation high school program under Section 28.025 or to earn an endorsement under Section 28.025(c-1);

(iii) an associate's degree; or

(iv) an industry certification.

(c-1) An indicator adopted under Subsection (c) that would measure improvements in student achievement cannot negatively affect the commissioner's review of a school district or campus if that district or campus is already achieving at the highest level for that indicator.

(c-2) The commissioner by rule shall determine a method by which a student's performance may be included in determining the performance rating of a school district or campus under Section 39.054 if, before the student graduates, the student:

(1) satisfies the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.3062(f) on an assessment instrument designated by the Texas Higher Education Coordinating Board under Section 51.3062(c); or

(2) performs satisfactorily on an assessment instrument under Section 39.023(c), notwithstanding Subsection (d).

(g-1) In computing dropout and completion rates under Subsection (c)(2), the commissioner shall exclude:

(1) students who are ordered by a court to attend a high school equivalency certificate program but who have not yet earned a high school equivalency certificate;

(2) students who were previously reported to the state as dropouts, including a student who is reported as a dropout, reenrolls, and drops out again, regardless of the number of times of reenrollment and dropping out;

(3) students in attendance who are not in membership for purposes of average daily attendance;

(4) students whose initial enrollment in a school in the United States in grades 7 through 12 was as unschooled refugees or asylees as defined by Section 39.027(a-1);

(5) students who are in the district exclusively as a function of having been detained at a county detention facility but are otherwise not students of the district in which the facility is located; and

(6) students who are incarcerated in state jails and federal penitentiaries as adults and as persons certified to stand trial as adults.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 43. (a) Section 39.053(f), Education Code, is amended to read as follows:

(f) Annually, the commissioner shall define the state standard for the current school year for each student achievement indicator described by Subsection (c) and shall project the state standards for each indicator for the following two school years. The commissioner shall periodically raise the state standards for the student achievement indicator described by Subsection (c)(1)(B)(i) for accreditation as necessary to reach the goals of achieving, by not later than the 2019-2020 school year:

(1) student performance in this state, disaggregated by race, ethnicity, and socioeconomic status, that ranks nationally in the top 10 states in terms of college readiness; and

(2) student performance, ~~[including the percentage of students graduating under the recommended or advanced high school program,]~~ with no significant achievement gaps by race, ethnicity, and socioeconomic status.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 44. (a) Section 39.054(a), Education Code, is amended to read as follows:

(a) The commissioner shall adopt rules to evaluate school district and campus performance and ~~[not later than August 8 of each year,]~~ assign each district ~~[and campus]~~ a performance rating of A, B, C, D, or F. In adopting rules under this subsection, the commissioner shall determine the criteria for each designated letter performance rating. A district performance rating of A, B, or C ~~[that]~~ reflects acceptable performance and a district performance rating of D or F reflects ~~[of]~~ unacceptable performance. The commissioner shall also assign each campus a performance rating of exemplary, recognized, acceptable, or unacceptable. A campus performance rating of exemplary, recognized, or acceptable reflects acceptable performance, and a campus performance rating of unacceptable reflects unacceptable performance. A district may not receive a performance rating of A if the district includes any campus with a performance rating of unacceptable. Not later than August 8 of each year, the performance rating of each district and campus shall be made publicly available as provided by rules adopted under this subsection. If a district or campus received a performance rating that reflected ~~[of]~~ unacceptable performance for the preceding school year, the commissioner shall notify the district of a subsequent such designation on or before June 15.

(b) This section applies beginning with the 2016-2017 school year.

SECTION 45. (a) Section 39.054(b), Education Code, is amended to read as follows:

(b) In evaluating performance, the commissioner shall evaluate against state standards and consider the performance of each campus in a school district and each open-enrollment charter school on the basis of the campus's or school's performance on the student achievement indicators adopted under Section 39.053, other than, to the greatest extent possible, the student achievement indicator adopted under Section 39.053(c)(1) ~~[39.053(e)].~~

(b) This section applies beginning with the 2013-2014 school year.

SECTION 46. (a) Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.0545 to read as follows:

Sec. 39.0545. SCHOOL DISTRICT EVALUATION OF PERFORMANCE IN COMMUNITY AND STUDENT ENGAGEMENT; COMPLIANCE. (a) Each school district shall evaluate the district's performance and the performance of each campus in the district in community and student engagement and in compliance as provided by this section and assign the district and each campus a performance rating of exemplary, recognized, acceptable, or unacceptable for both overall performance and each individual evaluation factor listed under Subsection (b). Not later than August 8 of each year, the district shall report each performance rating to the agency and make the performance ratings publicly available as provided by commissioner rule.

(b) For purposes of assigning the performance ratings under Subsection (a), a school district must evaluate:

(1) the following programs or specific categories of performance at each campus:

(A) fine arts;

(B) wellness and physical education;

(C) community and parental involvement, such as:

(i) opportunities for parents to assist students in preparing for assessments under Section 39.023;

(ii) tutoring programs that support students taking assessments under Section 39.023; and

(iii) opportunities for students to participate in community service projects;

(D) the 21st Century Workforce Development program;

(E) the second language acquisition program;

(F) the digital learning environment;

(G) dropout prevention strategies; and

(H) educational programs for gifted and talented students; and

(2) the record of the district and each campus regarding compliance with statutory reporting and policy requirements.

(c) A school district shall use criteria developed by a local committee to evaluate:

(1) the performance of the district's campus programs and categories of performance under Subsection (b)(1); and

(2) the record of the district and each campus regarding compliance under Subsection (b)(2).

(b) This section applies beginning with the 2013-2014 school year.

SECTION 47. Section 39.056, Education Code, is amended by adding Subsection (f) to read as follows:

(f) A district which takes action with regard to the recommendations provided by the investigators as prescribed by Subsection (e) shall make a reasonable effort to seek assistance from a third party in developing an action plan to improve district performance using improvement techniques that are goal oriented and research based.

SECTION 48. (a) Section 39.057(a), Education Code, is amended to read as follows:

(a) The commissioner shall authorize special accreditation investigations to be conducted:

(1) when excessive numbers of absences of students eligible to be tested on state assessment instruments are determined;

(2) when excessive numbers of allowable exemptions from the required state assessment instruments are determined;

(3) in response to complaints submitted to the agency with respect to alleged violations of civil rights or other requirements imposed on the state by federal law or court order;

(4) in response to established compliance reviews of the district's financial accounting practices and state and federal program requirements;

(5) when extraordinary numbers of student placements in disciplinary alternative education programs, other than placements under Sections 37.006 and 37.007, are determined;

(6) in response to an allegation involving a conflict between members of the board of trustees or between the board and the district administration if it appears that the conflict involves a violation of a role or duty of the board members or the administration clearly defined by this code;

(7) when excessive numbers of students in special education programs under Subchapter A, Chapter 29, are assessed through assessment instruments developed or adopted under Section 39.023(b);

(8) in response to an allegation regarding or an analysis using a statistical method result indicating a possible violation of an assessment instrument security procedure established under Section 39.0301, including for the purpose of investigating or auditing a school district under that section;

(9) when a significant pattern of decreased academic performance has developed as a result of the promotion in the preceding two school years of students who did not perform satisfactorily as determined by the commissioner under Section 39.0241(a) on assessment instruments administered under Section 39.023(a), (c), or (l);

(10) ~~when excessive numbers of students graduate under the minimum high school program;~~

~~[(11)] when excessive numbers of students eligible to enroll fail to complete an Algebra II course or any other advanced course as determined by the commissioner [as distinguishing between students participating in the recommended high school program from students participating in the minimum high school program];~~

(11) [(42)] when resource allocation practices as evaluated under Section 39.0821 indicate a potential for significant improvement in resource allocation;

(12) when a disproportionate number of students of a particular demographic group is graduating with a particular endorsement under Section 28.025(c-1);

(13) when an excessive number of students is graduating with a particular endorsement under Section 28.025(c-1); or

(14) [(43)] as the commissioner otherwise determines necessary.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 49. (a) Section 39.082, Education Code, is amended by amending Subsections (a) and (b) and adding Subsections (d), (e), (f), (g), (h), (h-1), and (i) to read as follows:

(a) The commissioner shall, in consultation with the comptroller, develop and implement separate financial accountability rating systems for school districts and open-enrollment charter schools in this state that:

(1) distinguish among school districts and distinguish among open-enrollment charter schools, as applicable, based on levels of financial performance; ~~and~~

(2) include procedures to:

(A) provide additional transparency to public education finance;

and

(B) enable the commissioner and school district and open-enrollment charter school administrators to provide meaningful financial oversight and improvement; and

(3) include processes for anticipating the future financial solvency of each school district and open-enrollment charter school, including analysis of district and school revenues and expenditures for preceding school years.

(b) The system must include uniform indicators adopted by [the] commissioner rule by which to measure the financial management performance and future financial solvency of a district or open-enrollment charter school. In adopting indicators under this subsection, the commissioner shall assign a point value to each indicator to be used in a scoring matrix developed by the commissioner. Any reference to a teacher in an indicator adopted by the commissioner under this subsection means a classroom teacher.

(d) The commissioner shall evaluate indicators adopted under Subsection (b) at least once every three years.

(e) Under the financial accountability rating system developed under this section, each school district or open-enrollment charter school, as applicable, shall be assigned a financial accountability rating. In adopting rules under this section, the commissioner, in consultation with the comptroller, shall determine the criteria for each designated performance rating.

(f) A district or open-enrollment charter school shall receive the lowest rating under the system if the district or school fails to achieve a satisfactory rating on:

(1) an indicator adopted under Subsection (b) relating to financial management or solvency that the commissioner determines to be critical; or

(2) a category of indicators that suggest trends leading to financial distress as determined by the commissioner.

(g) Before assigning a final rating under the system, the commissioner shall assign each district or open-enrollment charter school a preliminary rating. A district or school may submit additional information to the commissioner relating to any indicator on which performance was considered unsatisfactory. The commissioner shall consider any additional information submitted by a district or school before assigning a final rating. If the commissioner determines that the additional information negates the concern raised by the indicator on which performance was considered unsatisfactory, the commissioner may not penalize the district or school on the basis of the indicator.

(h) The commissioner shall adopt rules for the implementation of this section.

(h-1) The commissioner shall adopt initial rules necessary to implement the changes to this section made by the 83rd Legislature, Regular Session, 2013, not later than March 1, 2015. This subsection expires April 1, 2015.

(i) Not later than August 8 of each year, the financial accountability rating of each school district and open-enrollment charter school under the financial accountability rating system developed under this section shall be made publicly available as provided by rules adopted under this section.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 50. (a) Section 39.0823, Education Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) If the commissioner, based on the indicators adopted under Section 39.082 or other relevant information, projects a ~~[review process under Section 39.0822 indicates a projected]~~ deficit for a school district or open-enrollment charter school general fund within the following three school years, the agency ~~[district]~~ shall provide the district or school ~~[agency]~~ interim financial reports, including projected revenues and expenditures ~~[supplemented by staff and student count data, as needed]~~, to evaluate the ~~[district's]~~ current budget status of the district or school.

(d) The agency may require a district or open-enrollment charter school to submit additional information needed to produce a financial report under Subsection (a). If a district or school fails to provide information requested under this subsection or if the commissioner determines that the information submitted by a district or school is unreliable, the commissioner may order the district or school to acquire professional services as provided by Section 39.109.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 51. (a) Subchapter D, Chapter 39, Education Code, is amended by adding Section 39.0824 to read as follows:

Sec. 39.0824. CORRECTIVE ACTION PLAN. (a) A school district or open-enrollment charter school assigned the lowest rating under Section 39.082 shall submit to the commissioner a corrective action plan to address the financial weaknesses of the district or school. A corrective action plan must identify the

specific areas of financial weaknesses, such as financial weaknesses in transportation, curriculum, or teacher development, and include strategies for improvement.

(b) The commissioner may impose appropriate sanctions under Subchapter E against a district or school failing to submit or implement a corrective action plan required under Subsection (a).

(b) This section applies beginning with the 2014-2015 school year.

SECTION 52. (a) Section 39.083(b), Education Code, is amended to read as follows:

(b) The annual financial management report must include:

(1) a description of the district's financial management performance based on a comparison, provided by the agency, of the district's performance on the indicators adopted under Section 39.082(b) to:

(A) state-established standards; and

(B) the district's previous performance on the indicators; and

(2) ~~a description of the data submitted using the electronic based program developed under Section 39.0822; and~~

~~(3)~~ any descriptive information required by the commissioner.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 53. (a) Section 39.201(a), Education Code, is amended to read as follows:

(a) Not later than August 8 of each year, the commissioner shall award distinction designations for outstanding performance as provided by ~~under~~ this subchapter. A distinction designation awarded to a district or campus under this subchapter shall be referenced directly in connection with the performance rating assigned to the district or campus and made publicly available together with the performance ratings as provided by rules adopted under Section 39.054(a).

(b) This section applies beginning with the 2013-2014 school year.

SECTION 54. (a) Section 39.202, Education Code, is amended to read as follows:

Sec. 39.202. ACADEMIC [~~EXCELLENCE~~] DISTINCTION DESIGNATION FOR DISTRICTS AND CAMPUSES. The commissioner by rule shall establish ~~[a recognized and exemplary rating for awarding districts and campuses]~~ an academic distinction designation for districts and campuses for outstanding performance in attainment of postsecondary readiness ~~under this subchapter~~. ~~The [In establishing the recognized and exemplary ratings, the]~~ commissioner shall adopt criteria for the designation under this section ~~[ratings]~~, including:

(1) percentages of students who:

(A) performed satisfactorily, as determined under the college readiness performance standard under Section 39.0241, on assessment instruments required under Section 39.023(a), (b), (c), or (l), aggregated across grade levels by subject area; or

(B) met the standard for annual improvement, as determined by the agency under Section 39.034, on assessment instruments required under Section 39.023(a), (b), (c), or (l), aggregated across grade levels by subject area, for students who did not perform satisfactorily as described by Paragraph (A);

(2) percentages of:

(A) students who earned a nationally or internationally recognized business or industry certification or license;

(B) students who completed a coherent sequence of career and technical courses;

(C) students who completed a dual credit course or an articulated postsecondary course provided for local credit;

(D) students who achieved applicable College Readiness Benchmarks or the equivalent on the Preliminary Scholastic Assessment Test (PSAT), the Scholastic Assessment Test (SAT), the American College Test (ACT), or the ACT-Plan assessment program; and

(E) students who received a score on either an advanced placement test or an international baccalaureate examination to be awarded college credit; and

(3) ~~(2)~~ other factors for determining sufficient student attainment of postsecondary readiness.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 55. (a) Section 39.203, Education Code, is amended to read as follows:

Sec. 39.203. CAMPUS DISTINCTION DESIGNATIONS. (a) The commissioner shall award a campus a distinction designation for outstanding performance in improvement in student achievement if the campus is ranked in the top 25 percent of campuses in the state in annual improvement in student achievement as determined under Section 39.034.

(b) In addition to the distinction designation described by Subsection (a), the commissioner shall award a campus a distinction designation for outstanding performance in closing student achievement differentials if the campus demonstrates an ability to significantly diminish or eliminate performance differentials between student subpopulations and is ranked in the top 25 percent of campuses in this state under the performance criteria described by this subsection. The commissioner shall adopt rules related to the distinction designation under this subsection to ensure that a campus does not artificially diminish or eliminate performance differentials through inhibiting the achievement of the highest achieving student subpopulation.

(c) In addition to the distinction designations described by Subsections (a) and (b), a campus that satisfies the criteria developed under Section 39.204 shall be awarded a distinction designation by the commissioner for outstanding performance in [~~for the following programs or the following specific categories of performance:~~

[~~(1)~~] academic achievement in English language arts, mathematics, science, or social studies];

[~~(2)~~ fine arts;

- ~~[(3) physical education;~~
~~[(4) 21st Century Workforce Development program; and~~
~~[(5) second language acquisition program].~~

(d) In addition to the distinction designations otherwise described by this section, the commissioner may award a distinction designation for outstanding performance in advanced middle or junior high school student achievement to a campus with a significant number of students below grade nine who perform satisfactorily on an end-of-course assessment instrument administered under Section 39.023(c).

(b) This section applies beginning with the 2013-2014 school year.

SECTION 56. (a) Section 39.235(b), Education Code, is amended to read as follows:

(b) Before awarding a grant under this section, the commissioner may require a campus or school district to:

- (1) obtain local matching funds; or
- (2) meet other conditions, including developing a personal graduation plan under Section 28.0212 or 28.02121, as applicable, for each student enrolled at the campus or in a district middle, junior high, or high school.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 57. (a) Section 39.301(c), Education Code, is amended to read as follows:

(c) Indicators for reporting purposes must include:

(1) the percentage of graduating students who meet the course requirements established by State Board of Education rule for:

- (A) the foundation [minimum] high school program;
- (B) [?] the distinguished level of achievement under the foundation [recommended] high school program;[?] and
- (C) each endorsement described by Section 28.025(c-1) [the advanced high school program];

(2) the results of the SAT, ACT, articulated postsecondary degree programs described by Section 61.852, and certified workforce training programs described by Chapter 311, Labor Code;

(3) for students who have failed to perform satisfactorily, under each performance standard under Section 39.0241, on an assessment instrument required under Section 39.023(a) or (c), the performance of those students on subsequent assessment instruments required under those sections, aggregated by grade level and subject area;

(4) for each campus, the number of students, disaggregated by major student subpopulations, that ~~[agree under Section 28.025(b) to]~~ take courses under the foundation [minimum] high school program and take additional courses to earn an endorsement under Section 28.025(c-1), disaggregated by type of endorsement;

(5) the percentage of students, aggregated by grade level, provided accelerated instruction under Section 28.0211(c), the results of assessment instruments administered under that section, the percentage of students promoted through the grade placement committee process under Section 28.0211, the

subject of the assessment instrument on which each student failed to perform satisfactorily under each performance standard under Section 39.0241, and the performance of those students in the school year following that promotion on the assessment instruments required under Section 39.023;

(6) the percentage of students of limited English proficiency exempted from the administration of an assessment instrument under Sections 39.027(a)(1) and (2);

(7) the percentage of students in a special education program under Subchapter A, Chapter 29, assessed through assessment instruments developed or adopted under Section 39.023(b);

(8) the percentage of students who satisfy the college readiness measure;

(9) the measure of progress toward dual language proficiency under Section 39.034(b), for students of limited English proficiency, as defined by Section 29.052;

(10) the percentage of students who are not educationally disadvantaged;

(11) the percentage of students who enroll and begin instruction at an institution of higher education in the school year following high school graduation; and

(12) the percentage of students who successfully complete the first year of instruction at an institution of higher education without needing a developmental education course.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 58. Subchapter J, Chapter 39, Education Code, is amended by adding Section 39.309 to read as follows:

Sec. 39.309. TEXAS SCHOOL ACCOUNTABILITY DASHBOARD. (a) The agency shall develop and maintain an Internet website, separate from the agency's Internet website, to be known as the Texas School Accountability Dashboard for the public to access school district and campus accountability information.

(b) The commissioner shall adopt, for use on the Texas School Accountability Dashboard, a performance index in each of the following areas:

- (1) student achievement;
- (2) student progress;
- (3) closing performance gaps; and
- (4) postsecondary readiness.

(c) The Texas School Accountability Dashboard developed under Subsection (a) must include:

(1) performance information for each school district and campus in areas specified by Subsection (b) and must allow for comparison between districts and campuses in each of the areas;

(2) a comparison of the number of students enrolled in each school district, including:

(A) the percentage of students of limited English proficiency, as defined by Section 29.052;

(B) the percentage of students who are unschooled asylees or refugees, as defined by Section 39.027(a-1);

(C) the percentage of students who are educationally disadvantaged; and

(D) the percentage of students with disabilities;

(3) a comparison of performance information for each district and campus disaggregated by race, ethnicity, and populations served by special programs, including special education, bilingual education, and special language programs; and

(4) a comparison of performance information by subject area.

SECTION 59. (a) Section 39.332(b), Education Code, is amended by amending Subdivision (23) and adding Subdivision (24) to read as follows:

(23) The report must contain an evaluation of the availability of endorsements under Section 28.025(c-1), including the following information for each school district:

(A) the endorsements under Section 28.025(c-1) for which the district offers all courses for curriculum requirements as determined by board rule; and

(B) the district's economic, geographic, and demographic information, as determined by the commissioner.

(24) The report must contain any additional information considered important by the commissioner or the State Board of Education.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 60. (a) Subchapter L, Chapter 39, Education Code, is amended by adding Section 39.363 to read as follows:

Sec. 39.363. NOTICE ON AGENCY WEBSITE. Not later than October 1 of each year, the agency shall make the following information available to the public on the agency's Internet website:

(1) the letter performance rating assigned to each school district and campus under Section 39.054 and each distinction designation awarded to a school district or campus under Subchapter G;

(2) the performance rating assigned to a school district and each campus in the district by the district under Section 39.0545; and

(3) the financial accountability rating assigned to each school district and open-enrollment charter school under Section 39.082.

(b) This section applies beginning with the 2013-2014 school year.

[The bill does not contain a SECTION 61.]

SECTION 62. (a) Section 51.3062(q-1), Education Code, is amended to read as follows:

(q-1) A student who has [~~completed a recommended or advanced high school program as determined under Section 28.025 and~~] demonstrated the performance standard for college readiness as provided by Section 28.008 [~~39.024~~] on the postsecondary readiness assessment instruments adopted under Section 39.0238 for Algebra II and English III [~~end of course assessment~~

~~instruments~~] is exempt from the requirements of this section with respect to those content areas. The commissioner of higher education by rule shall establish the period for which an exemption under this subsection is valid.

(b) This section applies beginning with the 2015-2016 school year.

SECTION 63. (a) Section 51.3062, Education Code, is amended by adding Subsection (q-2) to read as follows:

(q-2) A student who successfully completes a college preparatory course under Section 28.014 is exempt from the requirements of this section with respect to the content area of the course. The commissioner of higher education by rule shall establish the period for which an exemption under this subsection is valid. The exemption applies only at the institution of higher education that partners with the school district in which the student is enrolled to provide the course, except that the commissioner by rule may determine the manner in which the exemption may be applied to institutions of higher education other than the partnering institution.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 64. (a) Section 51.803, Education Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (m) to read as follows:

(a) Subject to Subsection (a-1), each general academic teaching institution shall admit an applicant for admission to the institution as an undergraduate student if the applicant graduated with a grade point average in the top 10 percent of the student's high school graduating class in one of the two school years preceding the academic year for which the applicant is applying for admission and:

(1) the applicant graduated from a public or private high school in this state accredited by a generally recognized accrediting organization or from a high school operated by the United States Department of Defense;

(2) the applicant:

(A) successfully completed:

(i) at a public high school, the curriculum requirements established under Section 28.025 for the distinguished level of achievement under the foundation ~~[recommended or advanced]~~ high school program; or

(ii) at a high school to which Section 28.025 does not apply, a curriculum that is equivalent in content and rigor to the distinguished level of achievement under the foundation ~~[recommended or advanced]~~ high school program; or

(B) satisfied ACT's College Readiness Benchmarks on the ACT assessment applicable to the applicant or earned on the SAT assessment a score of at least 1,500 out of 2,400 or the equivalent; and

(3) if the applicant graduated from a high school operated by the United States Department of Defense, the applicant is a Texas resident under Section 54.052 or is entitled to pay tuition fees at the rate provided for Texas residents under Section 54.241(d) ~~[54.058(d)]~~ for the term or semester to which admitted.

(b) An applicant who does not satisfy the curriculum requirements prescribed by Subsection (a)(2)(A)(i) or (ii) is considered to have satisfied those requirements if the student completed the portion of the distinguished level of achievement under the foundation high school program [~~recommended or advanced~~] curriculum or of the curriculum equivalent in content and rigor, as applicable, that was available to the student but was unable to complete the remainder of the curriculum solely because courses necessary to complete the remainder were unavailable to the student at the appropriate times in the student's high school career as a result of course scheduling, lack of enrollment capacity, or another cause not within the student's control.

(d) For purposes of Subsection (c)(2), a student's official transcript or diploma must, not later than the end of the student's junior year, indicate:

(1) whether the student has satisfied or is on schedule to satisfy the requirements of Subsection (a)(2)(A)(i) or (ii), as applicable; or

(2) if Subsection (b) applies to the student, whether the student has completed the portion of the distinguished level of achievement under the foundation high school program [~~recommended or advanced~~] curriculum or of the curriculum equivalent in content and rigor, as applicable, that was available to the student.

(m) The Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to establish eligibility requirements for admission under this section as to curriculum requirements for high school graduation under Subsection (a)(2)(A) for students participating under the recommended or advanced high school program so that the admission of those students is not affected by their participation in the recommended or advanced high school program. This subsection expires September 1, 2020.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 65. (a) Section 51.805, Education Code, is amended by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) A graduating student who does not qualify for admission under Section 51.803 or 51.804 may apply to any general academic teaching institution if the student:

(1) successfully completed [~~satisfies the requirements of~~]:

(A) at a public high school, the curriculum requirements established under Section 28.025 for the foundation high school program; or

(B) at a high school to which Section 28.025 does not apply, a curriculum that is equivalent in content and rigor to the foundation high school program [~~(1) Section 51.803(a)(2)(A) or 51.803(b), as applicable to the student, or Section 51.803(a)(2)(B); or [and]~~]

(2) satisfied ACT's College Readiness Benchmarks on the ACT assessment applicable to the applicant or earned on the SAT assessment a score of at least 1,500 out of 2,400 or the equivalent [~~Sections 51.803(c)(2) and 51.803(d).~~]

(g) The Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to establish eligibility requirements for admission under this section as to curriculum requirements for high school

graduation under Subsection (a)(1) for students participating in the minimum, recommended, or advanced high school program so that the admission requirements for those students under this section are not more stringent than the admission requirements under this section for students participating in the foundation high school program. This subsection expires September 1, 2020.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 66. (a) Section 51.807(b), Education Code, is amended to read as follows:

(b) The Texas Higher Education Coordinating Board, after consulting with the Texas Education Agency, by rule shall establish standards for determining for purposes of this subchapter:

(1) whether a private high school is accredited by a generally recognized accrediting organization; and

(2) whether a person completed a high school curriculum that is equivalent in content and rigor to the curriculum requirements established under Section 28.025 for the foundation [~~recommended or advanced~~] high school program or the distinguished level of achievement under the foundation high school program.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 67. (a) Subchapter A, Chapter 56, Education Code, is amended by adding Section 56.009 to read as follows:

Sec. 56.009. ELIGIBILITY BASED ON GRADUATION UNDER CERTAIN HIGH SCHOOL PROGRAMS. To the extent that a person's eligibility to participate in any program under this chapter, including Subchapters K, Q, and R, is contingent on the person graduating under the recommended or advanced high school program, as those programs existed before the adoption of **HB 5**, 83rd Legislature, Regular Session, 2013, the Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to modify, clarify, or otherwise establish for affected programs appropriate eligibility requirements regarding high school curriculum completion.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 68. (a) Section 56.3041, Education Code, is amended to read as follows:

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013, AND ENROLLING IN A GENERAL ACADEMIC TEACHING INSTITUTION. (a) Notwithstanding Section 56.304(a), to be eligible initially for a TEXAS grant, a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution must:

(1) be a resident of this state as determined by coordinating board rules;

(2) meet the academic requirements prescribed by Paragraph (A), (B), or (C) as follows:

(A) be a graduate of a public or accredited private high school in this state who completed the foundation [~~recommended~~] high school program established under Section 28.025 or its equivalent and have accomplished any two or more of the following:

(i) ~~graduation under the advanced high school program established under Section 28.025 or its equivalent;~~ successful completion of the course requirements of the international baccalaureate diploma program~~;~~ or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Sections 28.009(a)(1), (2), and (3);

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the coordinating board under Section 51.3062(f) on any assessment instrument designated by the coordinating board under Section 51.3062(c) ~~or (e)~~ or qualification for an exemption as described by Section 51.3062(p), (q), or (q-1);

(iii) graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four-point scale or the equivalent; or

(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course~~;~~ ~~as permitted by Section 28.025(b-3);~~ or at least one advanced career and technical or technology applications course~~;~~ ~~as permitted by Section 28.025(b-2);~~

(B) have received an associate degree from a public or private institution of higher education; or

(C) if sufficient money is available, meet the eligibility criteria described by Section 56.304(a)(2)(A);

(3) meet financial need requirements established by the coordinating board;

(4) be enrolled in an undergraduate degree or certificate program at the general academic teaching institution;

(5) except as provided under rules adopted under Section 56.304(h), be enrolled as:

(A) an entering undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 16th month after the calendar month in which the person graduated from high school;

(B) an entering undergraduate student who entered military service not later than the first anniversary of the date the person graduated from high school and who enrolled for at least three-fourths of a full course load, as determined by the coordinating board, at the general academic teaching institution not later than 12 months after being honorably discharged from military service; or

(C) a continuing undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 12th month after the calendar month in which the person received an associate degree from a public or private institution of higher education;

(6) have applied for any available financial aid or assistance; and

(7) comply with any additional nonacademic requirements adopted by the coordinating board under this subchapter.

(b) For purposes of Subsection (a)(2)(A), a student who graduated under the recommended or advanced high school program is considered to have successfully completed the curriculum requirements of Section 51.803(a)(2)(A)(i). This subsection expires September 1, 2020.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 69. (a) Section 61.0517(a), Education Code, is amended to read as follows:

(a) In this section, "applied STEM course" means an applied science, technology, engineering, or mathematics course offered as part of a school district's career and technology education or technology applications curriculum and approved, as provided by Section 28.027, by the State Board of Education for purposes of satisfying the mathematics and science curriculum requirements for the foundation [~~recommended~~] high school program [~~imposed~~] under Section 28.025 [~~28.025(b-1)(1)(A)~~].

(b) This section applies beginning with the 2014-2015 school year.

SECTION 70. (a) Section 61.792(b), Education Code, is amended to read as follows:

(b) To qualify for a scholarship under this section, a student must:

(1) have graduated with a grade point average in the top 20 percent of the student's high school graduating class;

(2) have graduated from high school with a grade point average of at least 3.5 on a four-point scale or the equivalent in mathematics and science courses offered under the foundation [~~recommended or advanced~~] high school program under Section 28.025 [~~28.025(a)~~]; and

(3) maintain an overall grade point average of at least 3.0 on a four-point scale at the general academic teaching institution or the private or independent institution of higher education in which the student is enrolled.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 71. (a) Section 61.852(a), Education Code, is amended to read as follows:

(a) A tech-prep program is a program of study that:

(1) combines at least two years of secondary education with at least two years of postsecondary education in a nonduplicative, sequential course of study based on the foundation [~~recommended~~] high school program adopted by the State Board of Education under Section 28.025 [~~28.025(a)~~];

(2) integrates academic instruction and vocational and technical instruction;

(3) uses work-based and worksite learning where available and appropriate;

(4) provides technical preparation in a career field such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, health occupations, business, or applied economics;

(5) builds student competence in mathematics, science, reading, writing, communications, economics, and workplace skills through applied, contextual academics and integrated instruction in a coherent sequence of courses;

(6) leads to an associate degree, two-year postsecondary certificate, or postsecondary two-year apprenticeship with provisions, to the extent applicable, for students to continue toward completion of a baccalaureate degree; and

(7) leads to placement in appropriate employment or to further education.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 72. (a) Section 61.855(d), Education Code, is amended to read as follows:

(d) A tech-prep program must:

(1) be implemented under an articulation agreement between the participants in the consortium;

(2) consist of two to four years of secondary school preceding graduation and:

(A) two or more years of higher education; or

(B) two or more years of apprenticeship following secondary instruction;

(3) have a common core of required proficiency based on the foundation ~~[recommended]~~ high school program adopted by the State Board of Education under Section 28.025 ~~[28.025(a)]~~, with proficiencies in mathematics, science, reading, writing, communications, and technologies designed to lead to an associate's degree or postsecondary certificate in a specific career field;

(4) include the development of tech-prep program curricula for both secondary and postsecondary participants in the consortium that:

(A) meets academic standards developed by the state;

(B) links secondary schools and two-year postsecondary institutions, and, if practicable, four-year institutions of higher education through nonduplicative sequences of courses in career fields, including the investigation of opportunities for tech-prep students to enroll concurrently in secondary and postsecondary course work;

(C) uses, if appropriate and available, work-based or worksite learning in conjunction with business and all aspects of an industry; and

(D) uses educational technology and distance learning, as appropriate, to involve each consortium participant more fully in the development and operation of programs;

(5) include in-service training for teachers that:

(A) is designed to train vocational and technical teachers to effectively implement tech-prep programs;

(B) provides for joint training for teachers in the tech-prep consortium;

(C) is designed to ensure that teachers and administrators stay current with the needs, expectations, and methods of business and of all aspects of an industry;

(D) focuses on training postsecondary education faculty in the use of contextual and applied curricula and instruction; and

(E) provides training in the use and application of technology;

(6) include training programs for counselors designed to enable counselors to more effectively:

- (A) provide information to students regarding tech-prep programs;
- (B) support student progress in completing tech-prep programs;
- (C) provide information on related employment opportunities;
- (D) ensure that tech-prep students are placed in appropriate employment; and
- (E) stay current with the needs, expectations, and methods of business and of all aspects of an industry;

(7) provide equal access to the full range of tech-prep programs for individuals who are members of special populations, including by the development of tech-prep program services appropriate to the needs of special populations; and

(8) provide for preparatory services that assist participants in tech-prep programs.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 73. (a) Section 61.861(c), Education Code, is amended to read as follows:

(c) A course developed for purposes of this section must:

(1) provide content that enables a student to develop the relevant and critical skills needed to be prepared for employment or additional training in a high-demand occupation;

(2) incorporate college and career readiness skills as part of the curriculum;

(3) be offered for dual credit; and

(4) satisfy a mathematics or science requirement under the foundation [~~recommended or advanced~~] high school program as determined under Section 28.025.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 74. (a) Section 61.864, Education Code, is amended to read as follows:

Sec. 61.864. REVIEW OF COURSES. Courses for which a grant is awarded under this subchapter shall be reviewed by the commissioner of higher education and the commissioner of education, in consultation with the comptroller and the Texas Workforce Commission, once every four years to determine whether the course:

(1) is being used by public educational institutions in this state;

(2) prepares high school students with the skills necessary for employment in the high-demand occupation and further postsecondary study; and

(3) satisfies a mathematics or science requirement for the foundation [~~recommended or advanced~~] high school program as determined under Section 28.025.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 75. (a) Section 78.10(b), Education Code, is amended to read as follows:

(b) The Texas Academy of Mathematics and Science is a division of The University of Texas at Brownsville and is under the management and control of the board. The academy serves the following purposes:

(1) to provide academically gifted and highly motivated junior and senior high school students with a challenging university-level curriculum that:

(A) allows students to complete high school graduation requirements ~~[, including requirements adopted under Section 28.025]~~ for the foundation [advanced] high school program and the distinguished level of achievement under the foundation high school program and earn appropriate endorsements as provided by Section 28.025, while attending for academic credit a public institution of higher education;

(B) fosters students' knowledge of real-world mathematics and science issues and applications and teaches students to apply critical and computational thinking and problem-solving skills to those issues and problems;

(C) includes the study of English, foreign languages, social studies, mathematics, science, and technology; and

(D) offers students learning opportunities related to mathematics and science through in-depth research and field-based studies;

(2) to provide students with an awareness of mathematics and science careers and professional development opportunities through seminars, workshops, collaboration with postsecondary and university students including opportunities for summer studies, internships in foreign countries, and similar methods; and

(3) to provide students with social development activities that enrich the academic curriculum and student life, including, as determined appropriate by the academy, University Interscholastic League activities and other extracurricular activities.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 76. (a) Section 87.505(b), Education Code, is amended to read as follows:

(b) The Texas Academy of International Studies is a division of Texas A&M International University and is under the management and control of the board. The academy serves the following purposes:

(1) to provide academically gifted and highly motivated junior and senior high school students with a challenging university-level curriculum that:

(A) allows students to complete high school graduation requirements ~~[, including requirements adopted under Section 28.025]~~ for the foundation [advanced] high school program and the distinguished level of achievement under the foundation high school program and earn appropriate endorsements as provided by Section 28.025, while attending for academic credit a public institution of higher education;

(B) fosters students' knowledge of real-world international issues and problems and teaches students to apply critical thinking and problem-solving skills to those issues and problems;

(C) includes the study of English, foreign languages, social studies, anthropology, and sociology;

(D) is presented through an interdisciplinary approach that introduces and develops issues, especially issues related to international concerns, throughout the curriculum; and

(E) offers students learning opportunities related to international issues through in-depth research and field-based studies;

(2) to provide students with an awareness of international career and professional development opportunities through seminars, workshops, collaboration with postsecondary students from other countries, summer academic international studies internships in foreign countries, and similar methods; and

(3) to provide students with social development activities that enrich the academic curriculum and student life, including, as determined appropriate by the academy, University Interscholastic League activities and other extracurricular activities generally offered by public high schools.

(b) This section applies beginning with the 2014-2015 school year.

SECTION 77. (a) Section 130.008, Education Code, is amended by amending Subsection (d) and adding Subsection (f) to read as follows:

(d) A ~~Except as provided by Subsection (d-1), a~~ public junior college may enter into an agreement with a school district, organization, or other person that operates a high school to offer a course as provided by this section regardless of whether the high school is located within the service area of the junior college district.

(f) Except as provided by this section, a student may not enroll in more than three courses under this section at a junior college if the junior college does not have a service area that includes the student's high school. A student enrolled at an early college high school may enroll in a greater number of courses to the extent approved by the commissioner of education.

(b) This section applies beginning with the 2013-2014 school year.

SECTION 78. (a) Effective September 1, 2013, the following sections of the Education Code are repealed:

- (1) Sections 29.190(b), (d), and (e);
- (2) Sections 39.024(b), (c), (d), (e), (f), (g), and (h);
- (3) Section 39.0241(a-2);
- (4) Section 39.0242;
- (5) Sections 39.025(a-2) and (a-3); and
- (6) Section 130.008(d-1).

(b) Effective September 1, 2014, the following provisions of the Education Code are repealed:

- (1) Section 28.002(q);
- (2) Sections 28.0212(e) and (g);
- (3) Sections 28.025(b-6), (b-8), and (g);
- (4) Section 39.0822; and
- (5) Sections 39.0823(b) and (c).

SECTION 79. (a) Except as provided by Subsection (b) of this section, Section 39.025, Education Code, as amended by Sections 35 and 36 of this Act, as related to reducing end-of-course testing requirements, applies only to students who have entered or will enter the ninth grade during the 2011-2012 school year or a later school year.

(b) Students who have entered the ninth grade during or after the 2011-2012 school year and before the 2013-2014 school year may be administered only those end-of-course assessment instruments that would have been administered to those students under Section 39.025, Education Code, as amended by Section 35 of this Act, and Section 39.025, Education Code, as amended by Section 35 of this Act, is continued in effect for purposes of satisfying those end-of-course testing requirements.

(c) The commissioner of education may by rule adopt a transition plan to implement the amendments made by this Act relating to end-of-course testing requirements during the 2013-2014 and 2014-2015 school years.

SECTION 80. Not later than October 1, 2013, the commissioner of education shall adopt rules to administer Section 39.025(a-1), Education Code, as amended by this Act.

SECTION 81. Section 39.027(a-2), Education Code, as added by this Act, applies to a student regardless of the date on which the student initially enrolled in a school in the United States.

SECTION 82. If, on September 1, 2013, a person is serving on a committee or panel that advises the commissioner of education or the Texas Education Agency who would not be eligible for appointment under Section 39.038, Education Code, as added by this Act, the person's position on the committee or panel becomes vacant and shall be filled in accordance with applicable law.

SECTION 83. (a) The Texas Education Agency, in collaboration with the Texas Higher Education Coordinating Board and the Texas Workforce Commission, shall, through an external evaluator at a center for education research authorized by Section 1.005, Education Code, evaluate the implementation of the changes made by this Act to the curriculum requirements for high school graduation. The evaluation must include an estimation of this Act's effect on high school graduation rates, college readiness, college admissions, college completion, obtainment of workforce certificates, employment rates, and earnings.

(b) The commissioner of education shall submit an initial report regarding the review to the governor, lieutenant governor, and members of the legislature not later than December 1, 2015. The commissioner of education shall submit a final report regarding the review to the governor, lieutenant governor, and members of the legislature not later than December 1, 2017.

SECTION 84. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Aycock moved to adopt the conference committee report on **HB 5**.

The motion to adopt the conference committee report on **HB 5** prevailed by (Record 1345): 147 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Longoria.

STATEMENT OF VOTE

When Record No. 1345 was taken, I was in the house but away from my desk. I would have voted yes.

Longoria

SB 1596 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative E. Rodriguez submitted the conference committee report on **SB 1596**.

SB 1596 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE HOWARD: I think you have a good bill. I do have some questions though about one of the amendments that you have added to the bill. Representative Workman's amendment addresses the safety and emergency services districts and specifically would curtail their authority in two portions of the statute, is that correct?

REPRESENTATIVE E. RODRIGUEZ: I think that's partially correct, Ms. Howard. I would say that there was some controversy on whether or not the current law allows that or not, but certainly, I would agree with you.

HOWARD: But it does curtail the ESD's authority? Is that correct?

E. RODRIGUEZ: I would agree with that, yes.

HOWARD: And was the primary concern—with curtailing the ESD's authority—cost?

E. RODRIGUEZ: I think that for some people it predominantly was cost for construction of homes and other type buildings.

HOWARD: And at the same time, did we not limit the funds that these rural fire departments may collect?

E. RODRIGUEZ: That's correct.

HOWARD: We heard from cities and WCIDs that the alternative to increasing infrastructure costs for fire flow is to have sprinkler systems. Adding sprinkler systems could decrease the capital investment needed for improved fire flow to hydrants. Does it not seem that improving fire flow to hydrants rather than installing sprinkler systems may be shifting the cost away from builders and onto local utilities? Is that a possibility anyway?

E. RODRIGUEZ: That's certainly a possibility.

HOWARD: Did you receive a letter from the head of the Lake Travis Fire and Rescue's Fire Prevention Division that contains this passage: "When, as emergency responders, we are forced to be reactive to a life-threatening incident, and we are fortunate enough to preserve a life, we are touted as the local heroes—the saviors of the community. But when serving in the proactive roles of plan and code administrators, we are criticized as unreasonable, overbearing, and a financial burden on society." Did you see that letter?

E. RODRIGUEZ: I received that letter via e-mail a few hours ago—I did.

HOWARD: Do you believe that this body should perhaps study how to best integrate fire prevention with local communities, ESDs, water utilities, and even the extension services of A&M?

E. RODRIGUEZ: Yes, I do. I fully agree with that. I'd love to work with you over the interim and see what we can do to come up with some good language for next session.

HOWARD: I would very much appreciate that.

REMARKS ORDERED PRINTED

Representative Howard moved to print remarks between Representative E. Rodriguez and Representative Howard.

The motion prevailed.

Representative E. Rodriguez moved to adopt the conference committee report on **SB 1596**.

The motion to adopt the conference committee report on **SB 1596** prevailed by (Record 1346): 147 Yeas, 1 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

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. 11).

SB 2 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Aycock submitted the conference committee report on **SB 2**.

SB 2 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE RATLIFF: Chairman Aycock, there have been some questions today about whether or not charter schools from outside of our state are subject to the limitation on the number of charter schools in the bill. Is it your intent that state charters are subject to the same cap in limits as the—out-of-state charters are subject to the same caps in limits as the in-state charters?

REPRESENTATIVE AYCOCK: Yes. These are what we call the high performing out-of-state charters that are wanting to come into the State of Texas and provide charter contracts in the State of Texas. Those high performing out-of-state charters would be included under the number in the cap, and it's the intent of this bill, both in the house and the senate—I've talked to Senator Patrick—that the charters granted to out-of-state entities are subject to the limitations of the number of charter schools in the bill. In fact, I think we'll probably—since that language is a little vague—we will probably offer a clarifying technical correction tomorrow.

RATLIFF: I just wanted to make sure that was documented for legislative intent. Just also for some of the members in the chamber that have asked me, I did want to clarify that it is indeed true that the special education charters did stay in the bill through the conference committee. Is that accurate?

AYCOCK: That's accurate. They are not under the cap, and as we said when we brought it up the first time, no one has successfully operated one of them for any length of time. They're financially difficult to operate, so I'm not promising people will get them, but they're certainly allowed and they're not under the cap.

RATLIFF: Right, but they are capped at the five that we had in the amendment on the floor?

AYCOCK: There could be five of them given permission to try and make it work, and we need them. If someone can make it work, we need those desperately.

RATLIFF: Great.

REPRESENTATIVE FARNEY: Chairman Aycock, after visiting with many people today, there seems to be some concern about the role of the State Board of Education in doing the vetting of these charters that come up. I wanted to clarify—or ask you—is it clear that it's the legislative intent that the State Board of Education still has total authority to vet and interview charter applicants before the State Board of Education decides whether to approve or veto a charter?

AYCOCK: Yes it is, and as you know, this language will be read on Senator Patrick's part on the other end of the hall. The State Board still has total authority to vet and interview charter applicants before the SBOE decides whether to approve or veto those charter applications.

FARNEY: Thank you, Chairman. I know that's important because people want to make sure that an elected body is involved in making those decisions.

REPRESENTATIVE VILLARREAL: Chairman Aycock, can you first explain the mechanics of how a school district may act to turn a failing school into a charter, specifically, what qualifies a school in **SB 2** as a failing school?

AYCOCK: Academically unacceptable for one year.

VILLARREAL: Now I have another line of questions, and I want to address this issue of the creation of a district charter. I've received a number of communications from teachers and teachers' union groups characterizing what we're doing in **SB 2** as expanding an ISD's ability to create district charters, which could end up creating a run around Chapter 21 and Chapter 37 provisions. The basic claim is that with **SB 2**, school districts, by vote of a majority of the trustees, will convert existing campuses into charters and eliminate protections found in Chapters 21 and 37. Doesn't that presume that under current law they can't do that already?

AYCOCK: Under current law, they could if they chose—I believe by majority vote, I don't have that statute in front of me—I believe it's majority of the vote they could in fact, presently, if they chose to, charterize the school and take an

outside operator to operate that school. The significant difference, in what used to be Section 2, now Section 3 of the bill, is that in fact they could now take those same Chapter 21 situations and those same 39 situations and use them as though they were Subchapter (d) charter schools—or what we call open-enrollment rules—and apply those under the control of the board without having to remove that school from the district. Under present law, they would have to be turned over to a charter management operator. Under this new section, if I'm reading it correctly—I believe I am—they would in fact be able to do it under the present board that they have.

VILLARREAL: So the real difference then—the expansion of current law is only that—really two things. Number one, that a school board can choose to convert an existing campus into a charter and manage it itself. Today they can currently convert that existing charter, but they have to have a third party manage it. So with **SB 2**, they don't have to have a third party manage it, they get to manage it.

AYCOCK: I think it's far better to give those rights and privileges to a local board and let them use them as they see fit locally than to require that local board to take that school out from under their control and turn it over to charter management organizations.

VILLARREAL: So in a way, if you trust your local school board, this law, **SB 2**, actually empowers the school board to do this conversion, but not have to contract out with a third party.

AYCOCK: That's correct. It leaves them in control of the local school board.

VILLARREAL: Now the second change in current law that **SB 2** proposes to make is that in creating a charter at an existing campus, the school board does not have to provide a privilege to students to opt out of that campus.

REPRESENTATIVE TOTH: I understand from the conference committee that the State Board of Education has been taken out of the process?

AYCOCK: No, they have not been taken out of the process.

TOTH: They're allowed to be involved in vetoing it, but as far as the process leading up to that, they've been taken out of the equation?

AYCOCK: The State Board of Education presently has a committee that does all the vetting, all the paperwork, and reviews all the charter applicants. Much of the technical part of that is already done by the commissioner. There will be more of it under this bill, if it becomes law, that is done by the commissioner and less of it done by the State Board of Education. That's a fair assessment.

TOTH: The legislative intent though is to keep them in the process, not just to veto it, or approve it, but to include them in the process—

AYCOCK: Yes, that's the language we read in a while ago. They will have a member directly associated with the commissioner's efforts; they will continue to be able to interview the applicants, to vet the material, to look through the

applications thoroughly. It is not our intent that they be removed from that process, but instead that they retain both access to that process, and the final veto authority to approve or disapprove those charters that are recommended to them.

REPRESENTATIVE BURNAM: I appreciate your work, but you know I have a lot of concerns about the charter schools and how they're not exactly compared fairly to what I consider the real public schools. I'd like to ask you a couple of questions. Does Chapter 37, Student Discipline, apply to these district charters?

AYCOCK: Thirty-seven would not, probably. I don't have my textbook in front of me.

BURNAM: Well, I'm told the answer is no.

AYCOCK: That's what I said, I do not believe it applies.

BURNAM: Do these district charter schools have to have disciplinary alternative education programs?

AYCOCK: No, they do not.

BURNAM: And since they do not have the DAEPs, is there any limitation on the ability of the district charter campuses to suspend the student or expel the student?

AYCOCK: They can expel students, but they would have a difficult time knowing where to go.

BURNAM: Would you say the last part—but they have to what?

AYCOCK: They wouldn't have a place to go, basically.

BURNAM: Are these district charter campuses subject to the elementary class size limits, including the requirements to notify parents if they exceed 22 students in the K-4 program?

AYCOCK: No, they are not subject to the 22 to 1 rule.

BURNAM: So there's a whole litany of standards that we expect our true public schools to meet that the charter schools are not held accountable for. Is that correct?

AYCOCK: The traditional schools that are not under these rules have to comply with rules that Subchapter (d) charters do not have to comply with. The change that would be made by this bill would give the local school districts the ability to operate low-performing campuses under the same rules as the Subchapter (d) open-enrollment charters operate.

BURNAM: But they don't have to meet these same standards?

AYCOCK: That's right. They're not the same standards that the typical school has to operate under.

REPRESENTATIVE C. TURNER: Mr. Chairman, I understand it—as you were talking about—the difference between this bill and current law is that under current law, if a school district charterizes a school, it has to be run by a third party, and under **SB 2**, the district can continue to manage it as a charter school.

AYCOCK: That's correct.

C. TURNER: What is the change as it relates to the feeder pattern of a high school and charterizing that entire feeder pattern? Can you tell me how that is different from what we have currently?

AYCOCK: The feature is limited to 15 percent of the district, or one feeder pattern. The thinking being that most high schools and middle schools that are having problems with low performance are also being fed by elementary schools that have low performance. And it's believed generally that the remedy for that is if you're going to charterize a school, it might be wise if you have a low-performing elementary, a low-performing middle, and a low-performing high school, that you might want to get that whole feeder pattern and take it under those rules.

C. TURNER: Okay, so right now, under current law, if a school is low-performing for one year, the district can choose to make it a charter and outsource it to a third party?

AYCOCK: Under Section 3—used to be Section 2, as I said—they do not have to outsource it to a third party. That's the big difference in this. Under present law, they would have to outsource it to a third party.

C. TURNER: Okay, so under **SB 2** they can do it themselves, but if they say a high school is low-performing—is it for one year that—

AYCOCK: One year of low-performing brings them under the rule.

C. TURNER: Then they can charterize that high school and that school's entire feeder pattern under **SB 2**?

AYCOCK: I'd have to go back and read that one to tell you the truth. I don't think so. I think all three would have to be low-performing.

C. TURNER: Okay, that's my question. Each campus has to be low-performing?

AYCOCK: That's my understanding.

C. TURNER: Not just the high school being low-performing wouldn't automatically bring them together?

AYCOCK: That's right, and it couldn't exceed 15 percent of the district.

C. TURNER: Okay.

REPRESENTATIVE PHILLIPS: Could you tell us which amendments we passed that stayed on?

AYCOCK: I can.

PHILLIPS: And particularly the accountability with the transparency with the checks list, did that stay on?

AYCOCK: The Zedler amendment about posting checks did not stay on. It was felt that for a small operation with just a couple hundred students, that that was probably not a functional deal for some of those small charters.

PHILLIPS: And do regular school districts have to do that?

AYCOCK: Regular school districts have to do that.

PHILLIPS: You know, I've got some school districts that have just a few hundred people in them. Did you know that?

AYCOCK: I understand.

PHILLIPS: So, what about some of the other accountability measures we put on? How about—

AYCOCK: You want to know the ones that came off? Is that the ones you want to know mainly?

PHILLIPS: Yes.

AYCOCK: Okay. The Huberty amendment that required, what we call requirements for charter school providers—it had to do with **HB 1929** language. Once that bill began to move, it was not necessary, so that one was removed. Chris Turner had an amendment about the qualifications of administrators, requiring them to be college graduates, and we changed that to principals instead of administrators.

PHILLIPS: So we can have administrators that don't have to have college—

AYCOCK: Yes, there might be some facilities administrators or other types of non-instructional folks that do not have to be college qualified.

PHILLIPS: So could the school counselors not have to have graduate degrees?

AYCOCK: If they're instructional people, they still have to be college graduates, which includes the principal and all instructional staff.

PHILLIPS: But if they're an assistant superintendent over curriculum, they wouldn't have to?

AYCOCK: If they're an assistant superintendent, they would have to. It says principals and teachers—maybe a superintendent wouldn't, now that I think about that language, but the principals, teachers, and instructional staff would have to be. One other word on the Burnam amendment about reports comparing schools; we had the ESCs do the report rather than the commissioner do the report, the other change. And other than that, it in fact stayed with all of our amendments beside those I just described.

PHILLIPS: Okay. What about the requirement that the majority of the board live in the district? Or being able to vote in the district?

AYCOCK: Being qualified voters, yes, that stayed in.

PHILLIPS: That stayed in?

AYCOCK: That stayed in.

PHILLIPS: Okay. Besides that, this bill raises the cap—

AYCOCK: Essentially raises the cap to 305. Our bill raises 275.

Representative Aycock moved to adopt the conference committee report on **SB 2**.

The motion to adopt the conference committee report on **SB 2** prevailed by (Record 1347): 105 Yeas, 41 Nays, 1 Present, not voting.

Yeas — Alvarado; Anchia; Anderson; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Callegari; Capriglione; Carter; Clardy; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Deshotel; Eiland; Elkins; Fallon; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; Gonzalez, N.; Gooden; Guerra; Guillen; Harless; Harper-Brown; Hernandez Luna; Hilderbran; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Lozano; Márquez; Miller, D.; Miller, R.; Morrison; Murphy; Orr; Otto; Paddie; Parker; Patrick; Perry; Pickett; Pitts; Raney; Ratliff; Raymond; Riddle; Ritter; Sanford; Schaefer; Sheets; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stickland; Strama; Taylor; Thompson, E.; Toth; Turner, C.; Turner, E.S.; Villalba; Villarreal; White; Workman; Wu; Zedler; Zerwas.

Nays — Allen; Alonzo; Ashby; Burnam; Canales; Collier; Cortez; Davis, Y.; Dukes; Dutton; Farias; Farrar; Giddings; González, M.; Gutierrez; Herrero; Howard; King, T.; Longoria; Martinez; Martinez Fischer; McClendon; Miles; Moody; Muñoz; Naishtat; Nevárez; Oliveira; Perez; Phillips; Price; Reynolds; Rodriguez, E.; Rodriguez, J.; Rose; Sheffield, J.; Stephenson; Thompson, S.; Turner, S.; Vo; Walle.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Coleman; Menéndez.

HB 3569 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Kleinschmidt submitted the following conference committee report on **HB 3569**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3569** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Uresti
Hegar
Hinojosa
Schwertner

Kleinschmidt
Anderson
Guillen
White
Kacal

On the part of the senate

On the part of the house

HB 3569, A bill to be entitled An Act relating to activities conducted in connection with a state or federal disease control or eradication program for animals.

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

SECTION 1. Subchapter C, Chapter 161, Agriculture Code, is amended by adding Section 161.0417 to read as follows:

Sec. 161.0417. AUTHORIZED PERSONNEL FOR DISEASE CONTROL. (a) A person, including a veterinarian, must be authorized by the commission in order to engage in an activity that is part of a state or federal disease control or eradication program for animals.

(b) The commission shall adopt rules for the authorization of a person described by Subsection (a).

(c) The commission may, after reasonable notice, suspend or revoke a person's authorization under Subsection (a) if the commission determines that the person has substantially failed to comply with this chapter or rules adopted under this chapter.

(d) A person is entitled to a hearing before the commission or a hearing examiner appointed by the commission before the commission may revoke the person's authorization under Subsection (a). The commission shall make all final decisions to suspend or revoke an authorization.

(e) This section does not affect the requirement for a license or an exemption under Chapter 801, Occupations Code, to practice veterinary medicine.

SECTION 2. Section 161.0601(a), Agriculture Code, is amended to read as follows:

(a) The commission by rule may provide for the issuance, including electronically, of a certificate of veterinary inspection by a veterinarian to a person transporting livestock, exotic livestock, domestic fowl, or exotic fowl.

SECTION 3. Not later than December 1, 2013, the Texas Animal Health Commission shall adopt rules as required by Section 161.0417, Agriculture Code, as added by this Act.

SECTION 4. This Act takes effect September 1, 2013.

Representative Kleinschmidt moved to adopt the conference committee report on **HB 3569**.

The motion to adopt the conference committee report on **HB 3569** prevailed by (Record 1348): 147 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick;

Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Menéndez.

HB 29 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Branch submitted the following conference committee report on **HB 29**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
 President of the Senate

The Honorable Joe Straus
 Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 29** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Seliger	Branch
West	Button
Watson	Burkett
Duncan	Alvarado
On the part of the senate	On the part of the house

HB 29, A bill to be entitled An Act relating to requiring certain general academic teaching institutions to offer a fixed tuition price plan to undergraduate students.

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

SECTION 1. Subchapter A, Chapter 54, Education Code, is amended by adding Section 54.017 to read as follows:

Sec. 54.017. FIXED TUITION PRICE PLAN FOR UNDERGRADUATE STUDENTS AT CERTAIN GENERAL ACADEMIC TEACHING INSTITUTIONS. (a) In this section, "general academic teaching institution" and "public state college" have the meanings assigned by Section 61.003.

(b) This section applies only to a general academic teaching institution other than a public state college.

(c) The governing board of an institution to which this section applies shall offer entering undergraduate students, including undergraduate students who transfer to the institution, the opportunity to participate in a fixed tuition price plan under which the institution agrees not to increase tuition charges per semester credit hour for a participating student for at least the first 12 consecutive semesters that occur after the date of the student's initial enrollment at any public or private institution of higher education, regardless of whether the student enrolls at any institution in those semesters, and subject to any restrictions or qualifications adopted by the governing board. For purposes of this section, one or more summer terms occurring in the same summer is considered a semester.

(d) Unless the institution does not offer other tuition payment options, an institution to which this section applies may require an entering undergraduate student to accept or reject participation in the fixed tuition price plan offered under this section before the date of the student's initial enrollment at the institution.

(e) This section does not require an institution to which this section applies to offer a variable tuition price plan or other tuition payment options to undergraduate students enrolled in the institution.

(f) Fees charged by an institution to a student participating in a fixed tuition price plan under this section may not exceed the fees charged by the institution to a similarly situated student who elects not to participate in the plan, if the institution offers other tuition payment options. For purposes of this subsection, students are similarly situated if they share the same residency status, degree program, course load, course level, and other circumstances affecting the fees charged to the students.

(g) This section does not apply to the tuition charged by an institution to which this section applies to a student who enters the institution for the first time before the 2014 fall semester.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Branch moved to adopt the conference committee report on **HB 29**.

The motion to adopt the conference committee report on **HB 29** prevailed by (Record 1349): 147 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick;

Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Menéndez.

HR 3013 - ADOPTED (by Raymond)

The following privileged resolution was laid before the house:

HR 3013

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 7** (improving the delivery and quality of certain health and human services, including the delivery and quality of Medicaid acute care services and long-term services and supports) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding proposed SECTION 2.03 to ARTICLE 2 of the bill to read as follows:

SECTION 2.03. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00285 to read as follows:

Sec. 533.00285. STAR + PLUS QUALITY COUNCIL. (a) The STAR + PLUS Quality Council is established to advise the commission on the development of policy recommendations that will ensure eligible recipients receive quality, person-centered, consumer-directed acute care services and long-term services and supports in an integrated setting under the STAR + PLUS Medicaid managed care program.

(b) The executive commissioner shall appoint the members of the council, who must be stakeholders from the acute care services and long-term services and supports community, including:

- (1) representatives of health and human services agencies;
- (2) recipients under the STAR + PLUS Medicaid managed care program;
- (3) representatives of advocacy groups representing individuals with disabilities and seniors who are recipients under the STAR + PLUS Medicaid managed care program;
- (4) representatives of service providers for individuals with disabilities;
- and
- (5) representatives of health maintenance organizations.
- (c) The executive commissioner shall appoint the presiding officer of the council.
- (d) The council shall meet at least quarterly or more frequently if the presiding officer determines that it is necessary to carry out the responsibilities of the council.
- (e) Not later than November 1 of each year, the council in coordination with the commission shall submit a report to the executive commissioner that includes:
 - (1) an analysis and assessment of the quality of acute care services and long-term services and supports provided under the STAR + PLUS Medicaid managed care program;
 - (2) recommendations regarding how to improve the quality of acute care services and long-term services and supports provided under the program;
 - and
 - (3) recommendations regarding how to ensure that recipients eligible to receive services and supports under the program receive person-centered, consumer-directed care in the most integrated setting achievable.
- (f) Not later than December 1 of each even-numbered year, the commission, in consultation with the council, shall submit a report to the legislature regarding the assessments and recommendations contained in any report submitted by the council under Subsection (e) during the most recent state fiscal biennium.
- (g) The council is subject to the requirements of Chapter 551.
- (h) A member of the council serves without compensation.
- (i) On January 1, 2017:
 - (1) the council is abolished; and
 - (2) this section expires.

Explanation: The change is necessary to establish the STAR + PLUS Quality Council and provide for the operation and duties of the council.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding proposed SECTION 2.13 to ARTICLE 2 of the bill to read as follows:

SECTION 2.13. (a) Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission shall appoint the members of the STAR + PLUS Quality Council as required by Section 533.00285, Government Code, as added by this article.

(b) The STAR + PLUS Quality Council, in coordination with the Health and Human Services Commission, shall submit:

(1) the initial report required under Subsection (e), Section 533.00285, Government Code, as added by this article, not later than November 1, 2014; and
(2) the final report required under that subsection not later than November 1, 2016.

(c) The Health and Human Services Commission shall submit:

(1) the initial report required under Subsection (f), Section 533.00285, Government Code, as added by this article, not later than December 1, 2014; and
(2) the final report required under that subsection not later than December 1, 2016.

Explanation: The change is necessary to ensure the appointment of members to the STAR + PLUS Quality Council by October 1, 2013, and to establish the dates by which certain reports required under Section 533.00285, Government Code, must be submitted by the council and by the Health and Human Services Commission.

(3) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding proposed SECTION 2.16 to ARTICLE 2 of the bill to read as follows:

SECTION 2.16. Not later than September 15, 2013, the governor, lieutenant governor, and speaker of the house of representatives shall appoint the members of the STAR + PLUS Nursing Facility Advisory Committee as required by Section 533.00252, Government Code, as added by this article.

Explanation: The change is necessary to ensure the appointment of members to the STAR + PLUS Nursing Facility Advisory Committee by September 15, 2013.

HR 3013 was adopted by (Record 1350): 142 Yeas, 3 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kagal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; Workman; Wu; Zerwas.

Nays — Simpson; Stickland; White.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Menéndez; Pickett; Zedler.

SB 7 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Raymond submitted the conference committee report on **SB 7**.

SB 7 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE LEACH: Chairman Raymond, first of all, I just want to thank you. I want to thank Chairman Zerwas and the other members on the conference committee for their work on this bill. Before the amendment from the other night, I thought it was a good piece of legislation, so I just want to commend you for your work. I would ask, for legislative intent, for you to clarify for the body and for the record, exactly what changes you made to the amendment, if you could just clarify that.

REPRESENTATIVE RAYMOND: Well, for example, this bill is specifically dealing with the IDD population of services for IDD and nursing homes. Again, your amendment was much broader than that, and it put in peril—for example, the way it was written—what we're trying to do with this bill, right, is help folks who are in nursing homes, help folks who are in the IDD population—intellectual and developmental disabilities—the disabled community in our state. We have, through the years, been able to get waivers for them to get certain services, right? And the way you'd written this thing, as we transition into this system which we hope will provide them better services that will help them rehabilitate, that will help them become more self-sufficient—they may then qualify to move from this waiver to this one which may cost less. The way you'd written it, it would prevent that from happening, and it put a lot of uncertainty in what we're trying to do. So again, what we did do is we kept language that said that "under this Act, the Health and Human Services Commission may only provide medical assistance to a person who would have been otherwise eligible for medical assistance or for whom federal matching funds were available under the eligibility criteria for medical assistance," and we kept your date of December 31, 2013. So again, we made it clear that this bill was never about expanding eligibility—expanding Medicaid—and so that language makes sure that it doesn't.

REMARKS ORDERED PRINTED

Representative Leach moved to print remarks between Representative Raymond and Representative Leach.

The motion prevailed.

REPRESENTATIVE KLICK: As I understand it, the bill has the possibility that those that are receiving IDD services through an intermediate care facility can be provided that through managed care. If immediate care facilities services are indeed placed in managed care sometime in the future, will the person have the choice?

RAYMOND: Absolutely. And thank you for the amendments you gave—that you added to the bill, Representative Klick. As you know, we kept your amendments, but we had to change the wording on those a little bit as well, because importantly, folks get these slots, and the slot goes to that person. And so, in the future, if the ICF services are in fact moved into managed care, we have to comply with federal law, and the federal law gives them that protection that it stays with them. It goes with them. They'll be able to stay where they are, and my guess is if we do move ICF into managed care, if those facilities are doing a good job for that person—like we heard testimony out of a facility in Houston, for example—if they're doing well for that person, that person's probably going to stay there. But, we wanted to make sure—as I think you did—that, should they choose in the future to go to some other place, then that slot follows them. And so, that's in there, and I appreciate your input on that.

REMARKS ORDERED PRINTED

Representative Klick moved to print remarks between Representative Raymond and Representative Klick.

The motion prevailed.

Representative Raymond moved to adopt the conference committee report on **SB 7**.

The motion to adopt the conference committee report on **SB 7** prevailed by (Record 1351): 146 Yeas, 1 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martínez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Schaefer.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Menéndez.

STATEMENT OF VOTE

I was shown voting no on Record No. 1351. I intended to vote yes.

Schaefer

REASON FOR VOTE

Although I voted yes on **SB 7**, I am disappointed that the conference committee did not keep Representative Leach's language ensuring that legislative oversight, through statute, is involved in any decision involving the executive branch's actions involving expanding nationalized health care under the Affordable Care Act.

White

REMARKS ORDERED PRINTED

Representative Villarreal moved to print all remarks on **SB 2**.

The motion prevailed.

SB 8 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Kolkhorst submitted the conference committee report on **SB 8**.

Representative Kolkhorst moved to adopt the conference committee report on **SB 8**.

The motion to adopt the conference committee report on **SB 8** prevailed by (Record 1352): 105 Yeas, 38 Nays, 1 Present, not voting.

Yeas — Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Callegari; Capriglione; Carter; Clardy; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Dukes; Eiland; Elkins; Fallon; Farney; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; Gooden; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Lozano; McClendon; Miller, D.; Miller, R.; Moody; Morrison; Murphy; Naishtat; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Riddle; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Toth; Turner, E.S.; Turner, S.; Villalba; Villarreal; White; Zedler; Zerwas.

Nays — Allen; Alonzo; Alvarado; Anchia; Burnam; Coleman; Collier; Cortez; Davis, Y.; Deshotel; Dutton; Farias; Farrar; Giddings; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; King, S.; King, T.; Longoria; Márquez; Martinez; Martinez Fischer; Miles; Muñoz; Nevárez; Raymond; Reynolds; Ritter; Rodriguez, E.; Rodriguez, J.; Rose; Thompson, S.; Turner, C.; Vo; Walle.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Canales; Hernandez Luna; Menéndez; Workman; Wu.

STATEMENTS OF VOTE

When Record No. 1352 was taken, my vote failed to register. I would have voted no.

Canales

I was shown voting no on Record No. 1352. I intended to vote yes.

S. King

I was shown voting no on Record No. 1352. I intended to vote yes.

Martinez

I was shown voting yes on Record No. 1352. I intended to vote no.

Perez

(Ritter in the chair)

HR 3035 - ADOPTED (by Gooden)

The following privileged resolution was laid before the house:

HR 3035

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 912** (images captured by unmanned aircraft and other images and recordings; providing penalties) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.002(a), Government Code, to read as follows:

(a) It is lawful to capture an image by an unmanned aircraft in this state:

Explanation: This change is necessary to address grammatical and other inconsistencies created by senate amendments to this section.

(2) House Rule 13, Sections 9(a)(1) and (2), are suspended to permit the committee to change and omit text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.002(a)(4), Government Code, to read as follows:

(4) by a satellite for the purposes of mapping;

Explanation: This change is necessary to delete unnecessary text.

(3) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.002(a), Government Code, by omitting proposed Subdivisions (5) and (6), which read as follows:

(5) by a manufacturer or distributor of the unmanned vehicle or unmanned aircraft in connection with the development, manufacture, testing, or research of the vehicle or the aircraft;

(6) by a manufacturer or distributor incidental to the activities authorized under Subdivision (5) and the manufacturer or distributor discloses the image voluntarily to law enforcement because the manufacturer or distributor reasonably believes the image shows the commission of an offense;

Explanation: The omission of the text is necessary to remove exceptions to the application of the chapter.

(4) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.003(a), Government Code, by omitting proposed Subdivision (2), which reads as follows:

(2) real property in this state, on which a primary or secondary school or a licensed child-care facility is operated or an individual located on that property, with the intent to conduct surveillance

Explanation: This change is necessary to remove an offense.

(5) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or the senate version of the bill by adding the following text to SECTION 2 of the bill:

Sec. 423.008. REPORTING BY LAW ENFORCEMENT AGENCY. (a) No earlier than January 1 and no later than January 15 of each odd-numbered year, a municipal or county law enforcement agency located in a city or county with a population greater than 150,000, or a state law enforcement agency, that used or operated an unmanned aircraft during the preceding 24 months shall issue a written report to each member of the Texas Legislature, including the Governor and Lieutenant Governor, retain the report for public viewing and post the report on the law enforcement agency's publicly accessible website, if one exists. The report shall contain:

(a) the number of times an unmanned aircraft was operated, organized by date, time, location, types of incidents, and the types of justification for operation;

(b) the number of criminal investigations aided by the operation of an unmanned aircraft and a description of how the unmanned aircraft aided each investigation;

(c) the date, location, and number of times an unmanned aircraft was operated for reasons other than a criminal investigation and a description of how the unmanned aircraft aided each operation;

(d) the frequency and type of information collected on an individual, residence, property or area that was not the subject of an operation; and

(e) the total cost of acquisition, maintenance, repair, and operation the unmanned aircraft or unmanned aircrafts for the preceding 24 months.

Explanation: This addition is necessary to provide for a publicly available report regarding law enforcement use of unmanned aircraft in this state.

HR 3035 was adopted by (Record 1353): 136 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, E.S.; Turner, S.; Villarreal; Vo; Walle; White; Workman; Zedler; Zerwas.

Nays — Simpson; Turner, C.; Villalba; Wu.

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

Absent, Excused — Lucio.

Absent — Collier; Cortez; Hernandez Luna; Kleinschmidt; Menéndez; Rodriguez, E.; Strama.

HB 912 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Gooden submitted the following conference committee report on **HB 912**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 912** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Estes
West
Ellis

Gooden
Burnam
Johnson

On the part of the senate

On the part of the house

HB 912, A bill to be entitled An Act relating to images captured by unmanned aircraft and other images and recordings; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. This Act shall be known as the Texas Privacy Act.

SECTION 2. Subtitle B, Title 4, Government Code, is amended by adding Chapter 423 to read as follows:

CHAPTER 423. USE OF UNMANNED AIRCRAFT

Sec. 423.001. DEFINITION. In this chapter, "image" means any capturing of sound waves, thermal, infrared, ultraviolet, visible light, or other electromagnetic waves, odor, or other conditions existing on or about real property in this state or an individual located on that property.

Sec. 423.002. NONAPPLICABILITY. (a) It is lawful to capture an image using an unmanned aircraft in this state:

(1) for purposes of professional or scholarly research and development by a person acting on behalf of an institution of higher education, as defined by Section 61.003, Education Code, including a person who:

(A) is a professor, employee, or student of the institution; or

(B) is under contract with or otherwise acting under the direction or on behalf of the institution;

(2) in airspace designated as a test site or range authorized by the Federal Aviation Administration for the purpose of integrating unmanned aircraft systems into the national airspace;

(3) as part of an operation, exercise, or mission of any branch of the United States military;

(4) if the image is captured by a satellite for the purposes of mapping;

(5) if the image is captured by or for an electric or natural gas utility:

(A) for operations and maintenance of utility facilities for the purpose of maintaining utility system reliability and integrity;

(B) for inspecting utility facilities to determine repair, maintenance, or replacement needs during and after construction of such facilities;

(C) for assessing vegetation growth for the purpose of maintaining clearances on utility easements; and

(D) for utility facility routing and siting for the purpose of providing utility service;

(6) with the consent of the individual who owns or lawfully occupies the real property captured in the image;

(7) pursuant to a valid search or arrest warrant;

(8) if the image is captured by a law enforcement authority or a person who is under contract with or otherwise acting under the direction or on behalf of a law enforcement authority:

(A) in immediate pursuit of a person law enforcement officers have reasonable suspicion or probable cause to suspect has committed an offense, not including misdemeanors or offenses punishable by a fine only;

(B) for the purpose of documenting a crime scene where an offense, not including misdemeanors or offenses punishable by a fine only, has been committed;

(C) for the purpose of investigating the scene of:

(i) a human fatality;

(ii) a motor vehicle accident causing death or serious bodily injury to a person; or

(iii) any motor vehicle accident on a state highway or federal interstate or highway;

(D) in connection with the search for a missing person;

(E) for the purpose of conducting a high-risk tactical operation that poses a threat to human life; or

(F) of private property that is generally open to the public where the property owner consents to law enforcement public safety responsibilities;

(9) if the image is captured by state or local law enforcement authorities, or a person who is under contract with or otherwise acting under the direction or on behalf of state authorities, for the purpose of:

(A) surveying the scene of a catastrophe or other damage to determine whether a state of emergency should be declared;

(B) preserving public safety, protecting property, or surveying damage or contamination during a lawfully declared state of emergency; or

(C) conducting routine air quality sampling and monitoring, as provided by state or local law;

(10) at the scene of a spill, or a suspected spill, of hazardous materials;

(11) for the purpose of fire suppression;

(12) for the purpose of rescuing a person whose life or well-being is in imminent danger;

(13) if the image is captured by a Texas licensed real estate broker in connection with the marketing, sale, or financing of real property, provided that no individual is identifiable in the image;

(14) of real property or a person on real property that is within 25 miles of the United States border;

(15) from a height no more than eight feet above ground level in a public place, if the image was captured without using any electronic, mechanical, or other means to amplify the image beyond normal human perception;

(16) of public real property or a person on that property;

(17) if the image is captured by the owner or operator of an oil, gas, water, or other pipeline for the purpose of inspecting, maintaining, or repairing pipelines or other related facilities, and is captured without the intent to conduct surveillance on an individual or real property located in this state;

(18) in connection with oil pipeline safety and rig protection; or

(19) in connection with port authority surveillance and security.

(b) This chapter does not apply to the manufacture, assembly, distribution, or sale of an unmanned aircraft.

Sec. 423.003. OFFENSE: ILLEGAL USE OF UNMANNED AIRCRAFT TO CAPTURE IMAGE. (a) A person commits an offense if the person uses an unmanned aircraft to capture an image of an individual or privately owned real property in this state with the intent to conduct surveillance on the individual or property captured in the image.

(b) An offense under this section is a Class C misdemeanor.

(c) It is a defense to prosecution under this section that the person destroyed the image:

(1) as soon as the person had knowledge that the image was captured in violation of this section; and

(2) without disclosing, displaying, or distributing the image to a third party.

(d) In this section, "intent" has the meaning assigned by Section 6.03, Penal Code.

Sec. 423.004. OFFENSE: POSSESSION, DISCLOSURE, DISPLAY, DISTRIBUTION, OR USE OF IMAGE. (a) A person commits an offense if the person:

(1) captures an image in violation of Section 423.003; and

(2) possesses, discloses, displays, distributes, or otherwise uses that image.

(b) An offense under this section for the possession of an image is a Class C misdemeanor. An offense under this section for the disclosure, display, distribution, or other use of an image is a Class B misdemeanor.

(c) Each image a person possesses, discloses, displays, distributes, or otherwise uses in violation of this section is a separate offense.

(d) It is a defense to prosecution under this section for the possession of an image that the person destroyed the image as soon as the person had knowledge that the image was captured in violation of Section 423.003.

(e) It is a defense to prosecution under this section for the disclosure, display, distribution, or other use of an image that the person stopped disclosing, displaying, distributing, or otherwise using the image as soon as the person had knowledge that the image was captured in violation of Section 423.003.

Sec. 423.005. ILLEGALLY OR INCIDENTALLY CAPTURED IMAGES NOT SUBJECT TO DISCLOSURE. (a) Except as otherwise provided by Subsection (b), an image captured in violation of Section 423.003, or an image captured by an unmanned aircraft that was incidental to the lawful capturing of an image:

(1) may not be used as evidence in any criminal or juvenile proceeding, civil action, or administrative proceeding;

(2) is not subject to disclosure, inspection, or copying under Chapter 552; and

(3) is not subject to discovery, subpoena, or other means of legal compulsion for its release.

(b) An image described by Subsection (a) may be disclosed and used as evidence to prove a violation of this chapter and is subject to discovery, subpoena, or other means of legal compulsion for that purpose.

Sec. 423.006. CIVIL ACTION. (a) An owner or tenant of privately owned real property located in this state may bring against a person who, in violation of Section 423.003, captured an image of the property or the owner or tenant while on the property an action to:

(1) enjoin a violation or imminent violation of Section 423.003 or 423.004;

(2) recover a civil penalty of:

(A) \$5,000 for all images captured in a single episode in violation of Section 423.003; or

(B) \$10,000 for disclosure, display, distribution, or other use of any images captured in a single episode in violation of Section 423.004; or

(3) recover actual damages if the person who captured the image in violation of Section 423.003 discloses, displays, or distributes the image with malice.

(b) For purposes of recovering the civil penalty or actual damages under Subsection (a), all owners of a parcel of real property are considered to be a single owner and all tenants of a parcel of real property are considered to be a single tenant.

(c) In this section, "malice" has the meaning assigned by Section 41.001, Civil Practice and Remedies Code.

(d) In addition to any civil penalties authorized under this section, the court shall award court costs and reasonable attorney's fees to the prevailing party.

(e) Venue for an action under this section is governed by Chapter 15, Civil Practice and Remedies Code.

(f) An action brought under this section must be commenced within two years from the date the image was:

(1) captured in violation of Section 423.003; or

(2) initially disclosed, displayed, distributed, or otherwise used in violation of Section 423.004.

Sec. 423.007. RULES FOR USE BY LAW ENFORCEMENT. The Department of Public Safety shall adopt rules and guidelines for use of an unmanned aircraft by a law enforcement authority in this state.

Sec. 423.008. REPORTING BY LAW ENFORCEMENT AGENCY. (a) No earlier than January 1 and no later than January 15 of each odd-numbered year, a municipal or county law enforcement agency located in a city or county with a population greater than 150,000, or a state law enforcement agency, that used or operated an unmanned aircraft during the preceding 24 months shall issue a written report to each member of the Texas Legislature, including the Governor and Lieutenant Governor, retain the report for public viewing and post the report on the law enforcement agency's publicly accessible website, if one exists. The report shall contain:

(a) the number of times an unmanned aircraft was operated, organized by date, time, location, types of incidents, and the types of justification for operation;

(b) the number of criminal investigations aided by the operation of an unmanned aircraft and a description of how the unmanned aircraft aided each investigation;

(c) the date, location, and number of times an unmanned aircraft was operated for reasons other than a criminal investigation and a description of how the unmanned aircraft aided each operation;

(d) the frequency and type of information collected on an individual, residence, property, or area that was not the subject of an operation; and

(e) the total cost of acquisition, maintenance, repair, and operation the unmanned aircraft or unmanned aircrafts for the preceding 24 months.

SECTION 3. The change in law made by this Act applies only to the capture, possession, disclosure, display, distribution, or other use of an image that occurs on or after the effective date of this Act.

SECTION 4. The provisions of this Act or the applications of those provisions are severable as provided by Section 311.032(c), Government Code.

SECTION 5. This Act takes effect September 1, 2013.

Representative Gooden moved to adopt the conference committee report on **HB 912**.

The motion to adopt the conference committee report on **HB 912** prevailed by (Record 1354): 140 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, E.S.; Turner, S.; Villarreal; Vo; Walle; White; Workman; Zedler; Zerwas.

Nays — Elkins; Turner, C.; Villalba; Wu.

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

Absent, Excused — Lucio.

Absent — Anchia; Menéndez; Strama.

STATEMENT OF VOTE

I was shown voting yes on Record No. 1354. I intended to vote no.

Patrick

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. 37).

HR 3042 - ADOPTED
(by Flynn)

The following privileged resolution was laid before the house:

HR 3042

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 12** (gifts and other consideration made to state agencies for state employee salary supplement or other purposes and to publication by state agencies of staff compensation and related information) to consider and take action on the following matters:

(1) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201, Government Code, in SECTION 1 of the bill:

(b) A state agency that accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of the agency shall post on the agency's Internet website, in addition to the information required by Section 659.026, the amount of each gift, grant, donation, or other consideration provided by the person that is designated to be used as a salary supplement for an employee of the agency. The agency may not post the name of the person.

Explanation: The change is necessary to clarify which state agencies have to post certain information relating to a gift, grant, donation, or other consideration the agency receives on the agency's Internet website and to clarify the information that the agency is prohibited from posting.

(2) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201, Government Code, in SECTION 1 of the bill:

(c) A state agency described by Subsection (b) by rule shall adopt conflict of interest provisions regarding the acceptance by the agency of a gift, grant, donation, or other consideration to be used as a salary supplement for an employee of the agency. The governing board of an institution of higher education shall adopt the conflict of interest provisions required by this subsection in the same manner as the board adopts other policies applicable to the institution. The agency shall post the conflict of interest provisions on the agency's Internet website.

Explanation: The change is necessary to clarify the application of the provisions to institutions of higher education.

(3) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201(d)(1), Government Code, in SECTION 1 of the bill: "unless the person has made a request to the entity to remain anonymous".

Explanation: The change is necessary to maintain the anonymity of certain donors.

(4) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on matters not included in either the house or senate version of the bill by adding the following to Section 659.0201, Government Code, in SECTION 1 of the bill:

(e) A state agency that receives a gift, grant, donation, or other consideration described by Subsection (d) shall compile the information the agency receives under Subsection (d) into a report and submit the report to the state auditor and the legislature.

(f) Information provided to an institution of higher education under Subsection (d) is confidential and is not subject to disclosure under Chapter 552.

(g) The state auditor may review the report submitted under Subsection (e) to identify any conflicts of interest or any other areas of risk. The state auditor shall report the results of an audit performed under this section to the legislature.

Explanation: The change is necessary to enable the state auditor and legislature to be informed about gifts, grants, donations, or other consideration received by state agencies and monitor any conflicts of interest that might result from accepting a gift, grant, donation, or other consideration and to maintain the confidentiality of information provided by an institution of higher education.

(5) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201(h), Government Code, in SECTION 1 of the bill: "that does not require the release of information that identifies an anonymous donor".

Explanation: The change is necessary to maintain the anonymity of certain donors.

(6) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement by adding "officer" to Section 659.026(a)(2)(A), Government Code, in SECTION 1 of the bill.

Explanation: The change is necessary to clarify the positions included in the meaning of executive staff.

(7) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement by adding "Paragraph (A)" to Section 659.026(a)(2)(B), Government Code, in SECTION 1 of the bill.

Explanation: The change is necessary to correct a cross-reference.

HR 3042 was adopted by (Record 1355): 144 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson;

Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

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

Absent, Excused — Lucio.

Absent — Cortez; Raymond.

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. 12).

HB 12 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Flynn submitted the following conference committee report on **HB 12**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 12** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Zaffirini

Eltife

Garcia

Schwertner

Seliger

On the part of the senate

Flynn

Alvarado

Larson

Martinez Fischer

Perry

On the part of the house

HB 12, A bill to be entitled An Act relating to gifts and other consideration made to state agencies for state employee salary supplement or other purposes and to publication by state agencies of staff compensation and related information.

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

SECTION 1. Subchapter B, Chapter 659, Government Code, is amended by adding Sections 659.0201 and 659.026 to read as follows:

Sec. 659.0201. GIFTS, GRANTS, AND DONATIONS FOR SALARY SUPPLEMENT; REPORTING. (a) In this section, "state agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

(b) A state agency that accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of the agency shall post on the agency's Internet website, in addition to the information required by Section 659.026, the amount of each gift, grant, donation, or other consideration provided by the person that is designated to be used as a salary supplement for an employee of the agency. The agency may not post the name of the person.

(c) A state agency described by Subsection (b) by rule shall adopt conflict of interest provisions regarding the acceptance by the agency of a gift, grant, donation, or other consideration to be used as a salary supplement for an employee of the agency. The governing board of an institution of higher education shall adopt the conflict of interest provisions required by this subsection in the same manner as the board adopts other policies applicable to the institution. The agency shall post the conflict of interest provisions on the agency's Internet website.

(d) If the person making a gift, grant, or donation or providing other consideration to the state agency is an entity created solely to provide support for the state agency, the entity shall report to the agency:

(1) the name of each person who makes gifts, grants, or donations, or provides other consideration to the entity, in an amount or having a value that exceeds \$10,000, unless the person has made a request to the entity to remain anonymous; and

(2) the amount or value of each specific gift, grant, donation, or other consideration.

(e) A state agency that receives a gift, grant, donation, or other consideration described by Subsection (d) shall compile the information the agency receives under Subsection (d) into a report and submit the report to the state auditor and the legislature.

(f) Information provided to an institution of higher education under Subsection (d) is confidential and is not subject to disclosure under Chapter 552.

(g) The state auditor may review the report submitted under Subsection (e) to identify any conflicts of interest or any other areas of risk. The state auditor shall report the results of an audit performed under this section to the legislature.

(h) The state auditor shall adopt a schedule and format for reporting information required by this section that does not require the release of information that identifies an anonymous donor.

(i) Each state agency receiving a gift, grant, donation, or other consideration from a person that is designated to be used as a salary supplement for a named person, position, or endowment shall report the following information to the state auditor in the form determined by the state auditor:

(1) whether the person making the gift, grant, or donation or providing other consideration to the state agency is an individual or an entity;

(2) if the person is an entity, the type of entity;

(3) if the entity is a nonprofit entity or organization, whether the entity is classified as a supporting organization by the Internal Revenue Service;

(4) if the entity is classified as a supporting organization by the Internal Revenue Service, the type of supporting organization, the name of the supported organization, and any other information relating to that classification;

(5) any internal or external oversight procedures the state agency has established to monitor the use of any gift, grant, donation, or other consideration the agency receives; and

(6) how the state agency uses gifts, grants, donations, and other consideration the agency receives, including whether they are used to provide salary supplements for agency employees.

(j) The state auditor shall compile the information received under Subsection (i) into a report and submit the report to the legislature.

Sec. 659.026. INFORMATION REGARDING STAFF COMPENSATION.

(a) In this section:

(1) "Compensation" includes an emolument provided in lieu of base salary or wages or a supplement to base salary or wages.

(2) "Executive staff" means:

(A) the director, executive director, commissioner, administrator, or other individual who is appointed by the governing body of a state agency or by another state officer to act as the chief executive officer or administrative head of the agency and who is not an appointed officer; and

(B) other management or senior level staff members of a state agency who directly report to the individual listed in Paragraph (A).

(3) "State agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

(b) A state agency shall make available to the public by posting on the agency's Internet website:

(1) the number of full-time equivalent employees employed by the agency;

(2) the amount of legislative appropriations to the agency for each fiscal year of the current state fiscal biennium;

(3) the agency's methodology, including any employment market analysis, for determining the compensation of executive staff employed by the agency, along with the name and position of the person who selected the methodology;

(4) whether executive staff are eligible for a salary supplement;

(5) the market average for compensation of similar executive staff in the private and public sectors;

(6) the average compensation paid to employees employed by the agency who are not executive staff; and

(7) the percentage increase in compensation of executive staff for each fiscal year of the five preceding fiscal years and the percentage increase in legislative appropriations to the agency each fiscal year of the five preceding fiscal years.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Flynn moved to adopt the conference committee report on **HB 12**.

The motion to adopt the conference committee report on **HB 12** prevailed by (Record 1356): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycok; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Cortez; Hernandez Luna; McClendon; Menéndez.

HB 3390 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Hilderbran submitted the following conference committee report on **HB 3390**:

Austin, Texas, May 24, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3390** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Deuell
 Eltife
 Hancock
 Seliger

Hilderbran
 Murphy
 J. Davis
 Eiland
 Darby

On the part of the senate

On the part of the house

HB 3390, A bill to be entitled An Act relating to the Texas Economic Development Act; imposing a penalty.

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

SECTION 1. Sections 313.002, 313.003, 313.004, and 313.007, Tax Code, are amended to read as follows:

Sec. 313.002. FINDINGS. The legislature finds that:

(1) many states have enacted aggressive economic development laws designed to attract large employers, create jobs, and strengthen their economies;

(2) given Texas' relatively high ad valorem taxes, it is difficult for the state to compete for new capital projects without temporarily limiting ad valorem taxes imposed on new capital investments [~~the State of Texas has slipped in its national ranking each year between 1993 and 2000 in terms of attracting major new manufacturing facilities to this state~~];

(3) a significant portion of the Texas economy continues to be based in [~~the~~] manufacturing and other capital-intensive industries [~~industry~~], and their [~~the~~] continued growth and overall health serve [~~of the manufacturing sector serves~~] the Texas economy well;

(4) without a vibrant, strong manufacturing sector, other sectors of the economy, especially the state's service sector, will also suffer adverse consequences; and

(5) the current ad valorem [~~property~~] tax system of this state does not favor capital-intensive businesses such as manufacturers.

Sec. 313.003. PURPOSES. The purposes of this chapter are to:

(1) encourage large-scale capital investments in this state [~~, especially in school districts that have an ad valorem tax base that is less than the statewide average ad valorem tax base of school districts in this state~~];

(2) create new, high-paying jobs in this state;

(3) attract to this state [~~new,~~] large-scale businesses that are exploring opportunities to locate in other states or other countries;

(4) enable state and local government officials and economic development professionals to compete with other states by authorizing economic development incentives that are comparable to [~~meet or exceed~~] incentives being offered to prospective employers by other states and to provide state and local officials with an effective means to attract large-scale investment;

(5) strengthen and improve the overall performance of the economy of this state;

(6) expand and enlarge the ad valorem [~~property~~] tax base of this state; and

(7) enhance this state's economic development efforts by providing state and local officials [~~school districts~~] with an effective [~~local~~] economic development tool [~~option~~].

Sec. 313.004. LEGISLATIVE INTENT. It is the intent of the legislature in enacting this chapter that:

(1) economic development decisions involving school district taxes should occur at the local level with oversight by the state and should be consistent with identifiable statewide economic development goals;

(2) this chapter should not be construed or interpreted to allow:

(A) property owners to pool investments to create sufficiently large investments to qualify for an ad valorem tax benefit [~~or financial benefit~~] provided by this chapter;

(B) an applicant for an ad valorem tax benefit [~~or financial benefit~~] provided by this chapter to assert that jobs will be eliminated if certain investments are not made if the assertion is not true; or

(C) an entity not subject to the tax imposed by Chapter 171 [~~a sole proprietorship, partnership, or limited liability partnership~~] to receive an ad valorem tax benefit [~~or financial benefit~~] provided by this chapter; ~~and~~

(3) in implementing this chapter, school districts should:

(A) strictly interpret the criteria and selection guidelines provided by this chapter; and

(B) approve only those applications for an ad valorem tax benefit [~~or financial benefit~~] provided by this chapter that:

(i) enhance the local community;

(ii) improve the local public education system;

(iii) create high-paying jobs; and

(iv) advance the economic development goals of this state; and

(4) in implementing this chapter, the comptroller should:

(A) strictly interpret the criteria and selection guidelines provided by this chapter; and

(B) issue certificates for limitations on appraised value only for those applications for an ad valorem tax benefit provided by this chapter that:

(i) create high-paying jobs;

(ii) provide a net benefit to the state over the long term; and

(iii) advance the economic development goals of this state [as identified by the Texas Strategic Economic Development Planning Commission].

Sec. 313.007. EXPIRATION. Subchapters B and [7] C [~~and D~~] expire December 31, 2022 [~~2014~~].

SECTION 2. Subchapter A, Chapter 313, Tax Code, is amended by adding Section 313.010 to read as follows:

Sec. 313.010. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a) Each year, the state auditor shall review at least three major agreements, as determined by the state auditor, under this chapter to determine whether:

(1) each agreement accomplishes the purposes of this chapter as expressed in Section 313.003;

(2) each agreement complies with the intent of the legislature in enacting this chapter as expressed in Section 313.004; and

(3) the terms of each agreement were executed in compliance with the terms of this chapter.

(b) As part of the review, the state auditor shall make recommendations relating to increasing the efficiency and effectiveness of the administration of this chapter.

SECTION 3. Sections 313.021(2) and (3), Tax Code, are amended to read as follows:

(2) "Qualified property" means:

(A) land:

(i) that is located in an area designated as a reinvestment zone under Chapter 311 or 312 or as an enterprise zone under Chapter 2303, Government Code;

(ii) on which a person proposes to construct a new building or erect or affix a new improvement that does not exist before the date the person submits a complete application ~~applies~~ for a limitation on appraised value under this subchapter;

(iii) that is not subject to a tax abatement agreement entered into by a school district under Chapter 312; and

(iv) on which, in connection with the new building or new improvement described by Subparagraph (ii), the owner or lessee of, or the holder of another possessory interest in, the land proposes to:

(a) make a qualified investment in an amount equal to at least the minimum amount required by Section 313.023; and

(b) create at least 25 new qualifying jobs;

(B) the new building or other new improvement described by Paragraph (A)(ii); and

(C) tangible personal property that:

(i) is not subject to a tax abatement agreement entered into by a school district under Chapter 312; and

(ii) except for new equipment described in Section 151.318(q) or (q-1), is first placed in service in the new building, in the newly expanded building, or in or on the new improvement described by Paragraph (A)(ii), or on the land on which that new building or new improvement is located, if the personal property is ancillary and necessary to the business conducted in that new building or in or on that new improvement.

(3) "Qualifying job" means a permanent full-time job that:

(A) requires at least 1,600 hours of work a year;

(B) is not transferred from one area in this state to another area in this state;

(C) is not created to replace a previous employee;

(D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of

~~[(i)] the county average weekly wage for manufacturing jobs in the county where the job is located;~~

~~[(ii) the county average weekly wage for all jobs in the county where the job is located, if the property owner creates more than 1,000 jobs in that county].~~

(F) In determining whether a property owner has created the number of qualifying jobs required under this chapter, operations, services and other related jobs created in connection with the project, including those employed by third parties under contract, may satisfy the minimum qualifying jobs requirement for the project if the Texas Workforce Commission determines that the cumulative economic benefits to the state of these jobs is the same or greater than that associated with the minimum number of qualified jobs required to be created under this chapter. The Texas Workforce Commission may adopt rules to implement this subsection.

SECTION 4. Section 313.024, Tax Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (d-2) to read as follows:

(a) This subchapter and Subchapter ~~Subchapters~~ C ~~and D~~ apply only to property owned by an entity subject to the tax imposed by ~~which~~ Chapter 171 ~~applies~~.

(b) To be eligible for a limitation on appraised value under this subchapter, the entity must use the property for ~~in connection with~~:

- (1) manufacturing;
- (2) research and development;
- (3) a clean coal project, as defined by Section 5.001, Water Code;
- (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code;
- (5) renewable energy electric generation;
- (6) electric power generation using integrated gasification combined cycle technology;

(7) nuclear electric power generation; ~~or~~

(8) a computer center primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity; or

(9) a Texas priority project.

(d) To be eligible for a limitation on appraised value under this subchapter, the property owner must create the required number of new ~~at least 80 percent of all the new jobs created by the property owner must be~~ qualifying jobs as defined by Section 313.021(3) and the average weekly wage for all jobs created by the owner that are not qualifying jobs must exceed the county average weekly wage for all jobs in the county where the jobs are located.

(d-2) For purposes of determining whether a property owner has created the number of new qualifying jobs required for eligibility for a limitation on appraised value under this subchapter, the new qualifying jobs created under an agreement between the property owner and another school district may be included in the total number of new qualifying jobs created in connection with the project if the Texas Economic Development and Tourism Office determines that the projects covered by the agreements constitute a single unified project. The Texas Economic Development and Tourism Office may adopt rules to implement this subsection.

SECTION 5. Section 313.024(e), Tax Code, is amended by adding Subdivision (7) to read as follows:

(7) "Texas priority project" means a project on which the applicant has committed to expend or allocate a qualified investment of more than \$1 billion.

SECTION 6. Sections 313.025(a), (a-1), (b), (b-1), (c), (d), (d-1), (e), (g), and (i), Tax Code, are amended to read as follows:

(a) The owner or lessee of, or the holder of another possessory interest in, any qualified property described by Section 313.021(2)(A), (B), or (C) may apply to the governing body of the school district in which the property is located for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of the person's qualified property. An application must be made on the form prescribed by the comptroller and include the information required by the comptroller, and it must be accompanied by:

(1) the application fee established by the governing body of the school district;

(2) information sufficient to show that the real and personal property identified in the application as qualified property meets the applicable criteria established by Section 313.021(2); and

(3) any information required by the comptroller for the purposes of [relating to each applicable criterion listed in] Section 313.026.

(a-1) Within seven days of the receipt of each document, the school district shall submit to the comptroller a copy of the application and the proposed agreement between the applicant and the school district. If the applicant submits an economic analysis of the proposed project ~~[is submitted]~~ to the school district, the district shall submit a copy of the analysis to the comptroller. In addition, the school district shall submit to the comptroller any subsequent revision of or amendment to any of those documents within seven days of its receipt. The comptroller shall publish each document received from the school district under this subsection on the comptroller's Internet website. If the school district maintains a generally accessible Internet website, the district shall provide on its website a link to the location of those documents posted on the comptroller's website in compliance with this subsection. This subsection does not require the comptroller to post information that is confidential under Section 313.028.

(b) The governing body of a school district is not required to consider an application for a limitation on appraised value ~~[that is filed with the governing body under Subsection (a)].~~ If the governing body of the school district elects ~~[does elect]~~ to consider an application, the governing body shall deliver a copy

~~[three copies]~~ of the application to the comptroller and request that the comptroller conduct ~~[provide]~~ an economic impact evaluation of the investment proposed by the application. ~~The [to the school district. Except as provided by Subsection (b-1), the]~~ comptroller shall conduct or contract with a third person to conduct the economic impact evaluation, which shall be completed and provided to the governing body of the school district, along with the comptroller's certificate or written explanation under Subsection (d), as soon as practicable but not later than the 90th day after the date the comptroller receives the application. The governing body shall provide to the comptroller or to a third person contracted by the comptroller to conduct the economic impact evaluation any requested information. A methodology to allow comparisons of economic impact for different schedules of the addition of qualified investment or qualified property may be developed as part of the economic impact evaluation. The governing body shall provide a copy of the economic impact evaluation to the applicant on request. The comptroller may charge the applicant ~~[and collect]~~ a fee sufficient to cover the costs of providing the economic impact evaluation. The governing body of a school district shall approve or disapprove an application not later than the 150th ~~[before the 151st]~~ day after the date the application is filed, unless the economic impact evaluation has not been received or an extension is agreed to by the governing body and the applicant.

(b-1) The comptroller shall promptly deliver a ~~[indicate on one]~~ copy of the application ~~[the date the comptroller received the application and deliver that copy]~~ to the Texas Education Agency. The Texas Education Agency shall determine the effect that the applicant's proposal will have on the number or size of the school district's instructional facilities ~~[, as required to be included in the economic impact evaluation by Section 313.026(a)(9),]~~ and submit a written report containing the agency's determination to the school district ~~[comptroller]~~. The governing body of the school district shall provide any requested information to the Texas Education Agency. Not later than the 45th day after the date the Texas Education Agency receives ~~[application indicates that the comptroller received]~~ the application, the Texas Education Agency shall make the required determination and submit the agency's written report to the governing body of the school district ~~[comptroller. A third person contracted by the comptroller to conduct an economic impact evaluation of an application is not required to make a determination that the Texas Education Agency is required to make and report to the comptroller under this subsection].~~

(c) In determining whether to approve ~~[grant]~~ an application, the governing body of the school district is entitled to request and receive assistance from:

- (1) the comptroller;
- (2) the Texas ~~[Department of]~~ Economic Development and Tourism Office;
- (3) the Texas Workforce Investment Council; and
- (4) the Texas Workforce Commission.

(d) Not later than the 90th ~~[Before the 91st]~~ day after the date the comptroller receives the copy of the application, the comptroller shall issue a certificate for a limitation on appraised value of the property and provide the

certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate [submit a recommendation to the governing body of the school district as to whether the application should be approved or disapproved].

(d-1) The governing body of a school district may not approve an application unless [that] the comptroller submits to the governing body a certificate for a limitation on appraised value of the property [has recommended should be disapproved only if:

(1) the governing body holds a public hearing the sole purpose of which is to consider the application and the comptroller's recommendation; and

(2) at a subsequent meeting of the governing body held after the date of the public hearing, at least two thirds of the members of the governing body vote to approve the application].

(e) Before approving or disapproving an application under this subchapter that the governing body of the school district elects to consider, the governing body [of the school district] must make a written finding as to any criteria considered by the comptroller in conducting the economic impact evaluation under [each criterion listed in] Section 313.026. The governing body shall deliver a copy of those findings to the applicant.

(g) The Texas [Department of] Economic Development and Tourism Office or its successor may recommend that a school district approve an application [grant a person a limitation on appraised value] under this chapter. In determining whether to approve [grant] an application, the governing body of the school district shall consider any recommendation made by the Texas [Department of] Economic Development and Tourism Office or its successor.

(i) If the comptroller's determination under Subsection (h) that the property does not meet the requirements of Section 313.024 for eligibility for a limitation on appraised value under this subchapter becomes final, the comptroller is not required to provide an economic impact evaluation of the application or to submit a certificate for a limitation on appraised value of the property or a written explanation of the decision not to issue a certificate [recommendation to the school district as to whether the application should be approved or disapproved], and the governing body of the school district may not grant the application.

SECTION 7. Section 313.026, Tax Code, is amended to read as follows:

Sec. 313.026. ECONOMIC IMPACT EVALUATION. (a) The economic impact evaluation of the application must include any information the comptroller determines is necessary or helpful to:

(1) the governing body of the school district in determining whether to approve the application under Section 313.025; or

(2) the comptroller in determining whether to issue a certificate for a limitation on appraised value of the property under Section 313.025 [the following:

(1) the recommendations of the comptroller;

(2) the name of the school district;

(3) the name of the applicant;

(4) the general nature of the applicant's investment;

~~[(5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;~~

~~[(6) the relative level of the applicant's investment per qualifying job to be created by the applicant;~~

~~[(7) the number of qualifying jobs to be created by the applicant;~~

~~[(8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;~~

~~[(9) the ability of the applicant to locate or relocate in another state or another region of this state;~~

~~[(10) the impact the project will have on this state and individual local units of government, including:~~

~~[(A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and~~

~~[(B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;~~

~~[(11) the economic condition of the region of the state at the time the person's application is being considered;~~

~~[(12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;~~

~~[(13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;~~

~~[(14) the projected market value of the qualified property of the applicant as determined by the comptroller;~~

~~[(15) the proposed limitation on appraised value for the qualified property of the applicant;~~

~~[(16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;~~

~~[(17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;~~

~~[(18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;~~

~~[(19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and~~

~~[(20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16)].~~

(b) Except as provided by Subsections (c) and (d), the [The] comptroller's determination whether to issue a certificate for a limitation on appraised value under this chapter for property described in the application [recommendations] shall be based on the economic impact evaluation described by Subsection (a) [criteria listed in Subsections (a)(5) (20)] and on any other information available to the comptroller, including information provided by the governing body of the school district [under Section 313.025(b)].

(c) The comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that:

(1) the project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement; and

(2) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

(d) The comptroller shall state in writing the basis for the determinations made under Subsections (c)(1) and (2).

(e) The applicant may submit information to the comptroller that would provide a basis for an affirmative determination under Subsection (c)(2).

(f) Notwithstanding Subsections (c) and (d), if the comptroller makes a qualitative determination that other considerations associated with the project result in a net positive benefit to the state, the comptroller may issue the certificate.

SECTION 8. Section 313.0265(b), Tax Code, is amended to read as follows:

(b) The comptroller shall designate the following as substantive:

(1) each application requesting a limitation on appraised value; and

(2) the economic impact evaluation made in connection with the application [~~;~~ and

~~[(3) each application requesting school tax credits under Section 313.103].~~

SECTION 9. Section 313.027, Tax Code, is amended by amending Subsections (a), (f), (h), and (i) and adding Subsections (a-1) and (j) to read as follows:

(a) If the person's application is approved by the governing body of the school district, [~~for each of the first eight tax years that begin after the applicable qualifying time period,~~] the appraised value for school district maintenance and

operations ad valorem tax purposes of the person's qualified property as described in the agreement between the person and the district entered into under this section in the school district may not exceed the lesser of:

(1) the market value of the property; or

(2) subject to Subsection (b), the amount agreed to by the governing body of the school district.

(a-1) The agreement must:

(1) provide that the limitation under Subsection (a) applies for a period of 10 years; and

(2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after:

(A) the application date;

(B) the qualifying time period; or

(C) the date commercial operations begin at the site of the project.

(f) In addition, the agreement:

(1) must incorporate each relevant provision of this subchapter and, to the extent necessary, include provisions for the protection of future school district revenues through the adjustment of the minimum valuations, the payment of revenue offsets, and other mechanisms agreed to by the property owner and the school district;

(2) may provide that the property owner will protect the school district in the event the district incurs extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project;

(3) must require the property owner to maintain a viable presence in the school district for at least five [~~three~~] years after the date the limitation on appraised value of the owner's property expires;

(4) must provide for the termination of the agreement, the recapture of ad valorem tax revenue lost as a result of the agreement if the owner of the property fails to comply with the terms of the agreement, and payment of a penalty or interest, or both, on that recaptured ad valorem tax revenue;

(5) may specify any conditions the occurrence of which will require the district and the property owner to renegotiate all or any part of the agreement; [~~and~~]

(6) must specify the ad valorem tax years covered by the agreement; and

(7) must be in a form approved by the comptroller.

(h) The agreement between the governing body of the school district and the applicant may provide for a deferral of the date on which the qualifying time period for the project is to commence or, subsequent to the date the agreement is entered into, be amended to provide for such a deferral. The agreement may not provide for the deferral of the date on which the qualifying time period is to commence to a date later than January 1 of the fourth tax year that begins after the date the application is approved except that if the agreement is one of a series

of agreements related to the same project, the agreement may provide for the deferral of the date on which the qualifying time period is to commence to a date not later than January 1 of the sixth tax year that begins after the date the application is approved. This subsection may not be construed to permit a qualifying time period that has commenced to continue for more than the number of years applicable to the project under Section 313.021(4).

(i) A person and the school district may not enter into an agreement under which the person agrees to provide supplemental payments to a school district or any other entity on behalf of a school district in an amount that exceeds an amount equal to the greater of \$100 per student per year in average daily attendance, as defined by Section 42.005, Education Code, or \$50,000 per year, or for a period that exceeds the period beginning with the period described by Section 313.021(4) and ending December 31 of the third tax year after the date the person's eligibility for a limitation under this chapter expires [~~with the period described by Section 313.104(2)(B) of this code~~]. This limit does not apply to amounts described by Subsection (f)(1) or (2) [~~of this section~~].

(j) An agreement under this chapter must disclose any consideration promised in conjunction with the application and the limitation.

SECTION 10. Section 313.0275, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Notwithstanding any other provision of this chapter to the contrary, a person with whom a school district enters into an agreement under this subchapter must make the minimum amount of qualified investment during the qualifying time period [~~and create the required number of qualifying jobs during each year of the agreement~~].

(d) In the event of a casualty loss that prevents a person from complying with Subsection (a), the person may request and the comptroller may grant a waiver of the penalty imposed under Subsection (b).

SECTION 11. Subchapter B, Chapter 313, Tax Code, is amended by adding Section 313.0276 to read as follows:

Sec. 313.0276. PENALTY FOR FAILURE TO COMPLY WITH JOB-CREATION REQUIREMENTS. (a) The comptroller shall conduct an annual review and issue a determination as to whether a person with whom a school district has entered into an agreement under this chapter satisfied in the preceding year the requirements of this chapter regarding the creation of the required number of qualifying jobs. If the comptroller makes an adverse determination in the review, the comptroller shall notify the person of the cause of the adverse determination and the corrective measures necessary to remedy the determination.

(b) If a person who receives an adverse determination fails to remedy the determination following notification of the determination and the comptroller makes an adverse determination with respect to the person's compliance in the following year, the person must submit to the comptroller a plan for remedying the determination and certify the person's intent to fully implement the plan not later than December 31 of the year in which the determination is made.

(c) If a person who receives an adverse determination under Subsection (b) fails to comply with that subsection following notification of the determination and receives an adverse determination in the following year, the comptroller shall impose a penalty on the person. The penalty is in an amount equal to the amount computed by:

(1) subtracting from the number of qualifying jobs required to be created the number of qualifying jobs actually created; and

(2) multiplying the amount computed under Subdivision (1) by the average annual wage for all jobs in the county during the most recent four quarters for which data is available.

(d) Notwithstanding Subsection (c), if a person receives an adverse determination and the comptroller has previously imposed a penalty on the person under this section one or more times, the comptroller shall impose a penalty on the person in an amount equal to the amount computed by multiplying the amount computed under Subsection (c)(1) by an amount equal to twice the amount computed under Subsection (c)(2).

(e) Notwithstanding Subsections (c) and (d), a penalty imposed under this section may not exceed an amount equal to the difference between the amount of the ad valorem tax benefit received by the person under the agreement in the preceding year and the amount of any supplemental payments made to the school district in that year.

(f) A job created by a person that is not a qualifying job because the job does not meet a numerical requirement of Section 313.021(3)(A), (D), or (E) is considered for purposes of this section to be a nonqualifying job only if the job fails to meet the numerical requirement by at least 10 percent.

(g) An adverse determination under this section is a deficiency determination under Section 111.008. A penalty imposed under this section is an amount the comptroller is required to collect, receive, administer, or enforce, and the determination is subject to the payment and redetermination requirements of Sections 111.0081 and 111.009.

(h) A redetermination under Section 111.009 of an adverse determination under this section is a contested case as defined by Section 2001.003, Government Code.

(i) If a person on whom a penalty is imposed under this section contends that the amount of the penalty is unlawful or that the comptroller may not legally demand or collect the penalty, the person may challenge the determination of the comptroller under Subchapters A and B, Chapter 112.

(j) If the comptroller imposes a penalty on a person under this section three times, the comptroller may rescind the agreement between the person and the school district under this chapter.

(k) A person may contest a determination by the comptroller to rescind an agreement between the person and a school district under this chapter pursuant to Subsection (j) by filing suit against the comptroller and the attorney general. The district courts of Travis County have exclusive, original jurisdiction of a suit brought under this subsection. This subsection prevails over a provision of Chapter 25, Government Code, to the extent of any conflict.

(l) If a person files suit under Subsection (k) and the comptroller's determination to rescind the agreement is upheld on appeal, the person shall pay to the comptroller any tax that would have been due and payable to the school district during the pendency of the appeal, including statutory interest and penalties imposed on delinquent taxes under Sections 111.060 and 111.061.

(m) The comptroller shall deposit a penalty collected under this section, including any interest and penalty applicable to the penalty, to the credit of the foundation school fund.

SECTION 12. Section 313.031, Tax Code, is amended to read as follows:

Sec. 313.031. RULES AND FORMS; FEES. (a) The comptroller shall:

(1) adopt rules and forms necessary for the implementation and administration of this chapter, including rules for determining whether a property owner's property qualifies as a qualified investment under Section 313.021(1); and

(2) provide without charge one copy of the rules and forms to any school district and to any person who states that the person intends to apply for a limitation on appraised value under this subchapter ~~[or a tax credit under Subchapter D]~~.

(b) The governing body of a school district by official action shall establish reasonable nonrefundable application fees to be paid by property owners who apply to the district for a limitation on the appraised value of the person's property under this subchapter. The amount of an application fee must be reasonable and may not exceed the estimated cost to the district of processing and acting on an application, including any cost to the school district associated with [the cost of] the economic impact evaluation required by Section [Sections] 313.025 [and 313.026].

SECTION 13. Section 313.032, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsections (b-1) and (d) to read as follows:

(a) Before the beginning of each regular session of the legislature, the comptroller shall submit to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature a report on the agreements entered into under this chapter that includes:

(1) an assessment of the following with regard to the agreements entered into under this chapter, considered in the aggregate:

(A) the total number of jobs created, direct and otherwise, in this state;

(B) the total effect on personal income, direct and otherwise, in this state;

(C) the total amount of investment in this state;

(D) the total taxable value of property on the tax rolls in this state, including property for which the limitation period has expired;

(E) the total value of property not on the tax rolls in this state as a result of agreements entered into under this chapter; and

(F) the total fiscal effect on the state and local governments; and

(2) an assessment of [assessing] the progress of each agreement made under this chapter that states~~[- The report must be based on data certified to the comptroller by each recipient of a limitation on appraised value under this subchapter and state]~~ for each agreement:

(A) ~~[(1)]~~ the number of qualifying jobs each recipient of a limitation on appraised value committed to create;

(B) ~~[(2)]~~ the number of qualifying jobs each recipient created;

(C) ~~[(3)]~~ the total amount of wages and the median wage of the new qualifying jobs each recipient created;

(D) ~~[(4)]~~ the amount of the qualified investment each recipient committed to spend or allocate for each project;

(E) ~~[(5)]~~ the amount of the qualified investment each recipient spent or allocated for each project;

(F) ~~[(6)]~~ the market value of the qualified property of each recipient as determined by the applicable chief appraiser, including property that is no longer eligible for a limitation on appraised value under the agreement;

(G) ~~[(7)]~~ the limitation on appraised value for the qualified property of each recipient;

(H) ~~[(8)]~~ the dollar amount of the taxes that would have been imposed on the qualified property if the property had not received a limitation on appraised value; and

(I) ~~[(9)]~~ the dollar amount of the taxes imposed on the qualified property~~;~~

~~[(10) the number of new jobs created by each recipient in each sector of the North American Industry Classification System; and~~

~~[(11) of the number of new jobs each recipient created, the number of jobs created that provide health benefits for employees].~~

(b-1) In preparing the portion of the report described by Subsection (a)(1), the comptroller may use standard economic estimation techniques, including economic multipliers.

(c) The portion of the report described by Subsection (a)(2) must be based on data certified to the comptroller by each recipient or former recipient of a limitation on appraised value under this chapter.

(d) The comptroller may require a recipient or former recipient of a limitation on appraised value under this chapter to submit, on a form the comptroller provides, information required to complete the report.

SECTION 14. Subchapter B, Chapter 313, Tax Code, is amended by adding Section 313.033 to read as follows:

Sec. 313.033. REPORT ON COMPLIANCE WITH JOB-CREATION REQUIREMENTS. Each recipient of a limitation on appraised value under this chapter shall submit to the comptroller an annual report on a form provided by the comptroller that provides information sufficient to document the number of qualifying jobs created.

SECTION 15. The heading to Subchapter C, Chapter 313, Tax Code, is amended to read as follows:

SUBCHAPTER C. LIMITATION ON APPRAISED VALUE OF PROPERTY
IN STRATEGIC INVESTMENT AREA OR CERTAIN RURAL SCHOOL
DISTRICTS

SECTION 16. Section 313.051, Tax Code, is amended to read as follows:

Sec. 313.051. APPLICABILITY. (a) In this section, "strategic investment area" means an area the comptroller determines under Subsection (a-3) is:

(1) a county within this state with unemployment above the state average and per capita income below the state average;

(2) an area within this state that is a federally designated urban enterprise community or an urban enhanced enterprise community; or

(3) a defense economic readjustment zone designated under Chapter 2310, Government Code.

(a-1) This subchapter applies only to a school district that has territory in:

(1) an area that ~~qualifies [qualified]~~ as a strategic investment area [under Subchapter O, Chapter 171, immediately before that subchapter expired];
or

(2) a county:

(A) that has a population of less than 50,000; and

(B) in which, from ~~2000 [1990]~~ to 2010 [2000], according to the federal decennial census, the population:

(i) remained the same;

(ii) decreased; or

(iii) increased, but at a rate of not more than the average rate of increase in the state during that period [three percent per annum].

(a-2) [~~a-1~~] Notwithstanding Subsection (a-1) [~~a~~], if on January 1, 2002, this subchapter applied to a school district in whose territory is located a federal nuclear facility, this subchapter continues to apply to the school district regardless of whether the school district ceased or ceases to be described by Subsection (a-1) [~~a~~] after that date.

(a-3) Not later than September 1 of each year, the comptroller shall determine areas that qualify as a strategic investment area using the most recently completed full calendar year data available on that date and, not later than October 1, shall publish a list and map of the designated areas. A determination under this subsection is effective for the following tax year for purposes of this subchapter.

(b) The governing body of a school district to which this subchapter applies may enter into an agreement in the same manner as a school district to which Subchapter B applies may do so under Subchapter B, subject to Sections 313.052-313.054. Except as otherwise provided by this subchapter, the provisions of Subchapter B apply to a school district to which this subchapter applies. For purposes of this subchapter, a property owner is required to create ~~[only]~~ at least 10 new qualifying jobs as defined by Section 313.021(3) on the owner's qualified property. ~~[At least 80 percent of all the new jobs created must be qualifying jobs as defined by Section 313.021(3), except that, for a school district described by Subsection (a)(2), each qualifying job must pay at least 110 percent of the average weekly wage for manufacturing jobs in the region~~

~~designated for the regional planning commission, council of governments, or similar regional planning agency created under Chapter 391, Local Government Code, in which the district is located.]~~

SECTION 17. Section 313.054(a), Tax Code, is amended to read as follows:

(a) For a school district to which this subchapter applies, the amount agreed to by the governing body of the district under Section 313.027(a)(2) must be an amount in accordance with the following, according to the category established by Section 313.052 to which the school district belongs:

CATEGORY	MINIMUM AMOUNT OF LIMITATION
I	\$30 million
II	\$25 [\$20] million
III	<u>\$20</u> [\$10] million
IV	<u>\$15</u> [\$5] million
V	<u>\$10</u> [\$1] million

SECTION 18. The heading to Subchapter E, Chapter 313, Tax Code, is amended to read as follows:

SUBCHAPTER E. AVAILABILITY OF TAX CREDIT AFTER PROGRAM
EXPIRES OR IS REPEALED

SECTION 19. Section 313.171(b), Tax Code, is amended to read as follows:

(b) The repeal [~~expiration~~] of Subchapter D does not affect a property owner's entitlement to a tax credit granted under Subchapter D if the property owner qualified for the tax credit before the repeal [~~expiration~~] of Subchapter D.

SECTION 20. Section 42.2515(a), Education Code, is amended to read as follows:

(a) For each school year, a school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount equal to the amount of all tax credits credited against ad valorem taxes of the district in that year under former Subchapter D, Chapter 313, Tax Code.

SECTION 21. Section 42.302(e), Education Code, is amended to read as follows:

(e) For purposes of this section, school district taxes for which credit is granted under former Subchapter D, Chapter 313, Tax Code, are considered taxes collected by the school district as if the taxes were paid when the credit for the taxes was granted.

SECTION 22. The following provisions of the Tax Code are repealed:

- (1) Sections 313.008 and 313.009; and
- (2) Subchapter D, Chapter 313.

SECTION 23. (a) Except as provided by Subsection (b) of this section, Chapter 313, Tax Code, as amended by this Act, applies only to an application filed under that chapter on or after the effective date of this Act. An application filed under that chapter before the effective date of this Act is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

(b) An agreement entered into on or after January 1, 2013, pursuant to an application filed under Chapter 313, Tax Code, before the effective date of this Act may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended by this Act, relating to the creation of new jobs, including Section 313.021(3), Tax Code, and Section 313.024(d) or 313.051(b), Tax Code, as applicable.

SECTION 24. The comptroller shall make the initial determination under Section 313.051(a-3), Tax Code, as added by this Act, not later than September 1, 2014, and shall publish the initial list and map required by that subsection not later than October 1, 2014.

SECTION 25. This Act takes effect January 1, 2014.

Representative Hilderbran moved to adopt the conference committee report on **HB 3390**.

The motion to adopt the conference committee report on **HB 3390** prevailed by (Record 1357): 138 Yeas, 6 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, J.; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Allen; Giddings; Herrero; Rose; Simpson; Turner, S.

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

Absent, Excused — Lucio.

Absent — Coleman; Hernandez Luna; Rodriguez, E.

STATEMENT OF VOTE

I was shown voting yes on Record No. 1357. I intended to vote no.

Y. Davis

SB 401 - MOTION TO ADOPT CONFERENCE COMMITTEE REPORT

Representative Allen submitted the conference committee report on **SB 401**.

Representative Allen moved to adopt the conference committee report on **SB 401**.

SB 401 - POINT OF ORDER

Representative Stickland raised a point of order against further consideration of **SB 401** under Rule 13, Section 9(a) of the House Rules on the grounds that the text of the bill that was not in disagreement between the two houses was changed.

The point of order was withdrawn.

The motion to adopt the conference committee report on **SB 401** was withdrawn.

HB 680 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Burkett submitted the following conference committee report on **HB 680**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 680** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Patrick	Burkett
Campbell	Cortez
Hinojosa	Farias
Paxton	Fletcher
Taylor	Sheets
On the part of the senate	On the part of the house

HB 680, A bill to be entitled An Act relating to provisions in the dedicatory instruments of property owners' associations regarding display of flags.

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

SECTION 1. Section 202.001, Property Code, is amended by adding Subdivision (5) to read as follows:

(5) "Front yard" means a yard within a lot having a front building setback line with a setback of not less than 15 feet extending the full width of the lot between the front lot line and the front building setback line.

SECTION 2. Section 202.011, Property Code, as added by Chapter 1028 (**HB 2779**), Acts of the 82nd Legislature, Regular Session, 2011, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) A property owners' association may adopt or enforce reasonable dedicatory instrument provisions:

(1) that require:

(A) the flag of the United States be displayed in accordance with 4 U.S.C. Sections 5-10;

(B) the flag of the State of Texas be displayed in accordance with Chapter 3100, Government Code;

(C) a flagpole attached to a dwelling or a freestanding flagpole be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;

(D) the display of a flag, or the location and construction of the supporting flagpole, to comply with applicable zoning ordinances, easements, and setbacks of record; and

(E) a displayed flag and the flagpole on which it is flown be maintained in good condition and that any deteriorated flag or deteriorated or structurally unsafe flagpole be repaired, replaced, or removed;

(2) that regulate the size, number, and location of flagpoles on which flags are displayed, except that the regulation may not prevent the installation or erection of at least one flagpole per property that:

(A) is not more than 20 feet in height and, subject to applicable zoning ordinances, easements, and setbacks of record, is located in the front yard of the property; or

(B) is attached to any portion of a residential structure owned by the property owner and not maintained by the property owners' association;

(3) that govern the size of a displayed flag;

(4) that regulate the size, location, and intensity of any lights used to illuminate a displayed flag;

(5) that impose reasonable restrictions to abate noise caused by an external halyard of a flagpole; or

(6) that prohibit a property owner from locating a displayed flag or flagpole on property that is:

(A) owned or maintained by the property owners' association; or

(B) owned in common by the members of the association.

(c) A property owner who has a front yard and who otherwise complies with any permitted property owners' association regulations may elect to install a flagpole in accordance with either Subsection (b)(2)(A) or Subsection (b)(2)(B).

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Burkett moved to adopt the conference committee report on **HB 680**.

The motion to adopt the conference committee report on **HB 680** prevailed by (Record 1358): 146 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez

Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

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

Absent, Excused — Lucio.

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. 13).

HR 2981 - ADOPTED (by Lavender)

The following privileged resolution was laid before the house:

HR 2981

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 1017** (the funding for and administration of travel information operations by the Texas Department of Transportation) to consider and take action on the following matter:

House Rule 13, Section 9(a)(1), is suspended to permit the committee to change text not in disagreement in proposed Section 1 of the bill, in added Section 204.003(b), Transportation Code, to read as follows:

(b) The department may:

(1) enter into an agreement with:

(A) another state agency for the operation of a travel information center; or

(B) a local government, including a commission created under Chapter 391, Local Government Code, for the operation of a travel information center that is located within the boundaries of the local government; and

(2) issue a request for proposals to private or nonprofit entities for the operation of a travel information center.

Explanation: This change is necessary to allow the Texas Department of Transportation to enter into an agreement with another state agency for the operation of a travel information center.

HR 2981 was adopted by (Record 1359): 143 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Anchia; Simpson.

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

Absent, Excused — Lucio.

Absent — Davis, S.; Fallon.

STATEMENT OF VOTE

When Record No. 1359 was taken, I was in the house but away from my desk. I would have voted yes.

S. Davis

SB 1017 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Lavender submitted the conference committee report on **SB 1017**.

Representative Lavender moved to adopt the conference committee report on **SB 1017**.

The motion to adopt the conference committee report on **SB 1017** prevailed by (Record 1360): 145 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna;

Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Davis, S.; Strama.

STATEMENT OF VOTE

When Record No. 1360 was taken, I was in the house but away from my desk. I would have voted yes.

S. Davis

HR 3011 - ADOPTED (by Phillips)

The following privileged resolution was laid before the house:

HR 3011

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 2741** (the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 104 to the bill, amending Section 622.012(b), Transportation Code, to read as follows:

SECTION 104. Section 622.012(b), Transportation Code, is amended to read as follows:

(b) A truck may be operated at a weight that exceeds the maximum single axle or tandem axle weight limitation by not more than 10 percent if the gross weight is not heavier than 69,000 pounds and the department has issued a permit that authorizes the operation of the vehicle under Section 623.0171.

Explanation: The addition of text is necessary to require ready-mixed concrete trucks with three axles to be permitted to operate at certain weight.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 108 to the bill, amending Sections 623.012(a) and (b), Transportation Code, to read as follows:

SECTION 108. Sections 623.012(a) and (b), Transportation Code, are amended to read as follows:

(a) An applicant for a permit under Section 623.011, other than a permit under that section to operate a vehicle loaded with timber or pulp wood, wood chips, cotton, or agricultural products in their natural state, and an applicant for a permit under Section 623.321 shall file with the department:

(1) a blanket bond; or

(2) an irrevocable letter of credit issued by a financial institution the deposits of which are guaranteed by the Federal Deposit Insurance Corporation.

(b) The bond or letter of credit must:

(1) be in the amount of \$15,000 payable to the Texas Department of Transportation and the counties of this state;

(2) be conditioned that the applicant will pay the Texas Department of Transportation for any damage to a state highway, and a county for any damage to a road or bridge of the county, caused by the operation of the vehicle:

(A) for which the permit is issued at a heavier weight than the maximum weights authorized by Subchapter B of Chapter 621 or Section 621.301 or 623.321; or

(B) that is in violation of Section 623.323; and

(3) provide that the issuer is to notify the Texas Department of Transportation and the applicant in writing promptly after a payment is made by the issuer on the bond or letter of credit.

Explanation: The addition of text is necessary to require a person to file a bond or letter of credit to obtain a permit to operate a vehicle or combination of vehicles to transport unrefined timber, wood chips, or woody biomass in certain counties.

(3) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 110 to the bill, adding Section 623.0171, Transportation Code, to read as follows:

SECTION 110. Subchapter B, Chapter 623, Transportation Code, is amended by adding Section 623.0171 to read as follows:

Sec. 623.0171. PERMIT FOR READY-MIXED CONCRETE TRUCKS.

(a) In this section, "ready-mixed concrete truck" has the meaning assigned by Section 622.011.

(b) The department may issue a permit that authorizes the operation of a ready-mixed concrete truck with three axles.

(c) To qualify for a permit under this section, a base permit fee of \$1,000 must be paid, except as provided by Subsection (g).

(d) A permit issued under this section:

(1) is valid for one year, except as provided by Subsection (g); and

(2) must be carried in the vehicle for which it is issued.

(e) When the department issues a permit under this section, the department shall issue a sticker to be placed on the front windshield of the vehicle above the inspection certificate issued to the vehicle. The department shall design the form of the sticker to aid in the enforcement of weight limits for vehicles.

(f) The sticker must:

(1) indicate the expiration date of the permit; and

(2) be removed from the vehicle when:

(A) the permit for operation of the vehicle expires;

(B) a lease of the vehicle expires; or

(C) the vehicle is sold.

(g) The department may issue a permit under this section that is valid for a period of less than one year. The department shall prorate the applicable fee required by Subsection (c) for a permit issued under this subsection as necessary to reflect the term of the permit.

(h) Unless otherwise provided by state or federal law, a county or municipality may not require a permit, fee, or license for the operation of a ready-mixed concrete truck in addition to a permit, fee, or license required by state law.

(i) Section 622.015 does not apply to an owner of a ready-mixed concrete truck who holds a permit under this section for the truck.

(j) Unless otherwise provided by state or federal law, a ready-mixed concrete truck may operate on a state, county, or municipal road, including a load-zoned county road or a frontage road adjacent to a federal interstate highway, if the truck displays a sticker required by Subsection (e) and does not exceed the maximum gross weight authorized under Section 622.012.

(k) For the purposes of Subsection (l), the department by rule shall require an applicant to designate in the permit application the counties in which the applicant intends to operate.

(l) Of the fee collected under this section for a permit:

(1) 50 percent of the amount collected shall be deposited to the credit of the state highway fund; and

(2) the other 50 percent shall be divided among and distributed to the counties designated in permit applications under Subsection (k) according to department rule.

(m) At least once each fiscal year, the comptroller shall send the amount due each county under Subsection (l) to the county treasurer or officer performing the function of that office for deposit to the credit of the county road and bridge fund.

Explanation: The addition of text is necessary to provide for a permitting process to authorize the operation of a ready-mixed concrete truck with three axles.

(4) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 119 to the bill, adding Section Subchapter Q, Chapter 623, Transportation Code, to read as follows:

SECTION 119. Chapter 623, Transportation Code, is amended by adding Subchapter Q to read as follows:

SUBCHAPTER Q. VEHICLES TRANSPORTING TIMBER

Sec. 623.321. PERMIT. (a) The department may issue a permit under this subchapter, as an alternative to a permit issued under Section 623.011, authorizing a person to operate a vehicle or combination of vehicles that is being used to transport unrefined timber, wood chips, or woody biomass in a county identified as a timber producing county in the most recent edition of the Texas A&M Forest Service's Harvest Trends Report as of May 15, 2013, at the weight limits prescribed by Subsection (b).

(b) A person may operate over a road or highway a vehicle or combination of vehicles issued a permit under this section at a gross weight that is not heavier than 84,000 pounds, if the gross load carried on any tandem axle of the vehicle or combination of vehicles does not exceed 44,000 pounds.

(c) Section 621.508 does not apply to a vehicle or combination of vehicles operated under this section.

(d) The department shall annually update the number of timber producing counties described by Subsection (a) based on the most recent edition of the Texas A&M Forest Service's Harvest Trends Report.

Sec. 623.322. QUALIFICATION; REQUIREMENTS. (a) To qualify for a permit under this subchapter for a vehicle or combination of vehicles, a person must:

(1) pay a permit fee of \$1,500;

(2) designate in the permit application the timber producing counties described by Section 623.321(a) in which the vehicle or combination of vehicles will be operated; and

(3) satisfy the security requirement of Section 623.012.

(b) A permit issued under this subchapter:

(1) is valid for one year; and

(2) must be carried in the vehicle for which it is issued.

Sec. 623.323. NOTIFICATION. (a) For purposes of this section, "financially responsible party" means the owner of the vehicle or combination of vehicles, the party operating the vehicle or combination of vehicles, or a person that hires, leases, rents, or subcontracts the vehicle or combination of vehicles for use on a road maintained by a county or a state highway.

(b) Before a vehicle or combination of vehicles for which a permit is issued under this subchapter may be operated on a road maintained by a county or a state highway, the financially responsible party shall execute a notification document and agree to reimburse the county or the state, as applicable, for damage to a road or highway sustained as a consequence of the transportation authorized by the permit. At a minimum, the notification document must include:

(1) the name and address of the financially responsible party;

(2) a description of each permit issued for the vehicle or combination of vehicles;

(3) a description of the method of compliance by the financially responsible party with Sections 601.051 and 623.012;

(4) the address or location of the geographic area in which the financially responsible party wishes to operate a vehicle or combination of vehicles and a designation of the specific route of travel anticipated by the financially responsible party, including the name or number of each road maintained by a county or state highway;

(5) a calendar or schedule of duration that includes the days and hours of operation during which the financially responsible party reasonably anticipates using the county road or state highway identified in Subdivision (4); and

(6) a list of each vehicle or combination of vehicles by license plate number or other registration information, and a description of the means by which financial responsibility is established for each vehicle or combination of vehicles if each vehicle or combination of vehicles is not covered by a single insurance policy, surety bond, deposit, or other means of financial assurance.

(c) A financially responsible party shall electronically file the notification document described by Subsection (b) with the department under rules adopted by the department not later than the second business day before the first business day listed by the financially responsible party under Subsection (b)(5). The department shall immediately send an electronic copy of the notification document to each county identified in the notification document and the Texas Department of Transportation and an electronic receipt for the notification document to the financially responsible party. Not later than the first business day listed by the financially responsible party under Subsection (b)(5), a county or the Texas Department of Transportation may inspect a road or highway identified in the notification document. If an inspection is conducted under this subsection, a county or the Texas Department of Transportation shall:

(1) document the condition of the roads or highways and take photographs of the roads or highways as necessary to establish a baseline for any subsequent assessment of damage sustained by the financially responsible party's use of the roads or highways; and

(2) provide a copy of the documentation to the financially responsible party.

(d) If an inspection has been conducted under Subsection (c), a county or the Texas Department of Transportation, as applicable, shall, not later than the fifth business day after the expiration of the calendar or schedule of duration described by Subsection (b)(5):

(1) conduct an inspection described by Subsection (c)(1) to determine any damage sustained by the financially responsible party's use of the roads or highways; and

(2) provide a copy of the inspection documentation to the financially responsible party.

(e) The state or a county required to be notified under this section may assert a claim against any security posted under Section 623.012 or insurance filed under Section 643.103 for damage to a road or highway sustained as a consequence of the transportation authorized by the permit.

(f) This section does not apply to a vehicle or combination of vehicles that are being used to transport unrefined timber, wood chips, or woody biomass from:

(1) a storage yard to the place of first processing; or

(2) outside this state to a place of first processing in this state.

Sec. 623.324. DISPOSITION OF FEE. (a) Of the fee collected under Section 623.322 for a permit:

(1) 50 percent of the amount collected shall be deposited to the credit of the state highway fund; and

(2) the other 50 percent shall be divided equally among all counties designated in the permit application under Section 623.322(a)(2).

(b) At least once each fiscal year, the comptroller shall send the amount due each county under Subsection (a) to the county treasurer or officer performing the function of that office for deposit to the credit of the county road and bridge fund.

Sec. 623.325. INTERSTATE AND DEFENSE HIGHWAYS. (a) This subchapter does not authorize the operation on the national system of interstate and defense highways in this state of a vehicle of a size or weight greater than those permitted under 23 U.S.C. Section 127.

(b) If the United States authorizes the operation on the national system of interstate and defense highways of a vehicle of a size or weight greater than those permitted under 23 U.S.C. Section 127 on September 1, 2013, the new limit automatically takes effect on the national system of interstate and defense highways in this state.

Explanation: The addition of text is necessary to provide for a permitting process to authorize a person to operate a vehicle or combination of vehicles to transport unrefined timber, wood chips, or woody biomass in certain counties.

(5) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 140(2) of the bill by adding Sections 622.013, 622.017, and 622.018, Transportation Code, to the list of repealed sections in the bill:

(2) Sections 502.252(b), 503.009(b), 503.029(b), 503.030(b), 503.066(b), 520.008, 520.009, 520.0091, 520.0092, 622.013, 622.017, 622.018, 623.0711(k), and 623.093(f), Transportation Code;

Explanation: The addition of text is necessary to eliminate a surety bond requirement applicable to owners of ready-mixed concrete trucks and penalties related to the requirement.

HR 3011 was adopted by (Record 1361): 142 Yeas, 3 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson;

Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Perry; Schaefer; Simpson.

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

Absent, Excused — Lucio.

Absent — Sheets.

HB 2741 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Phillips submitted the following conference committee report on **HB 2741**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2741** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Nichols
Williams
Hegar
Uresti
Campbell

Phillips
Martinez
Fletcher
Pickett

On the part of the senate

On the part of the house

HB 2741, A bill to be entitled An Act relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense.

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

SECTION 1. Section 348.005, Finance Code, is amended to read as follows:

Sec. 348.005. ITEMIZED CHARGE. An amount in a retail installment contract is an itemized charge if the amount is not included in the cash price and is the amount of:

(1) fees for registration, certificate of title, and license and any additional registration fees charged by a ~~[full-service]~~ deputy as authorized by rules adopted under Section 520.0071 [502.114], Transportation Code;

(2) any taxes;

(3) fees or charges prescribed by law and connected with the sale or inspection of the motor vehicle; and

(4) charges authorized for insurance, service contracts, warranties, or a debt cancellation agreement by Subchapter C.

SECTION 2. Section 353.006, Finance Code, is amended to read as follows:

Sec. 353.006. ITEMIZED CHARGE. An amount in a retail installment contract is an itemized charge if the amount is not included in the cash price and is the amount of:

(1) fees for registration, certificate of title, and license and any additional registration fees charged by a ~~[full-service]~~ deputy as authorized by rules adopted under Section 520.0071 [502.114], Transportation Code;

(2) any taxes;

(3) fees or charges prescribed by law and connected with the sale or inspection of the commercial vehicle;

(4) charges authorized for insurance, service contracts, and warranties by Subchapter C; and

(5) advances or payments authorized under Section 353.402(b) or (c) made by the retail seller to or for the benefit of the retail buyer.

SECTION 3. Section 418.016, Government Code, is amended by adding Subsections (f), (g), and (h) to read as follows:

(f) The governor may suspend any of the following requirements in response to an emergency or disaster declaration of another jurisdiction if strict compliance with the requirement would prevent, hinder, or delay necessary action in assisting another state with coping with an emergency or disaster:

(1) a registration requirement in an agreement entered into under the International Registration Plan under Section 502.091, Transportation Code, to the extent authorized by federal law;

(2) a temporary registration permit requirement under Section 502.094, Transportation Code;

(3) a provision of Subtitle E, Title 7, Transportation Code, to the extent authorized by federal law;

(4) a motor carrier registration requirement under Chapter 643, Transportation Code;

(5) a registration requirement under Chapter 645, Transportation Code, to the extent authorized by federal law; or

(6) a fuel tax requirement under the International Fuel Tax Agreement described by 49 U.S.C. Section 31701 et seq., to the extent authorized by federal law.

(g) For the purposes of Subsection (f), "emergency or disaster declaration of another jurisdiction" means an emergency declaration, a major disaster declaration, a state of emergency declaration, a state of disaster declaration, or a similar declaration made by:

(1) the president of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.);

or

(2) the governor of another state.

(h) To the extent federal law requires this state to issue a special permit under 23 U.S.C. Section 127 or an executive order, a suspension issued under Subsection (f) is a special permit or an executive order.

SECTION 4. Section 1201.206(f), Occupations Code, is amended to read as follows:

(f) If the owner of a manufactured home relocates the home, the owner shall apply for the issuance of a new statement of ownership and location not later than the 60th day after the date the home is relocated. The department shall require that the owner submit evidence that the home was relocated in accordance with the requirements of the Texas Department of Motor Vehicles [~~Transportation~~].

SECTION 5. Section 2301.002(12), Occupations Code, is amended to read as follows:

(12) "Division" means the [~~Motor Vehicle Division of the~~] department division that regulates the distribution and sale of motor vehicles.

SECTION 6. The heading to Subchapter C, Chapter 2301, Occupations Code, is amended to read as follows:

SUBCHAPTER C. [~~DIRECTOR AND OTHER~~] DIVISION PERSONNEL

SECTION 7. Section 2301.154, Occupations Code, is amended by amending Subsections (b) and (c) and adding Subsection (e) to read as follows:

(b) The board by rule may delegate any power relating to a contested case hearing brought under this chapter or Chapter 503, Transportation Code, other than the power to issue a final order, to:

- (1) one or more of the board's members;
- (2) the executive director;
- (3) the director; or
- (4) one or more of the department's employees.

(c) The board by rule may delegate the authority to issue a final order in a contested case hearing brought under this chapter or Chapter 503, Transportation Code, to:

- (1) one or more of the board's members;
- (2) the executive director; or
- (3) the director of a division within the department designated by the board or the executive director to carry out the requirements of this chapter.

(e) An action taken by a person to whom a power or other authority is delegated under Subsection (b) or (c), including the issuance of an order, is considered an action of the board and may not be appealed to the board.

SECTION 8. Section 2301.257(a), Occupations Code, is amended to read as follows:

(a) An application for a dealer's license must be on a form prescribed by the department. The application must include:

- (1) the information required by Chapter 503, Transportation Code; and
- (2) information ~~[relating to the applicant's financial resources, business integrity, business ability and experience, franchise if applicable, physical facilities, vehicle inventory, and other factors]~~ the board determines by rule is [department considers] necessary to determine the applicant's qualifications to adequately serve the public.

SECTION 9. Sections 2301.260(a) and (b), Occupations Code, are amended to read as follows:

- (a) An application for a distributor's license must disclose:
- (1) the manufacturer for whom the distributor will act;
 - (2) whether the manufacturer is licensed in this state;
 - (3) ~~the warranty covering the motor vehicles to be sold;~~
 - ~~(4)~~ the persons in this state who will be responsible for compliance with the warranty covering the motor vehicles to be sold;
 - (4) ~~(5)~~ the terms of the contract under which the distributor will act for the manufacturer; and
 - (5) ~~(6)~~ the franchised dealers with whom the distributor will do business.

(b) An applicant for a distributor's license that has a responsibility under a warranty agreement must include a statement regarding the manufacturer's compliance with Subchapter I and Sections 2301.451-2301.476 ~~[provide the same information relating to the agreement as is provided by an applicant for a manufacturer's license under Section 2301.259].~~

SECTION 10. Section 2301.264(d), Occupations Code, is amended to read as follows:

(d) The department may refund ~~[from funds appropriated to the department for that purpose]~~ a fee collected under this chapter that is not due or that exceeds the amount due.

SECTION 11. Section 2301.301(b), Occupations Code, is amended to read as follows:

(b) The department [board] may issue a license for a term of less than the period prescribed under Subsection (a) to coordinate the expiration dates of licenses held by a person that is required to obtain more than one license to perform activities under this chapter.

SECTION 12. Section 2301.303, Occupations Code, is amended to read as follows:

Sec. 2301.303. RENEWAL OF DEALER'S LICENSE. A dealer shall renew the dealer's license on an application prescribed by the department [director]. The department [director] shall include in the renewal application a request for disclosure of material changes described by Section 2301.257.

SECTION 13. Section 2301.353, Occupations Code, is amended to read as follows:

Sec. 2301.353. PROHIBITION: PERFORMANCE OF OBLIGATION UNDER AGREEMENT WITH MANUFACTURER. A franchised dealer may not fail to perform an obligation placed on:

(1) the selling dealer in connection with the preparation and delivery of a new motor vehicle for retail sale as provided in the manufacturer's preparation and delivery agreements [~~on file with the board~~] that are applicable to the vehicle; or

(2) the dealer in connection with the manufacturer's warranty agreements [~~on file with the board~~].

SECTION 14. Section 2301.358(a), Occupations Code, is amended to read as follows:

(a) A person who holds a license issued under this chapter may not participate in a new motor vehicle show or exhibition unless:

(1) the person provides the department with written notice [~~at least 30 days~~] before the date the show or exhibition opens; and

(2) the department grants written approval.

SECTION 15. Section 2301.401, Occupations Code, is amended to read as follows:

Sec. 2301.401. WARRANTY, PREPARATION, AND DELIVERY [~~FILING~~] REQUIREMENTS. (a) On request, a [~~A~~] manufacturer or distributor shall provide to [~~file with~~] the department a copy of the current requirements the manufacturer or distributor imposes on its dealers with respect to the dealer's:

(1) duties under the manufacturer's or distributor's warranty; and

(2) vehicle preparation and delivery obligations.

(b) Warranty or preparation and delivery requirements placed on a dealer by a manufacturer are not enforceable unless the requirements are reasonable [~~and are disclosed and filed as required by Subsection (a)~~].

SECTION 16. Section 2301.460, Occupations Code, is amended to read as follows:

Sec. 2301.460. WARRANTY, PREPARATION, OR DELIVERY AGREEMENT OBLIGATIONS. Notwithstanding the terms of any franchise, a manufacturer, distributor, or representative may not, after a complaint and a hearing, fail or refuse to perform an obligation placed on the manufacturer in connection with the preparation, delivery, and warranty of a new motor vehicle as provided in the manufacturer's warranty, preparation, and delivery agreements [~~on file with the board~~].

SECTION 17. Section 2301.461(a), Occupations Code, is amended to read as follows:

(a) Notwithstanding the terms of any franchise or any other law, a franchised dealer's preparation, delivery, and warranty obligations [~~as filed with the board~~] are the dealer's sole responsibility for product liability as between the dealer and a manufacturer or distributor.

SECTION 18. Section 2301.4651(a), Occupations Code, is amended to read as follows:

(a) This section applies to a manufacturer, distributor, or representative that[=

~~[(1)] terminates or discontinues a franchise by [any means without complying with Section 2301.453; or~~

~~[(2) regardless of whether the manufacturer, distributor, or representative complies with Section 2301.453, terminates or discontinues a franchise by]:~~

~~(1) [(A)] discontinuing a line-make;~~

~~(2) [(B)] ceasing to do business in this state; or~~

~~(3) [(C)] changing the distributor or method of distribution of its products in this state.~~

SECTION 19. Sections 2301.606(b) and (c), Occupations Code, are amended to read as follows:

(b) In a hearing ~~[before the director]~~ under this subchapter, a manufacturer, converter, or distributor may plead and prove as an affirmative defense to a remedy under this subchapter that a nonconformity:

(1) is the result of abuse, neglect, or unauthorized modification or alteration of the motor vehicle; or

(2) does not substantially impair the use or market value of the motor vehicle.

(c) The board or a person delegated power from the board under Section 2301.154 [director] may not issue an order requiring a manufacturer, converter, or distributor to make a refund or to replace a motor vehicle unless:

(1) the owner or a person on behalf of the owner has mailed written notice of the alleged defect or nonconformity to the manufacturer, converter, or distributor; and

(2) the manufacturer, converter, or distributor has been given an opportunity to cure the alleged defect or nonconformity.

SECTION 20. Section 2301.607(c), Occupations Code, is amended to read as follows:

(c) If ~~[the administrative law judge does not issue]~~ a proposal for decision and recommendation for [recommend to the director] a final order are not issued before the 151st day after the date a complaint is filed under this subchapter, the department [director] shall provide written notice by certified mail to the complainant and to the manufacturer, converter, or distributor of the expiration of the 150-day period and of the complainant's right to file a civil action. The board or a person delegated power from the board under Section 2301.154 shall extend the 150-day period if a delay is requested or caused by the person who filed the complaint.

SECTION 21. Section 2301.608, Occupations Code, is amended to read as follows:

Sec. 2301.608. ASSESSMENT OF COSTS FOR REPLACEMENT OR REFUND. (a) In an order issued under this subchapter, the board or a person delegated power from the board under Section 2301.154 [director] shall name the person responsible for paying the cost of any refund or replacement. A manufacturer, converter, or distributor may not cause a franchised dealer to directly or indirectly pay any money not specifically ordered by the board or a person delegated power from the board under Section 2301.154 [director].

(b) If the board or a person delegated power from the board under Section 2301.154 ~~[director]~~ orders a manufacturer, converter, or distributor to make a refund or replace a motor vehicle under this subchapter, the board or person ~~[director]~~ may order the franchised dealer to reimburse the owner, lienholder, manufacturer, converter, or distributor only for an item or option added to the vehicle by the dealer to the extent that the item or option contributed to the defect that served as the basis for the order.

(c) In a case involving a leased vehicle, the board or a person delegated power from the board under Section 2301.154 ~~[director]~~ may terminate the lease and apportion allowances or refunds, including the reasonable allowance for use, between the lessee and lessor of the vehicle.

SECTION 22. Section 2301.609(a), Occupations Code, is amended to read as follows:

(a) A party to a proceeding ~~[before the director]~~ under this subchapter that is affected by a final order related to the proceeding ~~[of the director]~~ is entitled to judicial review of the order under the substantial evidence rule in a district court of Travis County.

SECTION 23. Sections 2301.610(a) and (d), Occupations Code, are amended to read as follows:

(a) A manufacturer, distributor, or converter that has been ordered to repurchase or replace a vehicle shall, through its franchised dealer, issue a disclosure statement stating that the vehicle was repurchased or replaced by the manufacturer, distributor, or converter under this subchapter. The statement must accompany the vehicle through the first retail purchase following the issuance of the statement and must include the ~~[board's]~~ toll-free telephone number described by Subsection (d) that will enable the purchaser to obtain information about the condition or defect that was the basis of the order for repurchase or replacement.

(d) The department ~~[board]~~ shall maintain a toll-free telephone number to provide information to a person who requests information about a condition or defect that was the basis for repurchase or replacement by an order issued under this chapter ~~[of the director]~~. The department ~~[board]~~ shall maintain an effective method of providing information to a person who makes a request.

SECTION 24. Section 2301.651(d), Occupations Code, is amended to read as follows:

(d) A license may not be denied, revoked, or suspended, and disciplinary action may not be taken under this subchapter, unless the respondent is given an opportunity for a hearing. The board may deny, revoke, or suspend a license or take disciplinary action by ~~[except on]~~ order only ~~[of the board]~~ after the department grants the respondent an opportunity for a hearing.

SECTION 25. Section 2301.703(a), Occupations Code, is amended to read as follows:

(a) A hearing ~~[shall be conducted in any contested case]~~ arising under this chapter or a board rule adopted under this chapter ~~[- The hearing]~~ must be conducted in accordance with this chapter, any order, decision, or rule of the board, and Chapter 2001, Government Code.

SECTION 26. Section 2301.709, Occupations Code, is amended to read as follows:

Sec. 2301.709. ~~[PROPOSED DECISION;]~~ REVIEW BY BOARD. (a) ~~[In a contested case, the administrative law judge shall serve on each party a copy of the administrative law judge's proposal for decision and recommended order containing findings of fact and conclusions of law. A party may file exceptions and replies to the board.]~~

~~(b)~~ In reviewing a ~~[the]~~ case under this subchapter, the board or a person delegated power from the board under Section 2301.154 may consider only materials that are submitted timely.

~~(b)~~ ~~(c)~~ The board or a person delegated power from the board under Section 2301.154 may hear such oral argument from any party as the board may allow.

~~(c)~~ ~~(d)~~ The board or a person delegated power from the board under Section 2301.154 shall take any further action conducive to the issuance of a final order and shall issue a written final decision or order. A majority vote of a quorum of the board is required to adopt a final decision or order of the board.

SECTION 27. Section 2301.710, Occupations Code, is amended to read as follows:

Sec. 2301.710. DISMISSAL OF COMPLAINT. On the motion of any party, the board or other person delegated final order authority under Section 2301.154, without holding a contested case hearing, may issue a final order dismissing a complaint, protest, or response in accordance with the terms and procedures set forth in the [Rule 166a,] Texas Rules of Civil Procedure~~[, or its successor]~~.

SECTION 28. Section 2301.711, Occupations Code, is amended to read as follows:

Sec. 2301.711. ORDERS AND DECISIONS. (a) The board or other person delegated final order authority under Section 2301.154 shall issue final orders for the implementation and enforcement of this chapter and Chapter 503, Transportation Code.

(b) An order or decision under this chapter ~~[of the board]~~ must:

(1) include a separate finding of fact with respect to each specific issue ~~[the board is]~~ required by law to be considered ~~[consider]~~ in reaching a decision;

(2) set forth additional findings of fact and conclusions of law on which the order or decision is based;

(3) give the reasons for the particular actions taken; and

(4) be signed by the presiding officer or assistant presiding officer for the board or other person delegated final order authority under Section 2301.154~~;~~

~~(5) be attested to by the director; and~~

~~(6) have the seal affixed to it.~~

SECTION 29. Section 2301.712(b), Occupations Code, is amended to read as follows:

(b) If a person who brings a complaint under Subchapter M prevails in the case, the board or a person delegated power from the board under Section 2301.154 shall order the nonprevailing party in the case to reimburse the amount of the filing fee for the case.

SECTION 30. Section 2301.713, Occupations Code, is amended to read as follows:

Sec. 2301.713. REHEARING. (a) Except as provided by Subsection (b), a ~~[A]~~ party who seeks a rehearing of an order shall seek the rehearing in accordance with Chapter 2001, Government Code.

(b) The board by rule may establish a procedure to allow parties to contested cases in which the final order is issued by a person to whom final order authority is delegated under Section 2301.154 to file motions for rehearing with the board.

SECTION 31. Section 2301.751(a), Occupations Code, is amended to read as follows:

(a) A party to a proceeding affected by a final order, rule, or decision or other final action of the board ~~[or director under this chapter or under another law]~~ with respect to a matter arising under this chapter or Chapter 503, Transportation Code, may seek judicial review of the action under the substantial evidence rule in:

- (1) a district court in Travis County; or
- (2) the court of appeals for the Third Court of Appeals District.

SECTION 32. Section 2301.752(b), Occupations Code, is amended to read as follows:

(b) Citation for an appeal must be served on the executive director or the executive director's designee and each party of record in the matter. For an appeal initiated in the court of appeals, the court shall cause the citation to be issued.

SECTION 33. Sections 2301.802(d) and (e), Occupations Code, are amended to read as follows:

(d) An interlocutory cease and desist order remains in effect until vacated or incorporated in a final order ~~[of the board]~~. An appeal of an interlocutory cease and desist order must be made to the board before seeking judicial review as provided by this chapter.

(e) A permanent cease and desist order may be issued regardless of the requirements of Subsection (b) but only under the procedures for a final order ~~[by the board]~~ under this chapter. An appeal of a permanent cease and desist order is made in the same manner as an appeal of a final order under this chapter.

SECTION 34. Section 2301.803(a), Occupations Code, is amended to read as follows:

(a) On the initiation of a ~~[board]~~ proceeding under this chapter or Chapter 503, Transportation Code, whether by complaint, protest, or otherwise, a person who receives notice from the board of a statutory stay imposed by this chapter may not allow or commit any act or omission that would:

- (1) violate this chapter, Chapter 503, Transportation Code, ~~[or]~~ any rule, order, or decision of the board, or an order or decision of a person delegated power from the board under Section 2301.154;

(2) affect a legal right, duty, or privilege of any party to a proceeding under this chapter or Chapter 503, Transportation Code ~~[before the board]~~; or

(3) tend to render ineffectual an an [a-board] order in a pending proceeding.

SECTION 35. Sections 2301.804(a) and (b), Occupations Code, are amended to read as follows:

(a) If it appears that a person has violated, is violating, or is threatening to violate this chapter, Chapter 503, Transportation Code, ~~[or]~~ a board rule adopted under this chapter or Chapter 503, Transportation Code, or an order issued under this chapter or Chapter 503, Transportation Code, the board or the executive director, if authorized by the presiding officer of the board, may cause a suit to be instituted in a court for:

(1) injunctive relief to restrain the person from committing the violation or threat of violation;

(2) imposition of a civil penalty; or

(3) both injunctive relief and a civil penalty.

(b) At the request of the board or the executive director, if authorized by the presiding officer of the board, the attorney general shall bring in the name of the state a suit for an injunction or a civil penalty as described by Subsection (a).

SECTION 36. Section 2302.103(a), Occupations Code, is amended to read as follows:

(a) To apply for a salvage vehicle dealer license, a person must submit to the department an application on a form prescribed by the department ~~[-The application must be signed by the applicant]~~ and ~~[accompanied by]~~ the application fee.

SECTION 37. Section 2305.001, Occupations Code, is amended by adding Subdivisions (5) and (6) to read as follows:

(5) "Board" means the board of the Texas Department of Motor Vehicles.

(6) "Department" means the Texas Department of Motor Vehicles.

SECTION 38. Section 2305.007(a), Occupations Code, is amended to read as follows:

(a) Except as provided by Subsection (b), for the purpose of enforcing or administering this chapter, Chapter 2302 of this code, or Chapter 501 or 502, Transportation Code, a member of the board ~~[Texas Transportation Commission]~~, an employee of the department ~~[Texas Transportation Commission or Texas Department of Transportation]~~, a member of the Public Safety Commission, an officer of the Department of Public Safety, or another peace officer who is interested in tracing or locating a stolen motor vehicle may at a reasonable time:

(1) enter the premises of a business regulated under one of those chapters; and

(2) inspect or copy any document, record, vehicle, part, or other item regulated under one of those chapters.

SECTION 39. The heading to Subchapter L, Chapter 201, Transportation Code, is amended to read as follows:

SUBCHAPTER L. ELECTRONIC ISSUANCE OF OUTDOOR
ADVERTISING LICENSES

SECTION 40. Section 201.931(2), Transportation Code, is amended to read as follows:

- (2) "License" means ~~[includes:~~
~~[(A) a permit issued by the department that authorizes the operation of a vehicle and its load or a combination of vehicles and load exceeding size or weight limitations; and~~
~~[(B)]~~ a license or permit for outdoor advertising issued under Chapter 391 or 394.

SECTION 41. Section 501.021(a), Transportation Code, is amended to read as follows:

- (a) A motor vehicle title issued by the department must include:
- (1) the legal name and address of each purchaser and seller at the first sale or a subsequent sale;
 - (2) the make of the motor vehicle;
 - (3) the body type of the vehicle;
 - (4) the manufacturer's permanent vehicle identification number of the vehicle or the vehicle's motor number if the vehicle was manufactured before the date that stamping a permanent identification number on a motor vehicle was universally adopted;
 - (5) the serial number for the vehicle;
 - (6) the name and address of each lienholder and the date of each lien on the vehicle, listed in the chronological order in which the lien was recorded;
 - (7) a statement indicating rights of survivorship under Section 501.031;
 - (8) if the vehicle has an odometer, the odometer reading at the time of application for the title; and
 - (9) any other information required by the department.

SECTION 42. Sections 501.022(a) and (b), Transportation Code, are amended to read as follows:

- (a) The owner of a motor vehicle registered in this state:
- (1) except as provided by Section 501.029, shall apply for title to the vehicle; and
 - (2) may not operate or permit the operation of the vehicle on a public highway until the owner ~~[obtains]~~:
 - (A) applies for title and registration for the vehicle; or
 - (B) obtains a receipt evidencing title for registration purposes only under Section 501.029.

(b) A person may not operate a motor vehicle registered in this state on a public highway if the person knows or has reason to believe that the owner has not applied for ~~[obtained]~~ a title for the vehicle.

SECTION 43. Section 501.023(a), Transportation Code, is amended to read as follows:

- (a) The owner of a motor vehicle must present identification and apply for a title as prescribed by the department, unless otherwise exempted by law. To obtain a title, the owner must apply:

- (1) to the county assessor-collector in the county in which:
 - (A) the owner is domiciled; or
 - (B) the motor vehicle is purchased or encumbered; ~~[or]~~
- (2) if the county in which the owner resides has been declared by the governor as a disaster area, to the county assessor-collector in one of the closest unaffected counties to a county that asks for assistance and:
 - (A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and
 - (B) is inoperable for a protracted period of time; or
- (3) if the county assessor-collector's office of the county in which the owner resides is closed for a protracted period of time as defined by the department, to the county assessor-collector of a county that borders the county in which the owner resides who agrees to accept the application.

SECTION 44. Section 501.0234(b), Transportation Code, is amended to read as follows:

- (b) This section does not apply to a motor vehicle:
 - (1) that has been declared a total loss by an insurance company in the settlement or adjustment of a claim;
 - (2) for which the title has been surrendered in exchange for:
 - (A) a salvage vehicle title or salvage record of title issued under this chapter;
 - (B) a nonrepairable vehicle title or nonrepairable vehicle record of title issued under this chapter or Subchapter D, Chapter 683; or
 - (C) an ownership document issued by another state that is comparable to a document described by Paragraph (A) or (B);
 - (3) with a gross weight in excess of 11,000 pounds; or
 - (4) purchased by a commercial fleet buyer who:
 - (A) is a ~~[full service]~~ deputy authorized by rules adopted under Section 520.0071;
 - (B) ~~[520.008 and who]~~ utilizes the dealer title application process developed to provide a method to submit title transactions to the county in which the commercial fleet buyer is a ~~[full service]~~ deputy; and
 - (C) has authority to accept an application for registration and application for title transfer that the county assessor-collector may accept.

SECTION 45. Section 501.024(d), Transportation Code, is amended to read as follows:

- (d) A title receipt with registration or permit authorizes the operation of the motor vehicle on a public highway in this state ~~[for 10 days or]~~ until the title is issued~~[, whichever period is shorter].~~

SECTION 46. Sections 501.031(a) and (c), Transportation Code, are amended to read as follows:

- (a) The department shall include on each title an optional rights of survivorship agreement that:

(1) provides that if the agreement is between two or more eligible persons, the motor vehicle will be owned ~~[is held jointly]~~ by the surviving owners when one or more of the owners die [those persons with the interest of a person who dies to transfer to the surviving person or persons]; and

(2) provides for the acknowledgment by signature, either electronically or by hand, of the persons.

(c) Ownership of the vehicle may be transferred only:

(1) by all the persons acting jointly, if all the persons are alive; or [and]

(2) on the death of one of the persons, by the surviving person or persons by transferring ownership of the vehicle, in the manner otherwise required by law, with a copy of the death certificate of the deceased person.

SECTION 47. Section 501.032, Transportation Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) On proper application, the department shall assign a vehicle identification number to a travel trailer, a trailer or semitrailer ~~[that has a gross vehicle weight that exceeds 4,000 pounds]~~, a frame, or an item of equipment, including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment ~~[on which]~~:

(1) on which a vehicle identification number was not die-stamped by the manufacturer; ~~[or]~~

(2) on which a vehicle identification number die-stamped by the manufacturer has been lost, removed, or obliterated; or

(3) for which a vehicle identification number was never assigned.

(b) The applicant shall die-stamp the assigned vehicle identification number at the place designated by the department on the travel trailer, trailer, semitrailer, frame, or equipment.

(d) Only the department may issue vehicle identification numbers.

SECTION 48. Section 501.033(a), Transportation Code, is amended to read as follows:

(a) A person determined by law enforcement or a court to be the owner of a motor vehicle, travel trailer, semitrailer, or trailer, a part of a motor vehicle, travel trailer, semitrailer, or trailer, a frame, or an item of equipment including a tractor, farm implement, unit of special mobile equipment, or unit of off-road construction equipment may apply to the department for an assigned vehicle identification number that has been removed, altered, ~~[or]~~ obliterated, or has never been assigned.

SECTION 49. Subchapter B, Chapter 501, Transportation Code, is amended by adding Section 501.037 to read as follows:

Sec. 501.037. TITLE FOR TRAILERS. (a) Notwithstanding any other provision of this chapter, the department may issue a title for a trailer that has a gross vehicle weight of 4,000 pounds or less if all other requirements for issuance of a title are met.

(b) To obtain a title under this section, the owner of the trailer must:

(1) apply for the title in the manner required by Section 501.023; and

(2) pay the fee required by Section 501.138.

SECTION 50. The heading to Subchapter C, Chapter 501, Transportation Code, is amended to read as follows:

SUBCHAPTER C. REFUSAL TO ISSUE, ~~[AND]~~ REVOCATION, ~~[OR]~~
SUSPENSION, OR ALTERATION OF CERTIFICATE

SECTION 51. Section 501.051(b), Transportation Code, is amended to read as follows:

(b) The department may rescind, cancel, or revoke an application for a title if a notarized or county-stamped affidavit is presented containing:

(1) a statement that the vehicle involved was a new motor vehicle in the process of a first sale;

(2) a statement that the dealer, the applicant, and any lienholder have canceled the sale;

(3) a statement that the vehicle:

(A) was never in the possession of the title applicant; or

(B) was in the possession of the title applicant; and

(4) the signatures of the dealer, the applicant, and any lienholder.

SECTION 52. Section 501.052(e), Transportation Code, is amended to read as follows:

(e) An applicant aggrieved by the determination under Subsection (d) may appeal only to the county or district court of the county of the applicant's residence. An applicant must file an appeal not later than the fifth day after the date of the assessor-collector's determination. The ~~[county court]~~ judge shall try the appeal in the manner of other civil cases. All rights and immunities granted in the trial of a civil case are available to the interested parties. If the department's action is not sustained, the department shall promptly issue a title for the vehicle.

SECTION 53. Subchapter C, Chapter 501, Transportation Code, is amended by adding Section 501.0521 to read as follows:

Sec. 501.0521. COURT ORDERED TITLE CHANGES. (a) A justice of the peace or municipal court judge may not issue an order related to a title except as provided by Chapter 47, Code of Criminal Procedure, or Section 27.031(a)(3), Government Code.

(b) A county or district court judge may not order the department to change the type of title for:

(1) a nonrepairable vehicle titled after September 1, 2003; or

(2) a vehicle for which the department has issued a certificate of authority under Section 683.054.

SECTION 54. Section 501.053(a), Transportation Code, is amended to read as follows:

(a) As an alternative to the procedure provided by Section 501.052, the person may obtain a title by filing ~~[file]~~ a bond with the department if the vehicle is in the possession of the applicant and:

(1) there is no security interest on the vehicle;

(2) any lien on the vehicle is at least 10 years old; or

(3) the person provides a release of all liens with bond. [On the filing of the bond the person may obtain a title.]

SECTION 55. Section 501.076(c), Transportation Code, is amended to read as follows:

(c) The person named as the agent in the limited power of attorney must meet the following requirements:

(1) the person may be a person who has been deputized [~~appointed by the commissioners court as a deputy~~] to perform vehicle registration functions as authorized by rules adopted under Section 520.0071 [~~520.0091~~], a licensed vehicle auction company holding a wholesale general distinguishing number under Section 503.022, a person who has a permit similar to one of the foregoing that is issued by the state in which the owner is located, or another person authorized by law to execute title documents in the state in which the owner executes the documents; and

(2) the person may not be the transferee or an employee of the transferee. The person may not act as the agent of both the transferor and transferee in the transaction. For the purposes of this section, a person is not the agent of both the transferor and transferee in a transaction unless the person has the authority to sign the documents pertaining to the transfer of title on behalf of both the transferor and the transferee.

SECTION 56. Section 501.095(b), Transportation Code, is amended to read as follows:

(b) A person [~~An owner~~], other than a salvage vehicle dealer, a used automotive parts recycler, or an insurance company licensed to do business in this state, who acquired ownership of a nonrepairable or salvage motor vehicle that has not been issued a nonrepairable vehicle title, nonrepairable record of title, salvage vehicle title, salvage record of title, or a comparable ownership document issued by another state or jurisdiction shall, before selling the motor vehicle, surrender the properly assigned title for the motor vehicle to the department and apply to the department for the appropriate ownership document.

SECTION 57. Sections 501.100(a) and (d), Transportation Code, are amended to read as follows:

(a) The owner of a motor [~~A~~] vehicle for which a nonrepairable vehicle [~~certificate of~~] title issued prior to September 1, 2003, or for which a salvage vehicle title or salvage record of title has been issued may apply for [~~obtain~~] a title after the motor vehicle has been repaired, rebuilt, or reconstructed and, in addition to any other requirement of law, only if the application:

(1) describes each major component part used to repair the motor vehicle;

(2) states the name of each person from whom the parts used in assembling the vehicle were obtained; and

(3) shows the identification number required by federal law to be affixed to or inscribed on the part.

(d) In addition to the fee described by Subsection (b), the applicant shall pay a \$65 rebuilder fee. The applicant shall include the fee with the statement submitted under Section 502.156 for the vehicle.

SECTION 58. Section 501.138(b-2), Transportation Code, is amended to read as follows:

(b-2) The comptroller shall establish a record of the amount of the fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1). On or before the fifth workday of each month, the Texas Department of Transportation [~~department~~] shall remit to the comptroller for deposit to the credit of the Texas emissions reduction plan fund an amount of money equal to the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month. The Texas Department of Transportation [~~department~~] shall use for remittance to the comptroller as required by this subsection money in the state highway fund that is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution, and may not use for that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

SECTION 59. Subchapter G, Chapter 501, Transportation Code, is amended by adding Section 501.139 to read as follows:

Sec. 501.139. ELECTRONIC FUNDS TRANSFER. A county assessor-collector that transfers money to the department under this chapter shall transfer the money electronically.

SECTION 60. Section 501.146, Transportation Code, is amended by adding Subsection (d) to read as follows:

(d) A late fee imposed under this section may not exceed \$250.

SECTION 61. Section 501.173, Transportation Code, is amended by adding Subsection (c) to read as follows:

(c) In addition to other title fees, the board by rule may set a fee to be assessed for the issuance of a paper title to cover the cost of administering the electronic titling system.

SECTION 62. Section 502.001, Transportation Code, is amended by amending Subdivision (7) and adding Subdivision (39-a) to read as follows:

(7) "Commercial motor vehicle" means a [~~commercial~~] motor vehicle, other than a motorcycle, designed or used primarily to transport property. The term includes a passenger car reconstructed and used primarily for delivery purposes. The term does not include a passenger car used to deliver the United States mail [as defined by Section 644.001].

(39-a) "Shipping weight" means the weight generally accepted as the empty weight of a vehicle.

SECTION 63. Sections 502.040(b) and (d), Transportation Code, are amended to read as follows:

(b) The application must be accompanied by personal identification as determined by department rule and made in a manner prescribed by the department:

(1) through the county assessor-collector of the county in which the owner resides; [✗]

(2) if the county in which the owner resides has been declared by the governor as a disaster area, through the county assessor-collector of a county that is one of the closest unaffected counties to a county that asks for assistance and:

(A) continues to be declared by the governor as a disaster area because the county has been rendered inoperable by the disaster; and

(B) is inoperable for a protracted period of time; or

(3) if the county assessor-collector's office in which the owner resides is closed for a protracted period of time as defined by the department, to the county assessor-collector of a county that borders the county in which the owner resides who agrees to accept the application.

(d) A county assessor-collector, a deputy county assessor-collector, or a person acting on behalf of a county assessor-collector is not liable to any person for:

(1) refusing to register a [~~motor~~] vehicle because of the person's failure to submit evidence of residency that complies with the department's rules; or

(2) registering a [~~motor~~] vehicle under this section.

SECTION 64. The heading to Section 502.043, Transportation Code, is amended to read as follows:

Sec. 502.043. APPLICATION FOR REGISTRATION AND CERTAIN PERMITS.

SECTION 65. Section 502.043, Transportation Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (c-1) to read as follows:

(a) An application for vehicle registration or a permit described by Section 502.094 or 502.095 must:

(1) be made in a manner prescribed and include the information required by the department by rule; and

(2) contain a full description of the vehicle as required by department rule.

(b) The department shall deny the registration of or permitting under Section 502.094 or 502.095 of a commercial motor vehicle, truck-tractor, trailer, or semitrailer if the applicant:

(1) has a business operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration or whose privilege to operate has been suspended, including the applicant entity, a relative, family member, corporate officer, or shareholder;

(2) has a vehicle that has been prohibited from operating by the Federal Motor Carrier Safety Administration for safety-related reasons;

(3) is a carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who is ineligible for registration, including the owner, a relative, a family member, a corporate officer, or a shareholder; or

(4) fails to deliver to the county assessor-collector proof of the weight of the vehicle, the maximum load to be carried on the vehicle, and the gross weight for which the vehicle is to be registered.

(c) In lieu of filing an application during a year as provided by Subsection (a), the owner of a vehicle registered in any state for that year or the preceding year may present:

(1) the registration receipt and transfer receipt for the vehicle; or

(2) other evidence satisfactory to the county assessor-collector that the person owns the vehicle~~[, if any].~~

(c-1) A [The] county assessor-collector shall accept a [the] receipt or evidence provided under Subsection (c) as an application for renewal of the registration if the receipt or evidence indicates the applicant owns the vehicle. This section allows issuance for registration purposes only but does not authorize the department to issue a title.

SECTION 66. The heading to Section 502.055, Transportation Code, is amended to read as follows:

Sec. 502.055. DETERMINATION OF WEIGHT AND SEATING CAPACITY.

SECTION 67. Section 502.055, Transportation Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) For the purposes of this section, the seating capacity of a bus is:

(1) the manufacturer's rated seating capacity, excluding the operator's seat; or

(2) if the manufacturer has not rated the vehicle for seating capacity, a number computed by allowing one passenger for each 16 inches of seating on the bus, excluding the operator's seat.

(d) For registration purposes:

(1) the weight of a passenger car is the shipping weight of the car plus 100 pounds; and

(2) the weight of a municipal bus or private bus is calculated by adding the following and rounding to the next highest 100 pounds:

(A) the shipping weight of the bus; and

(B) the seating capacity multiplied by 150 pounds.

SECTION 68. Section 502.092(b), Transportation Code, is amended to read as follows:

(b) The department shall issue a receipt for a permit issued [distinguishing insignia for a vehicle issued a permit] under this section in a manner provided by the department. The permit receipt must contain the information required by this section and be carried in the vehicle for which it is issued at all times during which it is valid. [The insignia must be attached to the vehicle in lieu of regular license plates and must show the permit expiration date.] A permit issued under this section is valid until the earlier of:

(1) the date the vehicle's registration in the owner's home state or country expires; or

(2) the 30th day after the date the permit is issued.

SECTION 69. Sections 502.094(c) and (d), Transportation Code, are amended to read as follows:

(c) A person may obtain a permit under this section by:

(1) applying to the county assessor-collector or [;] the department~~[, or the department's wire service agent, if the department has a wire service agent];~~

(2) paying a fee of \$25 for a 72-hour permit or \$50 for a 144-hour permit in the manner prescribed by the department that may include a service charge for a credit card payment or escrow account;

(3) furnishing to the county assessor-collector or [;] the department[~~or the department's wire service agent,~~] evidence of financial responsibility for the vehicle that complies with Sections 502.046(c) and 601.168(a); and

(4) submitting a copy of the applicable federal declaration form required by the Federal Motor Carrier Safety Administration or its successor in connection with the importation of a motor vehicle or motor vehicle equipment subject to the federal motor vehicle safety, bumper, and theft prevention standards.

(d) A county assessor-collector shall report and send a fee collected under this section in the manner provided by Section 502.198. [~~Each week, a wire service agent shall send to the department a report of all permits issued by the agent during the previous week.~~] The board by rule shall prescribe the format and content of a report required by this subsection.

SECTION 70. Section 502.168, Transportation Code, is amended to read as follows:

Sec. 502.168. FEE: MOTOR BUS. The fee for a registration year for registration of a motor bus is the fee prescribed by Section 502.252 [~~502.164~~] or 502.253 [~~502.162~~], as applicable.

SECTION 71. Subchapter E, Chapter 502, Transportation Code, is amended by adding Section 502.199 to read as follows:

Sec. 502.199. ELECTRONIC FUNDS TRANSFER. A county assessor-collector that transfers money to the department under this chapter shall transfer the money electronically.

SECTION 72. Section 502.433(a), Transportation Code, is amended to read as follows:

(a) The registration fee for a commercial motor vehicle as a farm vehicle is 50 percent of the applicable fee under Section 502.252 or 502.253, as applicable, if the vehicle's owner will use the vehicle for commercial purposes only to transport:

(1) the person's own poultry, dairy, livestock, livestock products, timber in its natural state, or farm products to market or another place for sale or processing;

(2) laborers from their place of residence to the owner's farm or ranch;

or

(3) without charge, materials, tools, equipment, or supplies from the place of purchase or storage to the owner's farm or ranch exclusively for the owner's use or for use on the farm or ranch.

SECTION 73. Section 502.473(d), Transportation Code, is amended to read as follows:

(d) A court may dismiss a charge brought under Subsection (a) if the defendant pays an administrative fee not to exceed \$10 and:

(1) remedies the defect before the defendant's first court appearance; or

(2) shows that the motor vehicle was issued a registration insignia by the department that was attached to the motor vehicle, establishing that the vehicle was registered for the period during which the offense was committed;

~~and~~

~~[(2) pays an administrative fee not to exceed \$10].~~

SECTION 74. Subchapter K, Chapter 502, Transportation Code, is amended by adding Section 502.4755 to read as follows:

Sec. 502.4755. DECEPTIVELY SIMILAR INSIGNIA. (a) A person commits an offense if the person:

(1) manufactures, sells, or possesses a registration insignia deceptively similar to the registration insignia of the department; or

(2) makes a copy or likeness of an insignia deceptively similar to the registration insignia of the department with intent to sell the copy or likeness.

(b) For the purposes of this section, an insignia is deceptively similar to the registration insignia of the department if the insignia is not prescribed by the department but a reasonable person would presume that it was prescribed by the department.

(c) A district or county court, on application of the attorney general or of the district attorney or prosecuting attorney performing the duties of the district attorney for the district in which the court is located, may enjoin a violation or threatened violation of this section on a showing that a violation has occurred or is likely to occur.

(d) It is an affirmative defense to a prosecution under this section that the insignia was produced pursuant to a licensing agreement with the department.

(e) An offense under this section is:

(1) a felony of the third degree if the person manufactures or sells a deceptively similar registration insignia; or

(2) a Class C misdemeanor if the person possesses a deceptively similar registration insignia, except that the offense is a Class B misdemeanor if the person has previously been convicted of an offense under this subdivision.

SECTION 75. Section 502.491, Transportation Code, as redesignated from Section 502.451, Transportation Code, by Chapter 1296 (**HB 2357**), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted to incorporate amendments to Section 502.451, Transportation Code, made by Chapters 432 (**SB 1057**) and 1296 (**HB 2357**), Acts of the 82nd Legislature, Regular Session, 2011, and amended to read as follows:

Sec. 502.491. TRANSFER OF VEHICLE REGISTRATION. (a) On the sale or transfer of a [motor] vehicle, the registration insignia issued for the [motor] vehicle shall be removed. The registration period remaining at the time of sale or transfer expires at the time of sale or transfer.

~~[(a-1) On the sale of a used motor vehicle by a dealer, the dealer shall issue to the buyer new registration documents for an entire registration year.]~~

(b) On a sale or transfer of a [motor] vehicle in which neither party holds a general distinguishing number issued under Chapter 503, the part of the registration period remaining at the time of the sale or transfer shall continue with the vehicle being sold or transferred and does not transfer with the license plates or registration validation insignia. To continue the remainder of the registration period, the purchaser or transferee must file the documents required under Section 501.145.

(c) On the sale or transfer of a ~~[motor]~~ vehicle to a dealer, as defined by Section 503.001, who holds a general distinguishing number issued under Chapter 503, the registration period remaining at the time of the sale or transfer expires at the time of the sale or transfer. On the sale of a used ~~[motor]~~ vehicle by a dealer, the dealer shall issue to the buyer new registration documents for an entire registration year.

(d) If the transferor has paid for more than one year of registration, the department may credit the transferor for any time remaining on the registration in annual increments.

SECTION 76. Sections 503.009(a), (c), and (d), Transportation Code, are amended to read as follows:

(a) The board ~~[department's Motor Vehicle Board]~~ may conduct hearings in contested cases brought under this chapter ~~[and]~~ as provided by this chapter and Chapter 2301, Occupations Code.

(c) A decision or final order issued under this section is final and may not be appealed, as a matter of right, to the board ~~[commission]~~.

(d) The board ~~[department's Motor Vehicle Board]~~ may adopt rules for the procedure, a hearing, or an enforcement proceeding for an action brought under this section.

SECTION 77. Section 504.202(e), Transportation Code, is amended to read as follows:

(e) Other than license plates issued under Subsection (h), license plates issued under this section must include:

(1) the letters "DV" ~~[as a prefix or suffix to any numeral]~~ on the plate if the plate is issued for a vehicle other than a motorcycle; and

(2) the words "Disabled Veteran" and "U.S. Armed Forces" at the bottom of each license plate.

SECTION 78. Section 504.306, Transportation Code, is amended to read as follows:

Sec. 504.306. MEMBERS AND FORMER MEMBERS OF [PERSONS RETIRED FROM SERVICE IN] MERCHANT MARINE OF THE UNITED STATES. The department shall issue specialty license plates for members and former members of [persons retired from service in] the merchant marine of the United States. The license plates must include the words "Merchant Marine."

SECTION 79. Section 504.610(a), Transportation Code, is amended to read as follows:

(a) The department may ~~[shall]~~ issue specialty license plates in recognition of the Texas Aerospace Commission. [including the words "Texas Aerospace Commission."] The department shall design the license plates in consultation with the Texas Aerospace Commission.

SECTION 80. Section 504.652(b), Transportation Code, is amended to read as follows:

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of an account in the general revenue fund. Money in the account may be used only by Texas A&M AgriLife [Cooperative] Extension for graduate student assistantships

within the Texas Master Gardener program and to support Texas A&M AgriLife [Cooperative] Extension's activities related to the Texas Master Gardener program.

SECTION 81. Subchapter G, Chapter 504, Transportation Code, is amended by adding Section 504.663 to read as follows:

Sec. 504.663. BIG BROTHERS BIG SISTERS LICENSE PLATES. (a) The department shall issue specialty license plates in recognition of the mentoring efforts of Big Brothers Big Sisters of America organizations operating in this state. The department shall design the license plates in consultation with a representative from a Big Brothers Big Sisters of America organization operating in this state and the attorney general.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Specialty License Plates General Account in the general revenue fund. Money deposited to the credit of the Specialty License Plates General Account under this section may be used only by the attorney general to provide grants to benefit Big Brothers Big Sisters of America organizations operating in this state.

SECTION 82. Section 504.901, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) This section applies only to:

- (1) a passenger vehicle with a gross weight of 6,000 pounds or less;
and
(2) a light truck with a gross weight of 10,000 pounds or less.

SECTION 83. Section 504.945(d), Transportation Code, is amended to read as follows:

(d) A court may dismiss a charge brought under Subsection (a)(3), (5), (6), or (7) if the defendant:

- (1) remedies the defect before the defendant's first court appearance;
[and]
(2) pays an administrative fee not to exceed \$10; and
(3) shows that the vehicle was issued a plate by the department that was attached to the vehicle, establishing that the vehicle was registered for the period during which the offense was committed.

SECTION 84. Subchapter L, Chapter 504, Transportation Code, is amended by adding Sections 504.946, 504.947, and 504.948 to read as follows:

Sec. 504.946. DECEPTIVELY SIMILAR LICENSE PLATE. (a) A person commits an offense if the person:

- (1) manufactures, sells, or possesses a license plate deceptively similar to a license plate issued by the department; or
(2) makes a copy or likeness of a license plate deceptively similar to a license plate issued by the department with intent to sell the copy or likeness.

(b) For the purposes of this section, a license plate is deceptively similar to a license plate issued by the department if it is not prescribed by the department but a reasonable person would presume that it was prescribed by the department.

(c) A district or county court, on application of the attorney general or of the district attorney or prosecuting attorney performing the duties of the district attorney for the district in which the court is located, may enjoin a violation or threatened violation of this section on a showing that a violation has occurred or is likely to occur.

(d) It is an affirmative defense to a prosecution under this section that the license plate was produced pursuant to a licensing agreement with the department.

(e) An offense under this section is:

(1) a felony of the third degree if the person manufactures or sells a deceptively similar license plate; or

(2) a Class C misdemeanor if the person possesses a deceptively similar license plate, except that the offense is a Class B misdemeanor if the person has previously been convicted of an offense under this subdivision.

Sec. 504.947. LICENSE PLATE FLIPPER; OFFENSE. (a) In this section "license plate flipper" means a manual, electric, or mechanical device designed or adapted to be installed on a motor vehicle and:

(1) switch between two or more license plates for the purpose of allowing a motor vehicle operator to change the license plate displayed on the operator's vehicle; or

(2) hide a license plate from view by flipping the license plate so that the license plate number is not visible.

(b) A person commits an offense if the person with criminal negligence uses, purchases, possesses, manufactures, sells, offers to sell, or otherwise distributes a license plate flipper. An offense under this subsection is a Class C misdemeanor, except that the offense is a Class B misdemeanor if the person has previously been convicted of an offense under this subsection.

Sec. 504.948. GENERAL PENALTY. (a) A person commits an offense if the person violates a provision of this chapter and no other penalty is prescribed for the violation.

(b) An offense under Subsection (a) is a misdemeanor punishable by a fine of not less than \$5 or more than \$200.

SECTION 85. Section 520.001, Transportation Code, is amended to read as follows:

Sec. 520.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

(1) "Board" means the board of the Texas Department of Motor Vehicles.

(2) "Department" [~~,"department"~~] means the Texas Department of Motor Vehicles.

SECTION 86. Section 520.003, Transportation Code, is amended to read as follows:

Sec. 520.003. RULES; [WAIVER OF] FEES; REFUNDS. (a) The department may adopt rules to administer this chapter, including rules that:

(1) waive the payment of fees if a dealer has gone out of business and the applicant can show that fees were paid to the dealer; and

(2) allow full and partial refunds for rejected titling and registration transactions.

(b) The department may collect from a person making a transaction with the department using the state electronic Internet portal project a fee set under Section 2054.2591, Government Code. All fees collected under this subsection shall be allocated to the department to provide for the department's costs associated with administering Section 2054.2591, Government Code.

SECTION 87. Section 520.005, Transportation Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) Notwithstanding the requirements of Section 520.0071 [Sections 520.008 and 520.0091], the assessor-collector may license franchised and non-franchised motor vehicle dealers to title and register motor vehicles in accordance with rules adopted under Section 520.004. The county assessor-collector may pay a fee to a motor vehicle dealer independent of or as part of the portion of the fees that would be collected by the county for each title and registration receipt issued.

(d) Each county assessor-collector shall process a registration renewal through an online system designated by the department.

SECTION 88. Section 520.006(a-1), Transportation Code, as added by Chapters 1290 (**HB 2017**) and 1296 (**HB 2357**), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

(a-1) A county assessor-collector collecting fees on behalf of a county that has been declared as a disaster area or that is closed for a protracted period of time as defined by the department for purposes of Section 501.023 or 502.040 may retain the commission for fees collected, but shall allocate the fees to the county declared as a disaster area or that is closed for a protracted period of time.

SECTION 89. Subchapter A, Chapter 520, Transportation Code, is amended by adding Section 520.0061 to read as follows:

Sec. 520.0061. CONTRACTS BETWEEN COUNTIES. (a) A county tax assessor-collector, with approval of the commissioners court of the county by order, may enter into an agreement with one or more counties to perform mail-in or online registration or titling duties.

(b) A contract entered into under Subsection (a) may be terminated by a county that is a party to the contract.

SECTION 90. Subchapter A, Chapter 520, Transportation Code, is amended by adding Section 520.0071 to read as follows:

Sec. 520.0071. DEPUTIES. (a) The board by rule shall prescribe:

(1) the classification types of deputies performing titling and registration duties;

(2) the duties and obligations of deputies;

(3) the type and amount of any bonds that may be required by a county assessor-collector for a deputy to perform titling and registration duties; and

(4) the fees that may be charged or retained by deputies.

(b) A county assessor-collector, with the approval of the commissioners court of the county, may deputize an individual or business entity to perform titling and registration services in accordance with rules adopted under Subsection (a).

SECTION 91. The heading to Section 520.0093, Transportation Code, is amended to read as follows:

Sec. 520.0093. LEASE OF ~~[ADDITIONAL]~~ COMPUTER EQUIPMENT.

SECTION 92. Section 520.0093, Transportation Code, is amended by amending Subsections (a), (c), and (e) and adding Subsection (b-1) to read as follows:

(a) The department may ~~[This section applies only to the]~~ lease ~~[of]~~ equipment and provide related services to a:

(1) county for the operation of the automated registration and titling system in addition to the equipment provided by the department at no cost to the county under a formula prescribed by the department; and

(2) deputy appointed under Section 520.0071.

(b-1) On the request of a deputy appointed under Section 520.0071, the department may enter into an agreement under which the department leases equipment to the deputy for the use of the deputy in operating the automated registration and titling system. The department may require the deputy to post a bond in an amount equal to the value of the equipment.

(c) A county may install equipment leased under this section at offices of the county or of an agent of the county. A deputy appointed under Section 520.0071 may install equipment leased under this section on the premises described in the agreement.

(e) Under the agreement, the department shall charge an amount not less than the amount of the cost to the department to provide the ~~[additional]~~ equipment and any related services under the lease. All money collected under the lease shall be deposited to the credit of the state highway fund.

SECTION 93. Section 520.016(c), Transportation Code, is amended to read as follows:

(c) This section does not apply to a violation of Section 520.006 or a rule adopted under Section 520.0071 ~~[- 520.008, 520.009, 520.0091, or 520.0092].~~

SECTION 94. Subchapter D, Chapter 551, Transportation Code, is amended by adding Section 551.304 to read as follows:

Sec. 551.304. LIMITED OPERATION. (a) An operator may operate a neighborhood electric vehicle:

(1) in a master planned community:

(A) that has in place a uniform set of restrictive covenants; and

(B) for which a county or municipality has approved a plat;

(2) on a public or private beach; or

(3) on a public highway for which the posted speed limit is not more than 35 miles per hour, if the neighborhood electric vehicle is operated:

(A) during the daytime; and

(B) not more than two miles from the location where the neighborhood electric vehicle is usually parked and for transportation to or from a golf course.

(b) A person is not required to register a neighborhood electric vehicle operated in compliance with this section.

SECTION 95. Section 551.402, Transportation Code, is amended to read as follows:

Sec. 551.402. REGISTRATION NOT AUTHORIZED. (a) The Texas Department of Motor Vehicles [~~Transportation~~] may not register a golf cart for operation on a public highway regardless of whether any alteration has been made to the golf cart.

(b) The Texas Department of Motor Vehicles [~~department~~] may issue license plates for a golf cart only as authorized by Section 504.510.

SECTION 96. Section 601.052(a), Transportation Code, is amended to read as follows:

(a) Section 601.051 does not apply to:

(1) the operation of a motor vehicle that:

(A) is a former military vehicle or is at least 25 years old;

(B) is used only for exhibitions, club activities, parades, and other functions of public interest and not for regular transportation; and

(C) for which the owner files with the department an affidavit, signed by the owner, stating that the vehicle is a collector's item and used only as described by Paragraph (B);

(2) the operation of a neighborhood electric vehicle or a golf cart that is operated only as authorized by Section 551.304 or 551.403; or

(3) a volunteer fire department for the operation of a motor vehicle the title of which is held in the name of a volunteer fire department.

SECTION 97. Section 621.001(4), Transportation Code, is amended to read as follows:

(4) "Director" means:

(A) the executive director of the department; or

(B) an employee of the department who is:

(i) a division or special office director or holds a rank higher than division or special office director; and

(ii) designated by the executive director [~~Texas Department of Motor Vehicles~~].

SECTION 98. Section 621.002(a), Transportation Code, is amended to read as follows:

(a) A copy of the registration receipt issued under Section 502.057 [~~502.178~~] for a commercial motor vehicle, truck-tractor, trailer, or semitrailer shall be:

(1) carried on the vehicle when the vehicle is on a public highway; and

(2) presented to an officer authorized to enforce this chapter on request of the officer.

SECTION 99. Section 621.301(b), Transportation Code, is amended to read as follows:

(b) The commissioners court may limit the maximum weights to be moved on or over a county road, bridge, or culvert by exercising its authority under this subsection in the same manner and under the same conditions provided by Section 621.102 for the Texas Department of Transportation [~~commission~~] to limit maximum weights on highways and roads to which that section applies.

SECTION 100. Subchapter D, Chapter 621, Transportation Code, is amended by adding Section 621.304 to read as follows:

Sec. 621.304. RESTRICTION ON LOCAL GOVERNMENT AUTHORITY TO REGULATE OVERWEIGHT VEHICLES AND LOADS ON STATE HIGHWAY SYSTEM. Except as expressly authorized by this subtitle, a county or municipality may not require a permit, bond, fee, or license for the movement of a vehicle or combination of vehicles or any load carried by the vehicle or vehicles on the state highway system in the county or municipality that exceeds the weight or size limits on the state highway system.

SECTION 101. Section 621.503, Transportation Code, is amended by adding Subsection (d) to read as follows:

(d) A violation of this section is subject to administrative enforcement under Subchapter N, Chapter 623, except that administrative enforcement may not be imposed on a person described by Subsection (a) if the person is an entity or is owned by the same entity that operated the loaded vehicle and has been assessed a criminal penalty under this subtitle for a violation associated with the load.

SECTION 102. Section 621.506, Transportation Code, is amended by amending Subsections (a) and (b) and adding Subsections (b-1), (b-2), (b-3), and (i) to read as follows:

(a) A person commits an offense if the person:

(1) operates a vehicle or combination of vehicles in violation of Section 621.101, 622.012, 622.031, 622.041, 622.0435, 622.051, 622.061, 622.133, 622.953, or 623.162; or

(2) loads a vehicle or causes a vehicle to be loaded in violation of Section 621.503.

(b) Except as provided by Subsections (b-1), (b-2), and (b-3), an [~~Am~~] offense under this section is a misdemeanor punishable:

(1) by a fine of not less than \$100 and not more than \$250 [~~\$150~~];

(2) on conviction of an offense involving a vehicle having a single axle weight or tandem axle weight that is heavier than the vehicle's allowable weight, by a fine according to the following schedule:

<u>Pounds Overweight</u>	<u>Fine Range</u>
<u>less than 2,500</u>	<u>\$100 to \$500</u>
<u>2,500-5,000</u>	<u>\$500 to \$1,000</u>
<u>more than 5,000</u>	<u>\$1,000 to \$2,500; or</u>

(3) on conviction of an offense involving a vehicle having a [~~single axle weight, tandem axle weight, or~~] gross weight that is [~~more than 5,000 but not more than 10,000 pounds~~] heavier than the vehicle's allowable weight, by a fine according to the following schedule:

<u>Pounds Overweight</u>	<u>Fine Range</u>
<u>less than 2,500</u>	<u>\$100 to \$500</u>
<u>2,500-5,000</u>	<u>\$500 to \$1,000</u>

<u>5,001-10,000</u>	<u>\$1,000 to \$2,500</u>
<u>10,001-20,000</u>	<u>\$2,500 to \$5,000</u>
<u>20,001-40,000</u>	<u>\$5,000 to \$7,000</u>
<u>more than 40,000</u>	<u>\$7,000 to \$10,000.</u>

(b-1) On conviction of a third offense punishable under Subsection (b)(2) or (3), before the first anniversary of the date of a previous conviction of an offense punishable under Subsection (b)(2) or (3), the defendant shall be punished [of not less than \$300 or more than \$500;

~~[(3) on conviction of an offense involving a vehicle having a single axle weight, tandem axle weight, or gross weight that is more than 10,000 pounds heavier than the vehicle's allowable weight, by a fine of not less than \$500 or more than \$1,000; or~~

~~[(4) on conviction before the first anniversary of the date of a previous conviction under this section,] by a fine in an amount not to exceed [that is] twice the maximum amount specified by Subsection (b)(2) [~~Subdivision (1), (2),~~] or (3).~~

(b-2) A defendant operating a vehicle or combination of vehicles at a weight for which a permit issued under this subtitle would authorize the operation, but who does not hold the permit, shall be punished by a fine in addition to the fine imposed under Subsection (b) of not less than \$500 or more than \$1,000, except that for a second or subsequent conviction under this section, the offense is punishable by an additional fine of not less than \$2,500 or more than \$5,000.

(b-3) A defendant operating a vehicle or combination of vehicles at a weight in excess of 84,000 pounds with a load that can reasonably be dismantled shall be punished by a fine in addition to the fine imposed under Subsection (b) of not less than \$500 or more than \$1,000, except that for a second or subsequent conviction under this section, the offense is punishable by an additional fine of not less than \$2,500 or more than \$5,000.

(i) A fine may not be imposed under this section that exceeds the minimum dollar amount that may be imposed unless the vehicle's weight was determined by a portable or stationary scale furnished or approved by the Department of Public Safety.

SECTION 103. Subchapter G, Chapter 621, Transportation Code, is amended by adding Section 621.510 to read as follows:

Sec. 621.510. PERMIT VOID. A permit issued under this chapter is void on the failure of the owner or the owner's representative to comply with a rule of the board or with a condition placed on the permit by the department.

SECTION 104. Section 622.012(b), Transportation Code, is amended to read as follows:

(b) A truck may be operated at a weight that exceeds the maximum single axle or tandem axle weight limitation by not more than 10 percent if the gross weight is not heavier than 69,000 pounds and the department has issued a permit that authorizes the operation of the vehicle under Section 623.0171.

SECTION 105. Section 622.074, Transportation Code, is amended to read as follows:

Sec. 622.074. NONAPPLICABILITY OF SUBCHAPTER. This subchapter does not apply to:

- (1) farm equipment used for a purpose other than construction;
- (2) special mobile equipment owned by a dealer or distributor;
- (3) a vehicle used to propel special mobile equipment that is registered as a farm vehicle under as defined by Section 502.433 [~~502.163~~]; or
- (4) equipment while being used by a commercial hauler to transport special mobile equipment under hire of a person who derives \$500 in gross receipts annually from a farming or ranching enterprise.

SECTION 106. Section 622.901, Transportation Code, is amended to read as follows:

Sec. 622.901. WIDTH EXCEPTIONS. The width limitation provided by Section 621.201 does not apply to:

- (1) highway building or maintenance machinery that is traveling:
 - (A) during daylight on a public highway other than a highway that is part of the national system of interstate and defense highways; or
 - (B) for not more than 50 miles on a highway that is part of the national system of interstate and defense highways;
- (2) a vehicle traveling during daylight on a public highway other than a highway that is part of the national system of interstate and defense highways or traveling for not more than 50 miles on a highway that is part of the national system of interstate and defense highways if the vehicle is:
 - (A) a farm tractor or implement of husbandry; or
 - (B) a vehicle on which a farm tractor or implement of husbandry, other than a tractor or implement being transported from one dealer to another, is being moved by the owner of the tractor or implement or by an agent or employee of the owner:
 - (i) to deliver the tractor or implement to a new owner;
 - (ii) to transport the tractor or implement to or from a mechanic for maintenance or repair; or
 - (iii) in the course of an agricultural operation;
- (3) machinery that is used solely for drilling water wells, including machinery that is a unit or a unit mounted on a conventional vehicle or chassis, and that is traveling:
 - (A) during daylight on a public highway other than a highway that is part of the national system of interstate and defense highways; or
 - (B) for not more than 50 miles on a highway that is part of the national system of interstate and defense highways;
- (4) a vehicle owned or operated by a public, private, or volunteer fire department;
- (5) a vehicle registered under Section 502.431 [~~502.164~~]; or
- (6) a recreational vehicle to which Section 622.903 applies.

SECTION 107. Section 623.011(b), Transportation Code, is amended to read as follows:

- (b) To qualify for a permit under this section:

(1) the vehicle must be registered under Chapter 502 for the maximum gross weight applicable to the vehicle under Section 621.101, not to exceed 80,000 pounds;

(2) the security requirement of Section 623.012 must be satisfied; and

(3) a base permit fee of \$90, any additional fee required by Section 623.0111, and any additional fee set by the board [~~department~~] under Section 623.0112 must be paid.

SECTION 108. Sections 623.012(a) and (b), Transportation Code, are amended to read as follows:

(a) An applicant for a permit under Section 623.011, other than a permit under that section to operate a vehicle loaded with timber or pulp wood, wood chips, cotton, or agricultural products in their natural state, and an applicant for a permit under Section 623.321 shall file with the department:

(1) a blanket bond; or

(2) an irrevocable letter of credit issued by a financial institution the deposits of which are guaranteed by the Federal Deposit Insurance Corporation.

(b) The bond or letter of credit must:

(1) be in the amount of \$15,000 payable to the Texas Department of Transportation and the counties of this state;

(2) be conditioned that the applicant will pay the Texas Department of Transportation for any damage to a state highway, and a county for any damage to a road or bridge of the county, caused by the operation of the vehicle:

(A) for which the permit is issued at a heavier weight than the maximum weights authorized by Subchapter B of Chapter 621 or Section 621.301 or 623.321; or

(B) that is in violation of Section 623.323; and

(3) provide that the issuer is to notify the Texas Department of Transportation and the applicant in writing promptly after a payment is made by the issuer on the bond or letter of credit.

SECTION 109. Sections 623.014(c) and (d), Transportation Code, are amended to read as follows:

(c) The department shall issue the prorated credit if the person:

(1) pays the fee adopted by the board [~~department~~]; and

(2) provides the department with:

(A) the original permit; or

(B) if the original permit does not exist, written evidence in a form approved by the department that the vehicle has been destroyed or is permanently inoperable.

(d) The fee adopted by the board [~~department~~] under Subsection (c)(1) may not exceed the cost of issuing the credit.

SECTION 110. Subchapter B, Chapter 623, Transportation Code, is amended by adding Section 623.0171 to read as follows:

Sec. 623.0171. PERMIT FOR READY-MIXED CONCRETE TRUCKS.

(a) In this section, "ready-mixed concrete truck" has the meaning assigned by Section 622.011.

(b) The department may issue a permit that authorizes the operation of a ready-mixed concrete truck with three axles.

(c) To qualify for a permit under this section, a base permit fee of \$1,000 must be paid, except as provided by Subsection (g).

(d) A permit issued under this section:

(1) is valid for one year, except as provided by Subsection (g); and

(2) must be carried in the vehicle for which it is issued.

(e) When the department issues a permit under this section, the department shall issue a sticker to be placed on the front windshield of the vehicle above the inspection certificate issued to the vehicle. The department shall design the form of the sticker to aid in the enforcement of weight limits for vehicles.

(f) The sticker must:

(1) indicate the expiration date of the permit; and

(2) be removed from the vehicle when:

(A) the permit for operation of the vehicle expires;

(B) a lease of the vehicle expires; or

(C) the vehicle is sold.

(g) The department may issue a permit under this section that is valid for a period of less than one year. The department shall prorate the applicable fee required by Subsection (c) for a permit issued under this subsection as necessary to reflect the term of the permit.

(h) Unless otherwise provided by state or federal law, a county or municipality may not require a permit, fee, or license for the operation of a ready-mixed concrete truck in addition to a permit, fee, or license required by state law.

(i) Section 622.015 does not apply to an owner of a ready-mixed concrete truck who holds a permit under this section for the truck.

(j) Unless otherwise provided by state or federal law, a ready-mixed concrete truck may operate on a state, county, or municipal road, including a load-zoned county road or a frontage road adjacent to a federal interstate highway, if the truck displays a sticker required by Subsection (e) and does not exceed the maximum gross weight authorized under Section 622.012.

(k) For the purposes of Subsection (l), the department by rule shall require an applicant to designate in the permit application the counties in which the applicant intends to operate.

(l) Of the fee collected under this section for a permit:

(1) 50 percent of the amount collected shall be deposited to the credit of the state highway fund; and

(2) the other 50 percent shall be divided among and distributed to the counties designated in permit applications under Subsection (k) according to department rule.

(m) At least once each fiscal year, the comptroller shall send the amount due each county under Subsection (l) to the county treasurer or officer performing the function of that office for deposit to the credit of the county road and bridge fund.

SECTION 111. Section 623.019, Transportation Code, is amended by amending Subsections (b), (c), and (d) and adding Subsection (h) to read as follows:

(b) Except as provided by Subsections (c) and (d), an offense under Subsection (a) is a misdemeanor punishable by a fine of not less than \$100 or more than \$250 [~~\$150~~].

(c) An offense under Subsection (a) is a misdemeanor and, except as provided by Subsection (d), is punishable by a fine according to the following schedules if the offense involves a vehicle [~~of~~]:

(1) having a single axle weight or tandem axle weight that is heavier than the vehicle's allowable weight:

<u>Pounds Overweight</u>	<u>Fine Range</u>
<u>less than 2,500</u>	<u>\$100 to \$500</u>
<u>2,500-5,000</u>	<u>\$500 to \$1,000</u>
<u>more than 5,000</u>	<u>\$1,000 to \$2,500; or</u>

(2) [~~not less than \$300 or more than \$500 if the offense involves a vehicle~~] having a gross weight that is heavier than the vehicle's allowable gross weight:

<u>Pounds Overweight</u>	<u>Fine Range</u>
<u>less than 2,500</u>	<u>\$100 to \$500</u>
<u>2,500-5,000</u>	<u>\$500 to \$1,000</u>
<u>5,001-10,000</u>	<u>\$1,000 to \$2,500</u>
<u>10,001-20,000</u>	<u>\$2,500 to \$5,000</u>
<u>20,001-40,000</u>	<u>\$5,000 to \$7,000</u>
<u>more than 40,000</u>	<u>\$7,000 to \$10,000</u>

[~~5,000 but not heavier than 10,000 pounds over the vehicle's allowable gross weight; or~~

(2) [~~not less than \$500 or more than \$1,000 if the offense involves a vehicle having a gross weight that is at least 10,000 pounds heavier than the vehicle's allowable gross weight.~~]

(d) On conviction of a third offense under Subsection (a), before the first anniversary of the date of a previous conviction under that subsection [~~Subsection (a)~~], the defendant shall be punished [an offense is punishable] by a fine in an amount not to exceed [that is] twice the maximum amount specified by Subsection (c).

(h) A fine may not be imposed under this section that exceeds the minimum dollar amount that may be imposed unless the vehicle's weight was determined by a portable or stationary scale furnished or approved by the Department of Public Safety.

SECTION 112. The heading to Section 623.0711, Transportation Code, is amended to read as follows:

Sec. 623.0711. PERMITS AUTHORIZED BY BOARD [~~COMMISSION~~].

SECTION 113. Sections 623.0711(a), (b), (c), (d), (f), (g), and (h), Transportation Code, are amended to read as follows:

(a) The board [commission] by rule may authorize the department to issue a permit to a motor carrier, as defined by Section 643.001, to transport multiple loads of the same commodity over a state highway if all of the loads are traveling between the same general locations.

(b) The board [commission] may not authorize the issuance of a permit that would allow a vehicle to:

- (1) violate federal regulations on size and weight requirements; or
- (2) transport equipment that could reasonably be dismantled for transportation as separate loads.

(c) The board [commission] rules must require that, before the department issues a permit under this section, the department:

- (1) determine that the state will benefit from the consolidated permitting process; and
- (2) complete a route and engineering study that considers:
 - (A) the estimated number of loads to be transported by the motor carrier under the permit;
 - (B) the size and weight of the commodity;
 - (C) available routes that can accommodate the size and weight of the vehicle and load to be transported;
 - (D) the potential roadway damage caused by repeated use of the road by the permitted vehicle;
 - (E) any disruption caused by the movement of the permitted vehicle; and
 - (F) the safety of the traveling public.

(d) The board [commission] rules may authorize the department to impose on the motor carrier any condition regarding routing, time of travel, axle weight, and escort vehicles necessary to ensure safe operation and minimal damage to the roadway.

(f) The board [commission] shall require the motor carrier to file a bond in an amount set by the board [commission], payable to the Texas Department of Transportation [department] and conditioned on the motor carrier paying to the Texas Department of Transportation [department] any damage that is sustained to a state highway because of the operation of a vehicle under a permit issued under this section.

(g) An application for a permit under this section must be accompanied by the permit fee established by the board [commission] for the permit, not to exceed \$9,000. The department shall send each fee to the comptroller for deposit to the credit of the state highway fund.

(h) In addition to the fee established under Subsection (g), the board [commission] rules must authorize the department to collect a consolidated permit payment for a permit under this section in an amount not to exceed 15 percent of the fee established under Subsection (g), to be deposited to the credit of the state highway fund.

SECTION 114. Section 623.078(b), Transportation Code, is amended to read as follows:

(b) The department ~~[board]~~ shall send each fee collected under Subsection (a) to the comptroller for deposit to the credit of the state highway fund.

SECTION 115. Section 623.144, Transportation Code, is amended to read as follows:

Sec. 623.144. REGISTRATION OF VEHICLE. (a) A person may not operate a vehicle permitted [A permit] under this subchapter on a public highway unless [may be issued only if] the vehicle is registered under Chapter 502 for the maximum gross weight applicable to the vehicle under Section 621.101 or has specialty [the distinguishing] license plates as provided by Section 502.146 [504.504] if applicable to the vehicle.

(b) The department may not issue specialty license plates to a vehicle described by Section 502.146(b)(3) unless the applicant complies with the requirements of that subsection.

SECTION 116. Section 623.149(a), Transportation Code, is amended to read as follows:

(a) The department may establish criteria to determine whether oil well servicing, oil well clean out, or oil well drilling machinery or equipment is subject to registration under Chapter 502 or eligible for the distinguishing license plate provided by Section 502.146 [504.504].

SECTION 117. Section 623.194, Transportation Code, is amended to read as follows:

Sec. 623.194. REGISTRATION OF VEHICLE. A permit under this subchapter may be issued only if the vehicle to be moved is registered under Chapter 502 for the maximum gross weight applicable to the vehicle under Section 621.101 or has the distinguishing license plates as provided by Section 502.146 [504.504] if applicable to the vehicle.

SECTION 118. Section 623.199(a), Transportation Code, is amended to read as follows:

(a) The department may establish criteria to determine whether an unladen lift equipment motor vehicle that because of its design for use as lift equipment exceeds the maximum weight and width limitations prescribed by statute is subject to registration under Chapter 502 or eligible for the distinguishing license plate provided by Section 502.146 [504.504].

SECTION 119. Chapter 623, Transportation Code, is amended by adding Subchapter Q to read as follows:

SUBCHAPTER Q. VEHICLES TRANSPORTING TIMBER

Sec. 623.321. PERMIT. (a) The department may issue a permit under this subchapter, as an alternative to a permit issued under Section 623.011, authorizing a person to operate a vehicle or combination of vehicles that is being used to transport unrefined timber, wood chips, or woody biomass in a county identified as a timber producing county in the most recent edition of the Texas A&M Forest Service's Harvest Trends Report as of May 15, 2013, at the weight limits prescribed by Subsection (b).

(b) A person may operate over a road or highway a vehicle or combination of vehicles issued a permit under this section at a gross weight that is not heavier than 84,000 pounds, if the gross load carried on any tandem axle of the vehicle or combination of vehicles does not exceed 44,000 pounds.

(c) Section 621.508 does not apply to a vehicle or combination of vehicles operated under this section.

(d) The department shall annually update the number of timber producing counties described by Subsection (a) based on the most recent edition of the Texas A&M Forest Service's Harvest Trends Report.

Sec. 623.322. QUALIFICATION; REQUIREMENTS. (a) To qualify for a permit under this subchapter for a vehicle or combination of vehicles, a person must:

(1) pay a permit fee of \$1,500;

(2) designate in the permit application the timber producing counties described by Section 623.321(a) in which the vehicle or combination of vehicles will be operated; and

(3) satisfy the security requirement of Section 623.012.

(b) A permit issued under this subchapter:

(1) is valid for one year; and

(2) must be carried in the vehicle for which it is issued.

Sec. 623.323. NOTIFICATION. (a) For purposes of this section, "financially responsible party" means the owner of the vehicle or combination of vehicles, the party operating the vehicle or combination of vehicles, or a person that hires, leases, rents, or subcontracts the vehicle or combination of vehicles for use on a road maintained by a county or a state highway.

(b) Before a vehicle or combination of vehicles for which a permit is issued under this subchapter may be operated on a road maintained by a county or a state highway, the financially responsible party shall execute a notification document and agree to reimburse the county or the state, as applicable, for damage to a road or highway sustained as a consequence of the transportation authorized by the permit. At a minimum, the notification document must include:

(1) the name and address of the financially responsible party;

(2) a description of each permit issued for the vehicle or combination of vehicles;

(3) a description of the method of compliance by the financially responsible party with Sections 601.051 and 623.012;

(4) the address or location of the geographic area in which the financially responsible party wishes to operate a vehicle or combination of vehicles and a designation of the specific route of travel anticipated by the financially responsible party, including the name or number of each road maintained by a county or state highway;

(5) a calendar or schedule of duration that includes the days and hours of operation during which the financially responsible party reasonably anticipates using the county road or state highway identified in Subdivision (4); and

(6) a list of each vehicle or combination of vehicles by license plate number or other registration information, and a description of the means by which financial responsibility is established for each vehicle or combination of vehicles if each vehicle or combination of vehicles is not covered by a single insurance policy, surety bond, deposit, or other means of financial assurance.

(c) A financially responsible party shall electronically file the notification document described by Subsection (b) with the department under rules adopted by the department not later than the second business day before the first business day listed by the financially responsible party under Subsection (b)(5). The department shall immediately send an electronic copy of the notification document to each county identified in the notification document and the Texas Department of Transportation and an electronic receipt for the notification document to the financially responsible party. Not later than the first business day listed by the financially responsible party under Subsection (b)(5), a county or the Texas Department of Transportation may inspect a road or highway identified in the notification document. If an inspection is conducted under this subsection, a county or the Texas Department of Transportation shall:

(1) document the condition of the roads or highways and take photographs of the roads or highways as necessary to establish a baseline for any subsequent assessment of damage sustained by the financially responsible party's use of the roads or highways; and

(2) provide a copy of the documentation to the financially responsible party.

(d) If an inspection has been conducted under Subsection (c), a county or the Texas Department of Transportation, as applicable, shall, not later than the fifth business day after the expiration of the calendar or schedule of duration described by Subsection (b)(5):

(1) conduct an inspection described by Subsection (c)(1) to determine any damage sustained by the financially responsible party's use of the roads or highways; and

(2) provide a copy of the inspection documentation to the financially responsible party.

(e) The state or a county required to be notified under this section may assert a claim against any security posted under Section 623.012 or insurance filed under Section 643.103 for damage to a road or highway sustained as a consequence of the transportation authorized by the permit.

(f) This section does not apply to a vehicle or combination of vehicles that are being used to transport unrefined timber, wood chips, or woody biomass from:

(1) a storage yard to the place of first processing; or

(2) outside this state to a place of first processing in this state.

Sec. 623.324. DISPOSITION OF FEE. (a) Of the fee collected under Section 623.322 for a permit:

(1) 50 percent of the amount collected shall be deposited to the credit of the state highway fund; and

(2) the other 50 percent shall be divided equally among all counties designated in the permit application under Section 623.322(a)(2).

(b) At least once each fiscal year, the comptroller shall send the amount due each county under Subsection (a) to the county treasurer or officer performing the function of that office for deposit to the credit of the county road and bridge fund.

Sec. 623.325. INTERSTATE AND DEFENSE HIGHWAYS. (a) This subchapter does not authorize the operation on the national system of interstate and defense highways in this state of a vehicle of a size or weight greater than those permitted under 23 U.S.C. Section 127.

(b) If the United States authorizes the operation on the national system of interstate and defense highways of a vehicle of a size or weight greater than those permitted under 23 U.S.C. Section 127 on September 1, 2013, the new limit automatically takes effect on the national system of interstate and defense highways in this state.

SECTION 120. Chapter 623, Transportation Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. PERMIT TO DELIVER RELIEF SUPPLIES DURING
NATIONAL EMERGENCY

Sec. 623.341. PERMIT TO DELIVER RELIEF SUPPLIES. (a) Notwithstanding any other law, the department may issue a special permit during a major disaster as declared by the president of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.) to an overweight or oversize vehicle or load that:

- (1) can easily be dismantled or divided; and
- (2) will be used only to deliver relief supplies.

(b) A permit issued under this section expires not later than the 120th day after the date of the major disaster declaration.

Sec. 623.342. RULES. The board may adopt rules necessary to implement this subchapter, including rules that establish the requirements for obtaining a permit.

Sec. 623.343. PERMIT CONDITIONS. The department may impose conditions on a permit holder to ensure the safe operation of a permitted vehicle and minimize damage to roadways, including requirements related to vehicle routing, hours of operation, weight limits, and lighting and requirements for escort vehicles.

SECTION 121. Section 642.002(a), Transportation Code, is amended to read as follows:

(a) A person commits an offense if:

- (1) the person operates on a public street, road, or highway:
 - (A) a commercial motor vehicle that has three or more axles;
 - (B) a truck-tractor;
 - (C) a road-tractor; or
 - (D) a tow truck; and

(2) the vehicle does not have on each side of the power unit identifying markings that comply with the identifying marking requirements specified by 49 C.F.R. Section 390.21 or that:

(A) show the name of the owner or operator of the vehicle;
(B) have clearly legible letters and numbers of a height of at least two inches; and

(C) show the motor carrier registration number in clearly legible letters and numbers, if the vehicle is required to be registered under this chapter or Chapter 643.

SECTION 122. The heading to Section 643.054, Transportation Code, is amended to read as follows:

Sec. 643.054. DEPARTMENT APPROVAL AND DENIAL; ISSUANCE OF CERTIFICATE.

SECTION 123. Section 643.054, Transportation Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (a-3) to read as follows:

(a) The department shall register a motor carrier under this subchapter if the carrier complies with Sections 643.052 and 643.053.

(a-1) The department may deny a registration if the applicant has had a registration revoked under Section 643.252.

(a-2) The department may deny a registration if the applicant's business is operated, managed, or otherwise controlled by or affiliated with a person, including the applicant, a relative, family member, corporate officer, or shareholder, whom the Department of Public Safety has determined has:

(1) an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(2) multiple violations of Chapter 644, a rule adopted under that chapter, or Subtitle C.

(a-3) The department may deny a registration if the applicant is a motor carrier whose business is operated, managed, or otherwise controlled by or affiliated with a person, including an owner, relative, family member, corporate officer, or shareholder, whom the Department of Public Safety has determined has:

(1) an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(2) multiple violations of Chapter 644, a rule adopted under that chapter, or Subtitle C.

SECTION 124. Section 643.064, Transportation Code, is amended to read as follows:

Sec. 643.064. ~~[ISSUANCE OF]~~ UNITED STATES DEPARTMENT OF TRANSPORTATION NUMBERS. (a) The department by rule shall provide for the issuance to a motor carrier of an identification number authorized by the Federal Motor Carrier Safety Administration. A rule must conform to rules of the Federal Motor Carrier Safety Administration or its successor.

(b) A motor carrier required to register under this subchapter shall maintain an authorized identification number issued to the motor carrier by the Federal Motor Carrier Safety Administration, its successor, or another person authorized to issue the number.

SECTION 125. Subchapter F, Chapter 643, Transportation Code, is amended by adding Section 643.2526 to read as follows:

Sec. 643.2526. APPEAL OF DENIAL OF REGISTRATION, RENEWAL, OR REINSTATEMENT. (a) Notwithstanding any other law, a denial of an application for registration, renewal of registration, or reinstatement of registration under this chapter is not required to be preceded by notice and an opportunity for hearing.

(b) An applicant may appeal a denial under this chapter by filing an appeal with the department not later than the 26th day after the date the department issues notice of the denial to the applicant.

(c) If the appeal of the denial is successful and the application is found to be compliant with this chapter, the application shall be considered to have been properly filed on the date the finding is entered.

SECTION 126. Section 648.051(b), Transportation Code, is amended to read as follows:

(b) This subchapter supersedes that portion of any paired city, paired state, or similar understanding governing foreign commercial motor vehicles or motor carriers entered into under Section 502.091 [502.054] or any other law.

SECTION 127. Section 648.102(a), Transportation Code, is amended to read as follows:

(a) The Texas Department of Motor Vehicles [~~Transportation~~] shall adopt rules that conform with 49 C.F.R. Part 387 requiring motor carriers operating foreign commercial motor vehicles in this state to maintain financial responsibility.

SECTION 128. Section 681.003(b), Transportation Code, is amended to read as follows:

(b) An application for a disabled parking placard must be:

- (1) on a form furnished by the department;
- (2) submitted to the county assessor-collector of the county in which the person with the disability resides or in which the applicant is seeking medical treatment if the applicant is not a resident of this state; and
- (3) accompanied by a fee of \$5 if the application is for a temporary placard.

SECTION 129. Section 681.0031, Transportation Code, is amended to read as follows:

Sec. 681.0031. APPLICANT'S [~~DRIVER'S LICENSE OR PERSONAL~~] IDENTIFICATION [~~CARD NUMBER~~]. (a) The applicant shall include on the application the applicant's:

- (1) driver's license number or the number of a personal identification card issued to the applicant under Chapter 521;
- (2) military identification number; or
- (3) driver's license number of a driver's license issued by another state or country if the applicant is not a resident of this state and is seeking medical treatment in this state. [~~The department shall provide for this information in prescribing the application form.~~]

(b) The county assessor-collector shall record on any disabled parking placard issued to the applicant the following information in the following order:

(1) the county number assigned by the comptroller to the county issuing the placard;

(2) the first four digits of the applicant's driver's license number, personal identification card number, or military identification number; and

(3) the applicant's initials.

SECTION 130. Section 681.004(c), Transportation Code, is amended to read as follows:

(c) A disabled parking placard issued to a person with a permanent disability:

(1) is valid for:

(A) ~~a period of~~ four years for a resident of this state; and

(B) six months for a person who is not a resident of this state; and

(2) shall be replaced or renewed on request of the person to whom the initial card was issued without presentation of evidence of eligibility.

SECTION 131. Section 681.012, Transportation Code, is amended to read as follows:

Sec. 681.012. SEIZURE AND REVOCATION OF PLACARD. (a) A law enforcement officer who believes that an offense under Section 681.011(a) or (d) has occurred in the officer's presence shall seize any disabled parking placard involved in the offense. Not later than 48 hours after the seizure, the officer shall determine whether probable cause existed to believe that the offense was committed. If the officer does not find that probable cause existed, the officer shall promptly return each placard to the person from whom it was seized. If the officer finds that probable cause existed, the officer, not later than the fifth day after the date of the seizure, shall destroy the ~~submit each seized~~ placard and notify ~~to~~ the department.

(a-1) A peace officer may seize a disabled parking placard from a person who operates a vehicle on which a disabled parking placard is displayed if the peace officer determines by inspecting the person's driver's license, ~~or~~ personal identification certificate, or military identification that the disabled parking placard does not contain the first four digits of the driver's license number, ~~or~~ personal identification certificate number, or military identification number and the initials of:

(1) the person operating the vehicle;

(2) the applicant on behalf of a person being transported by the vehicle;

or

(3) a person being transported by the vehicle.

(a-2) A peace officer shall destroy a seized ~~submit each seized parking~~ placard and notify ~~to~~ the department ~~[not later than the fifth day after the seizure]~~.

(b) On seizure of a placard ~~submission to the department~~ under Subsection (a) or (a-1) ~~[(a-2)]~~, a placard is revoked. On request of the person from whom the placard was seized, the department shall conduct a hearing and determine whether the revocation should continue or the placard should be returned to the person and the revocation rescinded.

SECTION 132. Section 728.002(d), Transportation Code, is amended to read as follows:

(d) This section does not prohibit the quoting of a price for a motor home or [5] tow truck[, or towable recreational vehicle] at a show or exhibition described by Section 2301.358, Occupations Code.

SECTION 133. Section 730.007(c), Transportation Code, is amended to read as follows:

(c) This section does not:

(1) prohibit the disclosure of a person's photographic image to:

(A) a law enforcement agency, the Texas Department of Motor Vehicles, a county tax assessor-collector, or a criminal justice agency for an official purpose;

(B) an agency of this state investigating an alleged violation of a state or federal law relating to the obtaining, selling, or purchasing of a benefit authorized by Chapter 31 or 33, Human Resources Code; or

(C) an agency of this state investigating an alleged violation of a state or federal law under authority provided by Title 4, Labor Code; or

(2) prevent a court from compelling by subpoena the production of a person's photographic image.

SECTION 134. Section 1001.009(c), Transportation Code, is amended to read as follows:

(c) The rules adopted under Subsection (a) may:

(1) authorize the use of electronic funds transfer or a valid debit or credit card issued by a financial institution chartered by a state, the United States, or a nationally recognized credit organization approved by the department; ~~and~~

(2) require the payment of a discount or service charge for a credit card payment in addition to the fee; and

(3) require an overpayment of a motor vehicle or salvage dealer license fee of:

(A) less than \$10 to be credited toward a future fee requirement;
and

(B) more than \$10 to be refunded.

SECTION 135. Subchapter A, Chapter 1001, Transportation Code, is amended by adding Section 1001.012 to read as follows:

Sec. 1001.012. IMMUNITY FROM LIABILITY. (a) Notwithstanding any other law, the executive director, a board member, or an employee is not personally liable for damages resulting from an official act or omission unless the act or omission constitutes intentional or malicious malfeasance.

(b) To the extent a person described by Subsection (a) is personally liable for damages for which the state provides indemnity under Chapter 104, Civil Practice and Remedies Code, this section does not affect the state's liability for the indemnity.

SECTION 136. Subchapter A, Chapter 1001, Transportation Code, is amended by adding Section 1001.013 to read as follows:

Sec. 1001.013. PERFORMANCE OF CERTAIN DEPARTMENT FUNCTIONS BY AUTHORIZED BUSINESS. (a) The executive director of the department may authorize a business entity to perform a department function in accordance with rules adopted under Subsection (b).

(b) The board by rule shall prescribe:

(1) the classification types of businesses that are authorized to perform certain department functions;

(2) the duties and obligations of an authorized business;

(3) the type and amount of any bonds that may be required for a business to perform certain functions; and

(4) the fees that may be charged or retained by a business authorized under this section.

SECTION 137. Section 1001.023(b), Transportation Code, is amended to read as follows:

(b) The chair shall:

(1) preside over board meetings, make rulings on motions and points of order, and determine the order of business;

(2) represent the department in dealing with the governor;

(3) report to the governor on the state of affairs of the department at least quarterly;

(4) report to the board the governor's suggestions for department operations;

(5) report to the governor on efforts, including legislative requirements, to maximize the efficiency of department operations through the use of private enterprise;

(6) periodically review the department's organizational structure and submit recommendations for structural changes to the governor, the board, and the Legislative Budget Board;

(7) designate at least one employee [~~one or more employees~~] of the department as a civil rights officer [~~division~~] of the department and receive regular reports from the officer or officers [~~division~~] on the department's efforts to comply with civil rights legislation and administrative rules;

(8) create subcommittees, appoint board members to subcommittees, and receive the reports of subcommittees to the board as a whole;

(9) appoint a member of the board to act in the absence of the chair and vice chair; and

(10) serve as the departmental liaison with the governor and the Office of State-Federal Relations to maximize federal funding for transportation.

SECTION 138. Section 1001.042, Transportation Code, is amended to read as follows:

Sec. 1001.042. DIVISION OF RESPONSIBILITIES. The board shall develop and implement policies that clearly define the respective responsibilities of the executive director and the staff of the department.

SECTION 139. Section 1001.101(2), Transportation Code, is amended to read as follows:

(2) "License" includes:

- (A) a motor carrier registration issued under Chapter 643;
- (B) a motor vehicle dealer, salvage dealer, manufacturer, distributor, representative, converter, or agent license issued by the department;
- (C) specially designated or specialized license plates issued under Chapter 504; and
- (D) an apportioned registration issued according to the International Registration Plan under Section 502.091 [~~502.054~~].

SECTION 140. The following laws are repealed:

- (1) Sections 2301.101, 2301.157, 2301.259(b), and 2301.606(a), Occupations Code;
- (2) Sections 502.252(b), 503.009(b), 503.029(b), 503.030(b), 503.066(b), 520.008, 520.009, 520.0091, 520.0092, 622.013, 622.017, 622.018, 623.0711(k), and 623.093(f), Transportation Code;
- (3) Section 504.660(b), Transportation Code, as added by Chapter 1381 (**SB 1616**), Acts of the 81st Legislature, Regular Session, 2009; and
- (4) Section 520.004, Transportation Code, as added by Chapter 1296 (**HB 2357**), Acts of the 82nd Legislature, Regular Session, 2011.

SECTION 141. The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 142. A deputy appointed under Section 520.0091, Transportation Code, on or before August 31, 2013, may continue to perform the services authorized under Sections 520.008, 520.009, 520.0091, and 520.0092, Transportation Code, until the Texas Department of Motor Vehicles Board adopts rules regarding the types of deputies authorized to perform titling and registration duties under Section 520.0071, Transportation Code, as added by this Act.

SECTION 143. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 144. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2013.

(b) Sections 501.146 and 504.202, Transportation Code, as amended by this Act, and Section 504.948, Transportation Code, as added by this Act, take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Sections 501.146 and 504.202, Transportation Code, as amended by this Act, and Section 504.948, Transportation Code, as added by this Act, take effect September 1, 2013.

Representative Phillips moved to adopt the conference committee report on **HB 2741**.

The motion to adopt the conference committee report on **HB 2741** prevailed by (Record 1362): 135 Yeas, 9 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Capriglione; Carter; Laubenberg; Schaefer; Stephenson; Stickland; Taylor; Turner, E.S.; Turner, S.

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

Absent, Excused — Lucio.

Absent — Guillen; Hughes.

HR 3050 - ADOPTED
(by Keffer)

The following privileged resolution was laid before the house:

HR 3050

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 1747** (funding and donations for transportation projects, including projects of county energy transportation reinvestment zones) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 1 of the bill, in added Section 256.104(a)(1), Transportation Code, to read as follows:

(1) provide the road condition report described by Section 251.018 made by the county for the previous year; and

Explanation: The change is necessary to require counties applying for grants under Subchapter C, Chapter 256, Transportation Code, to submit only the county's road condition report for the previous year.

(2) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 1 of the bill, in added Section 256.105, Transportation Code, to read as follows:

Sec. 256.105. MATCHING FUNDS. (a) Except as provided by Subsection (b), to be eligible to receive a grant under the program, matching funds must be provided, from any source, in an amount equal to at least 20 percent of the amount of the grant.

(b) A county that the department determines to be economically disadvantaged must provide matching funds in an amount equal to at least 10 percent of the amount of the grant.

(c) County funds spent for road and bridge purposes under the county budget must be credited as matching funds under this section.

Explanation: The change is necessary to require counties applying for grants under Subchapter C, Chapter 256, Transportation Code, to provide matching funds in certain amounts.

(3) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 1 of the bill, in added Section 256.106(a)(1), Transportation Code, to read as follows:

(1) provide the department with a copy of a report filed under Section 251.018;

Explanation: The change is necessary to require a county making a second or subsequent grant application under Subchapter C, Chapter 256, Transportation Code, to provide a report under Section 251.018, Transportation Code.

(4) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 2 of the bill, in added Section 222.1071(b), Transportation Code, to read as follows:

(b) A county, after determining that an area is affected because of oil and gas exploration and production activities and would benefit from funding under Chapter 256, by order or resolution of the commissioners court:

(1) may designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more transportation infrastructure projects, as that term is defined by Section 256.101, located in the zone; and

(2) may jointly administer a county energy transportation reinvestment zone with a contiguous county energy transportation reinvestment zone formed by another county.

Explanation: The change is necessary to provide that counties must determine that an area is affected because of oil and gas exploration before designating a county energy transportation reinvestment zone.

(5) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 2 of the bill, in added Section 222.1071(i), Transportation Code:

(5) pledge money in the tax increment account to a road utility district formed as provided by Subsection (n).

Explanation: This addition is necessary to authorize a county to pledge money in the tax increment account to a road utility district.

(6) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 2 of the bill, in added Section 222.1071, Transportation Code:

(n) In the alternative, to assist the county in developing a transportation infrastructure project, if authorized by the commission under Chapter 441, a road utility district may be formed under that chapter that has the same boundaries as a county energy transportation reinvestment zone created under this section. The road utility district may issue bonds to pay all or part of the cost of a transportation infrastructure project and may pledge and assign all or a specified amount of money in the tax increment account to secure those bonds if the county:

(1) collects a tax increment; and

(2) pledges all or a specified amount of the tax increment to the road utility district.

(o) A road utility district formed as provided by Subsection (n) may enter into an agreement to fund development of a transportation infrastructure project or to repay funds owed to the department. Any amount paid for this purpose is considered to be an operating expense of the district. Any taxes collected by the district that are not paid for this purpose may be used for any district purpose.

Explanation: This addition is necessary to authorize the formation of a road utility district to assist a county in developing a transportation infrastructure project.

(7) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text as SECTION 7 of the bill:

SECTION 7. The amendment adding Sections 222.1071 and 222.1072 to Subchapter E, Chapter 222, Transportation Code, made by this Act prevails over the amendment adding those sections to Subchapter E, Chapter 222, Transportation Code, made by Section 1, **HB 2300**, 83rd Legislature, Regular Session, 2013, and the amendment made by Section 1, **HB 2300**, 83rd Legislature, Regular Session, 2013, has no effect.

Explanation: This addition is necessary to provide that the amendment adding Sections 222.1071 and 222.1072, Transportation Code, prevails over other amendments made by the 83rd Legislature adding those sections.

HR 3050 was adopted by (Record 1363): 141 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez

Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Laubenberg; Simpson; Stickland; Taylor.

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

Absent, Excused — Lucio.

Absent — Carter; Hughes.

SB 1747 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Keffer submitted the conference committee report on **SB 1747**.

Representative Keffer moved to adopt the conference committee report on **SB 1747**.

The motion to adopt the conference committee report on **SB 1747** prevailed by (Record 1364): 133 Yeas, 10 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Callegari; Canales; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Guerra; Guillen; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, S.; Kleinschmidt; Klick; Kolkhorst; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Capriglione; Gooden; King, P.; Krause; Laubenberg; Schaefer; Simpson; Stickland; Taylor; Turner, E.S.

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

Absent, Excused — Lucio.

Absent — Burnam; Gutierrez; Hughes; King, T.

STATEMENTS OF VOTE

I was shown voting no on Record No. 1364. I intended to vote yes.

Capriglione

I was shown voting no on Record No. 1364. I intended to vote yes.

P. King

HB 3169 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Bohac submitted the following conference committee report on **HB 3169**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3169** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Lucio
Deuell
Carona

Bohac
Larson
Otto
Sheets
Zerwas

On the part of the senate

On the part of the house

HB 3169, A bill to be entitled An Act relating to the imposition of the sales and use tax on certain taxable items.

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

SECTION 1. Sections 151.0565(a)(1) and (2), Tax Code, are amended to read as follows:

(1) "Destination management services" means the following services ~~[when provided under a qualified destination management services contract]:~~

- (A) transportation vehicle management;
- (B) booking and managing entertainers;
- (C) coordination of tours or recreational activities;
- (D) meeting, conference, or event registration;
- (E) meeting, conference, transportation, or event staffing;
- (F) event management; ~~[and]~~
- (G) meal coordination;
- (H) shuttle system services, including vehicle staging, radio communications, signage, and routing services; and

(I) airport meet-and-greet services, including the provision of airport permits, manifest management services, portage, and passenger greeting services.

(2) "Qualified destination management company" means a business entity that:

(A) is incorporated or is a limited liability company;

(B) receives at least 80 percent of the entity's annual total revenue from providing or arranging for the provision of a combination of at least six destination management services;

(C) maintains a permanent nonresidential office from which the destination management services are provided or arranged;

(D) has at least three full-time employees;

(E) maintains a general liability insurance policy with a limit of at least \$1 million ~~[spends at least one percent of the entity's annual gross receipts to market the destinations with respect to which destination management services are provided];~~

(F) during the preceding tax year, had ~~[has]~~ at least 80 percent of the entity's client contracts for:

(i) clients from ~~[described by Subdivision (3)(A) located]~~ outside this state who were determined by a contracting entity outside this state;
or

(ii) clients from outside this state who were program attendees staying in a hotel in this state;

(G) other than office equipment used in the conduct of the entity's business, does not own equipment used to directly provide destination management services, including motor coaches, limousines, sedans, dance floors, decorative props, lighting, podiums, sound or video equipment, or equipment for catered meals;

(H) does not prepare or serve beverages, meals, or other food products, but may procure catering services on behalf of the entity's clients ~~[is not doing business as a caterer];~~

(I) does not provide services for weddings;

(J) does not own or operate a venue at which events or activities for which destination management services are provided occur; and

(K) ~~[is not a subsidiary of another entity that, and]~~ is not a member of an affiliated group, as that term is defined by Section 171.0001, another member of which:

(i) prepares or serves beverages, meals, or other food products ~~[is doing business as, or owns or operates another entity doing business as, a caterer];~~ or

(ii) owns or operates a venue described by Paragraph (J).

SECTION 2. Section 151.313, Tax Code, is amended by amending Subsection (a) and adding Subsections (e) and (f) to read as follows:

(a) The following items are exempted from the taxes imposed by this chapter:

(1) a drug or medicine, other than insulin, if prescribed or dispensed for a human or animal by a licensed practitioner of the healing arts;

(2) insulin;

(3) a drug or medicine that is required to be labeled with a "Drug Facts" panel in accordance with regulations of the federal Food and Drug Administration, without regard to whether it is prescribed or dispensed by a licensed practitioner of the healing arts;

(4) a hypodermic syringe or needle;

(5) a brace; hearing aid or audio loop; orthopedic, dental, or prosthetic device; ileostomy, colostomy, or ileal bladder appliance; or supplies or replacement parts for the listed items;

(6) a therapeutic appliance, device, and any related supplies specifically designed for those products, if dispensed or prescribed by a licensed practitioner of the healing arts, when those items are purchased and used by an individual for whom the items listed in this subdivision were dispensed or prescribed;

(7) corrective lens and necessary and related supplies, if dispensed or prescribed by an ophthalmologist or optometrist;

(8) specialized printing or signalling equipment used by the deaf for the purpose of enabling the deaf to communicate through the use of an ordinary telephone and all materials, paper, and printing ribbons used in that equipment;

(9) a braille wristwatch, braille writer, braille paper and braille electronic equipment that connects to computer equipment, and the necessary adaptive devices and adaptive computer software;

(10) each of the following items if purchased for use by the blind to enable them to function more independently: a slate and stylus, print enlarger, light probe, magnifier, white cane, talking clock, large print terminal, talking terminal, or harness for guide dog;

(11) hospital beds;

(12) blood glucose monitoring test strips;

(13) an adjustable eating utensil used to facilitate independent eating if purchased for use by a person, including a person who is elderly or physically disabled, has had a stroke, or is a burn victim, who does not have full use or control of the person's hands or arms;

(14) subject to Subsection (d), a dietary supplement; and

(15) intravenous systems, supplies, and replacement parts designed or intended to be used in the diagnosis or treatment of humans.

(e) A product is an intravenous system for purposes of this section if, regardless of whether the product is designed or intended to be inserted subcutaneously into any part of the body, the product is designed or intended to be used to administer fluids, electrolytes, blood and blood products, or drugs to patients or to withdraw blood or fluids from patients. The term includes access ports, adapters, bags and bottles, cannulae, cassettes, catheters, clamps, connectors, drip chambers, extension sets, filters, in-line ports, luer locks, needles, poles, pumps and batteries, spikes, tubing, valves, volumetric chambers, and items designed or intended to connect qualifying products to one another or secure qualifying products to a patient. The term does not include a wound drain.

(f) A product is a hospital bed for purposes of this section if it is a bed purchased, sold, leased, or rented, regardless of the terms of the contract, that is specially designed for the comfort and well-being of patients and the convenience of health care workers, with special features that may include wheels, adjustable height, adjustable side rails, and electronic buttons to operate both the bed and other nearby devices. The term does not include bed linens, stretchers, gurneys, delivery tables, or detached accessories such as over-bed tables, trapeze devices, or scales. The term includes:

- (1) a mattress for the bed;
- (2) any devices built into the bed or designed for use with the bed;
- (3) infant warmers;
- (4) incubators;
- (5) other beds for neonatal and pediatric patients; and
- (6) beds specifically designed and marketed for use in the rest, recuperation, and treatment of obese patients, obstetric patients, and burn patients.

SECTION 3. Section 151.319(f), Tax Code, is amended to read as follows:

(f) In this section, "newspaper" means a publication that is printed on newsprint, the average sales price of which for each copy over a 30-day period does not exceed \$3 [~~\$1.50~~], and that is printed and distributed at a daily, weekly, or other short interval for the dissemination of news of a general character and of a general interest. "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or similar printed item unless the printed item is printed for distribution as a part of a newspaper and is actually distributed as a part of a newspaper. For the purposes of this section, an advertisement is news of a general character and of a general interest. Notwithstanding any other provision of this subsection, "newspaper" includes:

(1) a publication containing articles and essays of general interest by various writers and advertisements that is produced for the operator of a licensed and certified carrier of persons and distributed by the operator to its customers during their travel on the carrier; and

(2) a publication for the dissemination of news of a general character and of a general interest that is printed on newsprint and distributed to the general public free of charge at a daily, weekly, or other short interval.

SECTION 4. The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 5. This Act takes effect September 1, 2013.

Representative Bohac moved to adopt the conference committee report on **HB 3169**.

The motion to adopt the conference committee report on **HB 3169** prevailed by (Record 1365): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Hughes; Longoria; Ratliff; Sheets.

STATEMENT OF VOTE

When Record No. 1365 was taken, I was in the house but away from my desk. I would have voted yes.

Longoria

HB 2836 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Ratliff submitted the following conference committee report on **HB 2836**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2836** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Patrick
Duncan
Seliger

Ratliff
Kuempel
Huberty
Farney
S. Turner
On the part of the house

On the part of the senate

HB 2836, A bill to be entitled An Act relating to the essential knowledge and skills of the required public school curriculum and to certain state-adopted or state-developed assessment instruments for public school students.

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

SECTION 1. Section 39.023, Education Code, is amended by adding Subsections (a-3), (a-4), (a-5), (a-6), (b-1), and (b-2) to read as follows:

(a-3) Before an assessment instrument adopted or developed under Subsection (a) may be administered under that subsection, the assessment instrument must, on the basis of empirical evidence, be determined to be valid and reliable by an entity that is independent of the agency and of any other entity that developed the assessment instrument.

(a-4) The agency shall ensure that an assessment instrument adopted or developed under Subsection (a) is designed to primarily assess the essential knowledge and skills identified by the State Board of Education under Section 28.002 of the subject and for the grade level for which the assessment instrument is administered. Only to the extent necessary or helpful for diagnostic or reporting purposes, the assessment instrument may also assess supporting knowledge or skills that are introduced or referenced in the subject and for the grade level for which the assessment instrument is administered but that are identified as essential knowledge or skills primarily of a different subject or for a different grade level.

(a-5) An assessment instrument adopted or developed under Subsection (a) must be designed so that:

(1) if administered to students in grades three through five, 85 percent of students will be able to complete the assessment instrument within 120 minutes; and

(2) if administered to students in grades six through eight, 85 percent of students will be able to complete the assessment instrument within 180 minutes.

(a-6) The amount of time allowed for administration of an assessment instrument adopted or developed under Subsection (a) may not exceed eight hours, and the administration may occur on only one day.

(b-1) The agency, in conjunction with appropriate interested persons, shall redevelop assessment instruments adopted or developed under Subsection (b) for administration to significantly cognitively disabled students in a manner consistent with federal law. An assessment instrument under this subsection may not require a teacher to prepare tasks or materials for a student who will be administered such an assessment instrument.

(b-2) Assessment instruments redeveloped under Subsection (b-1) shall be administered beginning not later than the 2015-2016 school year. This subsection expires September 1, 2016.

SECTION 2. Subchapter B, Chapter 39, Education Code, is amended by adding Sections 39.0236 and 39.0237 to read as follows:

Sec. 39.0236. STUDY OF ESSENTIAL KNOWLEDGE AND SKILLS AND ASSESSMENT INSTRUMENTS. (a) The agency shall conduct a study regarding the essential knowledge and skills of the required curriculum identified by the State Board of Education under Section 28.002 and assessment instruments administered under Section 39.023.

(b) The study must evaluate:

(1) the number and scope of the essential knowledge and skills of each subject of the required curriculum under Section 28.002, with each essential knowledge or skill identified as a readiness or supporting standard, and whether the number or scope should be limited;

(2) the number and subjects of assessment instruments under Section 39.023 that are required to be administered to students in grades three through eight; and

(3) how assessment instruments described by Subdivision (2) assess standards essential for student success and whether the assessment instruments should also assess supporting standards, including analysis of:

(A) the portion of the essential knowledge and skills capable of being accurately assessed;

(B) the appropriate skills that can be assessed within the testing parameters under current law; and

(C) how current standards compare to those parameters.

(c) Not later than March 1, 2014, the agency shall prepare and submit to the State Board of Education a report concerning the results of the study under Subsection (b). Not later than May 1, 2014, the State Board of Education shall review the study and shall submit to the governor, each member of the legislature, and the advisory committee established under Section 39.0237 the agency's report and board recommendations regarding each issue evaluated under Subsection (b).

(d) This section expires June 1, 2015.

Sec. 39.0237. ADVISORY COMMITTEE TO STUDY ESSENTIAL KNOWLEDGE AND SKILLS AND ASSESSMENT INSTRUMENTS. (a) An advisory committee shall be established to review the agency study and State Board of Education recommendations under Section 39.0236. The committee must be composed of:

(1) four members of the senate education committee appointed by the lieutenant governor and four members of the house public education committee appointed by the speaker of the house of representatives;

(2) two members of the public appointed by the lieutenant governor; and

(3) two members of the public appointed by the speaker of the house of representatives.

(b) The advisory committee shall review the agency study and State Board of Education recommendations under Section 39.0236. If the advisory committee determines that the agency study is insufficient, the advisory committee may perform an additional independent study to evaluate the agency study components required under Section 39.0236(b).

(c) Not later than January 1, 2015, the committee shall prepare and submit to the governor, each member of the legislature, the commissioner, and the State Board of Education a report that includes, as applicable, the results of the

committee's review of the agency study or the results of the committee's independent study and recommendations regarding each issue evaluated under Section 39.0236(b).

(d) Based on the study under Section 39.0236(b) and the advisory committee report under Subsection (c), the State Board of Education shall adopt policies and procedures to limit the number and scope of the essential knowledge and skills of each subject and grade level to correspond with the readiness standards capable of being accurately assessed by applicable assessment instruments.

(e) This section expires June 1, 2015.

SECTION 3. Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.0263 to read as follows:

Sec. 39.0263. ADMINISTRATION OF DISTRICT-REQUIRED BENCHMARK ASSESSMENT INSTRUMENTS TO PREPARE STUDENTS FOR STATE-ADMINISTERED ASSESSMENT INSTRUMENTS. (a) In this section, "benchmark assessment instrument" means a district-required assessment instrument designed to prepare students for a corresponding state-administered assessment instrument.

(b) Except as provided by Subsection (c), a school district may not administer to any student more than two benchmark assessment instruments to prepare the student for a corresponding state-administered assessment instrument.

(c) The prohibition prescribed by this section does not apply to the administration of a college preparation assessment instrument, including the PSAT, the ACT-Plan, the SAT, or the ACT, an advanced placement test, an international baccalaureate examination, or an independent classroom examination designed or adopted and administered by a classroom teacher.

(d) A parent of or person standing in parental relation to a student who has special needs, as determined in accordance with commissioner rule, may request administration to the student of additional benchmark assessment instruments.

SECTION 4. Section 39.0301, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In establishing procedures for the administration of assessment instruments under Subsection (a)(1), the commissioner shall ensure that the procedures are designed to minimize disruptions to school operations and the classroom environment. In implementing the procedures established for the administration of assessment instruments under Subsection (a)(1), a school district shall minimize disruptions to school operations and the classroom environment.

SECTION 5. Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.038 to read as follows:

Sec. 39.038. AUDITING AND MONITORING PERFORMANCE UNDER CONTRACTS FOR ASSESSMENT INSTRUMENTS. (a) The agency by rule shall develop a comprehensive methodology for auditing and monitoring performance under contracts for services to develop or administer assessment instruments required by Section 39.023 to verify compliance with contractual obligations.

(b) The agency shall ensure that all new and renewed contracts described by Subsection (a) include a provision that the agency or a designee of the agency may conduct periodic contract compliance reviews, without advance notice, to monitor vendor performance.

(c) The agency shall adopt rules to administer this section.

SECTION 6. Section 39.053, Education Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) The indicator of student achievement under Subsection (c)(1) may not include student performance as to supporting knowledge or skills as described by Section 39.023(a-4).

SECTION 7. Section 39.055, Education Code, is amended to read as follows:

Sec. 39.055. STUDENT ORDERED BY A JUVENILE COURT OR STUDENT IN RESIDENTIAL FACILITY NOT CONSIDERED FOR ACCOUNTABILITY PURPOSES. Notwithstanding any other provision of this code except to the extent otherwise provided under Section 39.054(f), for purposes of determining the performance of a school district, [or] campus, or open-enrollment charter school under this chapter, a student ordered by a juvenile court into a residential program or facility operated by or under contract with the Texas Juvenile Justice Department [Youth Commission, the Texas Juvenile Probation Commission], a juvenile board, or any other governmental entity or any student who is receiving treatment in a residential facility is not considered to be a student of the school district in which the program or facility is physically located or of an open-enrollment charter school, as applicable. The performance of such a student on an assessment instrument or other student achievement indicator adopted under Section 39.053 or reporting indicator adopted under Section 39.301 shall be determined, reported, and considered separately from the performance of students attending a school of the district in which the program or facility is physically located or an open-enrollment charter school, as applicable.

SECTION 8. This Act applies beginning with the 2013-2014 school year.

SECTION 9. The Texas Education Agency is required to implement Sections 39.023(b-1) and (b-2), Education Code, as added by this Act, only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement Sections 39.023(b-1) and (b-2), Education Code, using other appropriations available for that purpose.

SECTION 10. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative Ratliff moved to adopt the conference committee report on **HB 2836**.

The motion to adopt the conference committee report on **HB 2836** prevailed by (Record 1366): 142 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Allen; King, T.; Morrison; Sheets; Toth.

HR 3036 - ADOPTED
(by D. Bonnen)

The following privileged resolution was laid before the house:

HR 3036

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 1675** (the sunset review process and certain governmental entities subject to that process) to consider and take action on the following matter:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on matters not included in either the house or senate version of the bill by adding the following to SECTION 1.03 of the bill:

(c) If a conflict exists between this Act and another Act of the 83rd Legislature, Regular Session, 2013, that amends Section 2152.002, Government Code, to extend the sunset date of the Texas Facilities Commission, this Act controls without regard to the relative dates of enactment.

Explanation: This addition is necessary to ensure that the sunset review date for the Texas Facilities Commission in the bill controls over any other bill amending that date.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on matters not included in either the house or senate version of the bill by adding the following:

SECTION 2.02. EMPLOYEES RETIREMENT SYSTEM OF TEXAS. Subchapter A, Chapter 815, Government Code, is amended by adding Section 815.005 to read as follows:

Sec. 815.005. SUNSET PROVISION. The board of trustees of the Employees Retirement System of Texas is subject to review under Chapter 325 (Texas Sunset Act), but is not abolished under that chapter. The board shall be reviewed during the period in which state agencies abolished in 2017, and every 12th year after that year, are reviewed.

SECTION 2.04. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS. (a) Section 2306.022, Government Code, is amended to read as follows:

Sec. 2306.022. APPLICATION OF SUNSET ACT. The Texas Department of Housing and Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2017 [~~2013~~].

(b) The Sunset Advisory Commission shall limit its review of the Texas Department of Housing and Community Affairs in preparation for the work of the 85th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 85th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2017.

(c) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 2306.022, Government Code, to extend the sunset date of the Texas Department of Housing and Community Affairs. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

SECTION 2.05. RAILROAD COMMISSION OF TEXAS. Section 81.01001, Natural Resources Code, is amended to read as follows:

Sec. 81.01001. SUNSET PROVISION. (a) The Railroad Commission of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished September 1, 2017 [~~2013~~].

(a-1) The review of the Railroad Commission of Texas by the Sunset Advisory Commission in preparation for the work of the 85th Legislature in Regular Session is not limited to the appropriateness of recommendations made by the Sunset Advisory Commission to the 83rd Legislature. In the Sunset Advisory Commission's report to the 85th Legislature, the Sunset Advisory Commission may include any recommendations it considers appropriate. The review must include an examination of alternative organizational structures for the Railroad Commission of Texas and alternative methods for performing the commission's responsibilities that would enable the efficient and effective accomplishment of the commission's functions. The examination must include an assessment of existing state agencies that would be able to perform the commission's functions. The review must also include an examination of methods to increase the public's role in decisions of the Railroad Commission of Texas that relate to the effect of the growth of resource extraction. The Sunset

Advisory Commission may contract for assistance in performing the review, including assistance in evaluating, auditing, and forensic auditing, as the Sunset Advisory Commission determines necessary. This subsection expires September 1, 2017.

(b) The Railroad Commission of Texas shall pay the costs incurred by the Sunset Advisory Commission in performing a review of the commission under this section. The Sunset Advisory Commission shall determine the costs, and the commission shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission detailing the costs.

ARTICLE 5. ENTITIES GIVEN 2025 SUNSET DATE

SECTION 5.01. STATE EMPLOYEE CHARITABLE CAMPAIGN POLICY COMMITTEE. (a) Section 659.140(i), Government Code, is amended to read as follows:

(i) The state employee charitable campaign policy committee is subject to the Texas Sunset Act. Unless continued in existence as provided by that chapter, the committee is abolished and ~~[Government Code Chapter 659,]~~ Subchapter I[,] and Sections 814.0095 and 814.0096 expire on September 1, 2025 ~~[2013]~~.

(b) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 659.140(i), Government Code, to extend the sunset date of the state employee charitable campaign policy committee. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

Explanation: This addition is necessary to change the sunset review date for various state agencies, to subject the board of trustees of the Employees Retirement System of Texas to sunset review, and to address the scope of the review of state agencies that were reviewed by the Sunset Advisory Commission in preparation for the work of the 83rd Legislature in Regular Session.

HR 3036 was adopted by (Record 1367): 144 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee;

Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Simpson.

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

Absent, Excused — Lucio.

Absent — Dukes; Pitts.

HB 1675 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative D. Bonnen submitted the following conference committee report on **HB 1675**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1675** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Nichols	D. Bonnen
Birdwell	Anchia
Huffman	Cook
Patrick	Dutton
Whitmire	Price
On the part of the senate	On the part of the house

HB 1675, A bill to be entitled An Act relating to the sunset review process and certain governmental entities subject to that process.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
ARTICLE 1. ENTITIES GIVEN 2015 SUNSET DATE AND CERTAIN OTHER
REVIEWS

SECTION 1.01. TEXAS EDUCATION AGENCY. (a) Section 7.004, Education Code, is amended to read as follows:

Sec. 7.004. SUNSET PROVISION. The Texas Education Agency is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the agency is abolished September 1, 2015 [2013].

(b) The Sunset Advisory Commission shall limit its review of the Texas Education Agency in preparation for the work of the 84th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 84th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2015.

(c) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 7.004, Education Code, to extend the sunset date of the Texas Education Agency. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

SECTION 1.02. REVIEW OF CONTRACTING PROCEDURES OF TEXAS EDUCATION AGENCY. Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.038 to read as follows:

Sec. 39.038. SUNSET REVIEW OF CONTRACTING PROCEDURES FOR ASSESSMENT INSTRUMENTS. The Sunset Advisory Commission shall evaluate the contracting procedures used by the agency to enter into a contract with a provider to develop or administer assessment instruments required by Section 39.023 and present to the 84th Legislature a report on its evaluation and recommendations in relation to the contracting procedures. This section expires September 1, 2015.

SECTION 1.03. TEXAS FACILITIES COMMISSION. (a) Section 2152.002, Government Code, is amended to read as follows:

Sec. 2152.002. SUNSET PROVISION. The Texas ~~Facilities [Building and Procurement]~~ Commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this subtitle, except for Chapter 2170 and Section 2157.121, expires September 1, 2015 ~~[2013]~~.

(b) The Sunset Advisory Commission shall limit its review of the Texas Facilities Commission in preparation for the work of the 84th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 84th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2015.

(c) If a conflict exists between this Act and another Act of the 83rd Legislature, Regular Session, 2013, that amends Section 2152.002, Government Code, to extend the sunset date of the Texas Facilities Commission, this Act controls without regard to the relative dates of enactment.

SECTION 1.04. UNIVERSITY INTERSCHOLASTIC LEAGUE. Section 33.083, Education Code, is amended by adding Subsection (e) to read as follows:

(e) The University Interscholastic League is subject to review under Chapter 325, Government Code (Texas Sunset Act), but is not abolished under that chapter. The University Interscholastic League shall be reviewed during the period in which state agencies abolished in 2015 are reviewed. The University Interscholastic League shall pay the costs incurred by the Sunset Advisory Commission in performing the review under this subsection. The Sunset Advisory Commission shall determine the costs of the review performed under this subsection, and the University Interscholastic League shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission regarding those costs. This subsection expires September 1, 2015.

SECTION 1.05. STUDY CONCERNING SELF-DIRECTED SEMI-INDEPENDENT STATUS OF STATE AGENCIES. (a) In this section, "commission" means the Sunset Advisory Commission.

(b) The commission shall conduct a study concerning the self-directed semi-independent status of state agencies.

(c) The study must address:

(1) criteria and a process to be used in determining whether a state agency should be given self-directed semi-independent status;

(2) criteria and a process to be used in determining whether the self-directed semi-independent status of a state agency should be revoked;

(3) measures to ensure adequate state oversight of state agencies with self-directed semi-independent status;

(4) reporting requirements for state agencies with self-directed semi-independent status;

(5) procedures for a state agency with self-directed semi-independent status to contract with and to pay for services received from another state agency;

(6) procedures for reviewing a state agency's self-directed semi-independent status as part of the agency's sunset review;

(7) appropriations issues related to a state agency's transition to self-directed semi-independent status;

(8) appropriations issues related to a state agency's transition from self-directed semi-independent status to regular state agency status; and

(9) criteria to review complaint procedures and the disposition of complaints by a state agency with self-directed semi-independent status.

(d) In conducting the study, the commission shall consult with the Legislative Budget Board.

(e) At the commission's request, a state agency shall provide information and assistance to the commission in conducting the study under this section.

(f) Not later than December 31, 2014, the commission shall submit a report on the commission's findings and recommendations to:

(1) the governor;

(2) the lieutenant governor; and

(3) each member of the legislature.

(g) This section expires September 1, 2015.

ARTICLE 2. ENTITIES GIVEN 2017 SUNSET DATE

SECTION 2.01. TEXAS DEPARTMENT OF TRANSPORTATION. Section 201.204, Transportation Code, is amended to read as follows:

Sec. 201.204. SUNSET PROVISION. The Texas Department of Transportation is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished September 1, 2017 [~~2015~~].

SECTION 2.02. EMPLOYEES RETIREMENT SYSTEM OF TEXAS. Subchapter A, Chapter 815, Government Code, is amended by adding Section 815.005 to read as follows:

Sec. 815.005. SUNSET PROVISION. The board of trustees of the Employees Retirement System of Texas is subject to review under Chapter 325 (Texas Sunset Act), but is not abolished under that chapter. The board shall be reviewed during the period in which state agencies abolished in 2017, and every 12th year after that year, are reviewed.

SECTION 2.03. SULPHUR RIVER BASIN AUTHORITY. Chapter 3, Acts of the 69th Legislature, 1st Called Session, 1985, is amended by adding Section 1A to read as follows:

Sec. 1A. APPLICATION OF SUNSET ACT. (a) The authority is subject to review under Chapter 325, Government Code (Texas Sunset Act), as if it were a state agency. Unless the authority is continued in existence, the authority is abolished and this Act expires September 1, 2017.

(b) The review must assess the authority's governance, management, and operating structure and the authority's compliance with legislative requirements.

(c) The authority shall pay the costs incurred by the Sunset Advisory Commission in performing a review of the authority under this section. The Sunset Advisory Commission shall determine the costs, and the authority shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the costs.

(d) If the authority is abolished, the procedures under Chapter 325, Government Code (Texas Sunset Act), relating to winding up the affairs of a state agency after its abolition apply to the authority.

SECTION 2.04. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS. (a) Section 2306.022, Government Code, is amended to read as follows:

Sec. 2306.022. APPLICATION OF SUNSET ACT. The Texas Department of Housing and Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2017 ~~[2013]~~.

(b) The Sunset Advisory Commission shall limit its review of the Texas Department of Housing and Community Affairs in preparation for the work of the 85th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 85th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2017.

(c) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 2306.022, Government Code, to extend the sunset date of the Texas Department of Housing and Community Affairs. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

SECTION 2.05. RAILROAD COMMISSION OF TEXAS. Section 81.01001, Natural Resources Code, is amended to read as follows:

Sec. 81.01001. SUNSET PROVISION. (a) The Railroad Commission of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished September 1, 2017 ~~[2013]~~.

(a-1) The review of the Railroad Commission of Texas by the Sunset Advisory Commission in preparation for the work of the 85th Legislature in Regular Session is not limited to the appropriateness of recommendations made by the Sunset Advisory Commission to the 83rd Legislature. In the Sunset Advisory Commission's report to the 85th Legislature, the Sunset Advisory Commission may include any recommendations it considers appropriate. The review must include an examination of alternative organizational structures for the Railroad Commission of Texas and alternative methods for performing the commission's responsibilities that would enable the efficient and effective accomplishment of the commission's functions. The examination must include an assessment of existing state agencies that would be able to perform the commission's functions. The review must also include an examination of methods to increase the public's role in decisions of the Railroad Commission of Texas that relate to the effect of the growth of resource extraction. The Sunset Advisory Commission may contract for assistance in performing the review, including assistance in evaluating, auditing, and forensic auditing, as the Sunset Advisory Commission determines necessary. This subsection expires September 1, 2017.

(b) The Railroad Commission of Texas shall pay the costs incurred by the Sunset Advisory Commission in performing a review of the commission under this section. The Sunset Advisory Commission shall determine the costs, and the commission shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission detailing the costs.

ARTICLE 3. ENTITIES GIVEN 2019 SUNSET DATE

SECTION 3.01. REGIONAL EDUCATION SERVICE CENTERS. Section 8.010, Education Code, is amended to read as follows:

Sec. 8.010. SUNSET PROVISION. Regional education service centers are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the centers are abolished and this chapter expires September 1, 2019 ~~[2015]~~.

SECTION 3.02. FINANCE COMMISSION OF TEXAS. Section 11.108, Finance Code, is amended to read as follows:

Sec. 11.108. SUNSET PROVISION. The finance commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished September 1, 2019 ~~[2015]~~.

SECTION 3.03. OFFICE OF BANKING COMMISSIONER. Section 12.109, Finance Code, is amended to read as follows:

Sec. 12.109. SUNSET PROVISION. The office of banking commissioner is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished September 1, 2019 ~~[2015]~~.

SECTION 3.04. OFFICE OF SAVINGS AND MORTGAGE LENDING COMMISSIONER AND DEPARTMENT OF SAVINGS AND MORTGAGE LENDING. Section 13.012, Finance Code, is amended to read as follows:

Sec. 13.012. SUNSET PROVISION. The office of savings and mortgage lending commissioner and the Department of Savings and Mortgage Lending are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office and department are abolished September 1, 2019 [2015].

SECTION 3.05. OFFICE OF CONSUMER CREDIT COMMISSIONER. Section 14.066, Finance Code, is amended to read as follows:

Sec. 14.066. SUNSET PROVISION. The office is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished September 1, 2019 [2015].

SECTION 3.06. TEXAS WINDSTORM INSURANCE ASSOCIATION. Section 2210.002(b), Insurance Code, is amended to read as follows:

(b) The association is subject to review under Chapter 325, Government Code (Texas Sunset Act), but is not abolished under that chapter. The association shall be reviewed during the period in which state agencies abolished in 2019 [2015] are reviewed. The association shall pay the costs incurred by the Sunset Advisory Commission in performing the review of the association under this subsection. The Sunset Advisory Commission shall determine the costs of the review performed under this subsection, and the association shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission regarding those costs. This subsection expires September 1, 2019 [2015].

SECTION 3.07. STATE SECURITIES BOARD. Subsection O, Section 2, The Securities Act (Article 581-2, Vernon's Texas Civil Statutes), is amended to read as follows:

O. The State Securities Board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this Act expires September 1, 2019 [2015].

SECTION 3.08. TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY. Section 901.006, Occupations Code, is amended to read as follows:

Sec. 901.006. APPLICATION OF SUNSET ACT. The Texas State Board of Public Accountancy is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2019 [2015].

ARTICLE 4. ENTITIES GIVEN 2021 SUNSET DATE

SECTION 4.01. TEXAS INVASIVE SPECIES COORDINATING COMMITTEE. Section 776.007(a), Government Code, is amended to read as follows:

(a) The committee is subject to Chapter 325 (Texas Sunset Act). ~~The committee shall be reviewed during the periods in which the State Soil and Water Conservation Board is reviewed.~~ Unless continued in existence as provided by that chapter, the committee is abolished and this chapter expires September 1, 2021 ~~[on the date on which that agency is subject to abolishment]~~.

SECTION 4.02. DIVISION OF WORKERS' COMPENSATION OF TEXAS DEPARTMENT OF INSURANCE. Section 31.004(b), Insurance Code, is amended to read as follows:

(b) Unless continued as provided by Chapter 325, Government Code, the duties of the division of workers' compensation of the Texas Department of Insurance under Title 5, Labor Code, expire September 1, 2021 [~~2017~~], or another date designated by the legislature.

SECTION 4.03. OFFICE OF INJURED EMPLOYEE COUNSEL. Section 404.003, Labor Code, is amended to read as follows:

Sec. 404.003. SUNSET PROVISION. The office of injured employee counsel is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this chapter expires September 1, 2021 [~~2017~~].

ARTICLE 5. ENTITIES GIVEN 2025 SUNSET DATE

SECTION 5.01. STATE EMPLOYEE CHARITABLE CAMPAIGN POLICY COMMITTEE. (a) Section 659.140(i), Government Code, is amended to read as follows:

(i) The state employee charitable campaign policy committee is subject to the Texas Sunset Act. Unless continued in existence as provided by that chapter, the committee is abolished and [~~Government Code Chapter 659,~~] Subchapter I[~~]~~ and Sections 814.0095 and 814.0096 expire on September 1, 2025 [~~2013~~].

(b) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 659.140(i), Government Code, to extend the sunset date of the state employee charitable campaign policy committee. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

ARTICLE 6. ENTITIES REMOVED FROM SPECIFIC SUNSET REVIEW

SECTION 6.01. EARLY CHILDHOOD HEALTH AND NUTRITION INTERAGENCY COUNCIL. Section 116.002, Health and Safety Code, is amended to read as follows:

Sec. 116.002. ~~REVIEW BY [APPLICATION OF] SUNSET ADVISORY COMMISSION [ACT].~~ The Sunset Advisory Commission shall review the [The] Early Childhood Health and Nutrition Interagency Council as part of its periodic review of the Department of Agriculture under [is subject to] Chapter 325, Government Code (Texas Sunset Act). [Unless continued in existence as provided by that chapter, the council is abolished and this chapter expires September 1, 2019.]

ARTICLE 7. SUNSET REVIEW PROCESS

SECTION 7.01. Chapter 325, Government Code, is amended by adding Section 325.0127 to read as follows:

Sec. 325.0127. COST OF REVIEW. (a) In this section, "self-directed semi-independent agency" means a state agency that has status as a self-directed semi-independent agency under the Self-Directed Semi-Independent Agency Project Act (Article 8930, Revised Statutes), Chapter 16, Finance Code, Chapter 1105, Occupations Code, or any other law. The term does not include the Texas Department of Insurance's actuarial division and financial examinations division as those terms are defined by Section 401.251, Insurance Code.

(b) A self-directed semi-independent agency shall pay the costs incurred by the commission in performing a review of the agency under this chapter. The commission shall determine the costs of the review, and the agency shall pay the amount of those costs promptly on receipt of a statement from the commission regarding those costs.

SECTION 7.02. Section 325.019, Government Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) In carrying out its functions under this chapter, the commission or its designated staff member may attend any meetings and proceedings of any state agency, including any meeting or proceeding of the governing body of the agency that is closed to the public, and may inspect the records, documents, and files of any state agency, including any record, document, or file that is:

- (1) attorney work product;
- (2) an attorney-client communication; or
- (3) made privileged or confidential by law.

(c) It is the intent of the legislature to allow the commission and its designated staff members to have access to all meetings or proceedings of a state agency being reviewed by the commission under this chapter and to all records, documents, and files of that agency. To the extent that this section conflicts with other law that purports to limit the commission's access to meetings or proceedings or to records, documents, and files, this section controls. If federal law prohibits a state agency from disclosing information in a record, document, or file to the commission, including information in a record, document, or file created as a result of or considered during a meeting or proceeding, the state agency may redact the protected information from the record, document, or file.

SECTION 7.03. Section 325.0195, Government Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) A state agency that provides the commission with access to a privileged or confidential communication, record, document, or file under Section 325.019 for purposes of a review under this chapter does not waive the attorney-client privilege, or any other privilege or confidentiality requirement protected or required by the Texas Constitution, common law, statutory law, or rules of evidence, procedure, or professional conduct, with respect to the communication, record, document, or file provided to the commission. For purposes of this subsection, a communication includes a discussion that occurs at a meeting or proceeding of the state agency that is closed to the public.

(d) The state agency may require the commission or the members of the commission's staff who view, handle, or are privy to information, or who attend a meeting that is not accessible to the public, to sign a confidentiality agreement that covers the information and requires that:

- (1) the information not be disclosed outside the commission for purposes other than the purpose for which it was received;
- (2) the information be labeled as confidential;
- (3) the information be kept securely; and

(4) the number of copies made of the information or the notes taken from the information that implicate the confidential nature of the information be controlled, with all copies or notes that are not destroyed or returned to the governmental body remaining confidential and subject to the confidentiality agreement.

(e) A person who obtains access to confidential information in connection with the performance of the commission's duties under this chapter or another law commits an offense if the person knowingly:

(1) uses the confidential information for a purpose other than the purpose for which the information was received or for a purpose unrelated to the law that permitted the person to obtain access to the information, including solicitation of political contributions or solicitation of clients;

(2) permits inspection of the confidential information by a person who is not authorized to inspect the information; or

(3) discloses the confidential information to a person who is not authorized to receive the information.

ARTICLE 8. EFFECTIVE DATE

SECTION 8.01. EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Representative D. Bonnen moved to adopt the conference committee report on **HB 1675**.

The motion to adopt the conference committee report on **HB 1675** prevailed by (Record 1368): 145 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Hunter; Laubenberg.

STATEMENT OF VOTE

When Record No. 1368 was taken, I was in the house but away from my desk. I would have voted yes.

Hunter

HR 3056 - ADOPTED (by Menéndez)

The following privileged resolution was laid before the house:

HR 3056

BE IT RESOLVED by the House of Representatives of the State of Texas, 83rd Legislature, Regular Session, 2013, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 1158** (relating to higher education for veterans and their families) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on matters which are not included in either the house or senate version of the bill in SECTION 1 of the bill by amending Sections 54.341(d), (h), and (l), Education Code, to read as follows:

(d) The governing board of each institution of higher education granting an exemption under this section shall require each applicant claiming the exemption to submit to the institution, in the form and manner prescribed by the Texas Veterans Commission for purposes of this section under Section 434.0079(b), Government Code, an application for the exemption and necessary ~~[satisfactory]~~ evidence that the applicant qualifies for the exemption not later than the last class date of the semester or term to which the exemption applies, except that the governing board may encourage the submission of an application and evidence by the official day of record for the semester or term to which the exemption applies on which the institution must determine the enrollment that is reported to the Texas Higher Education Coordinating Board ~~[one year after the earlier of the date the institution:~~

~~[(1) provides written notice to the applicant of the applicant's eligibility for the exemption; or~~

~~[(2) receives a written acknowledgement from the applicant evidencing the applicant's awareness of the applicant's eligibility for the exemption].~~

(h) The governing board of each institution of higher education shall electronically report to the Texas Veterans Commission ~~[Higher Education Coordinating Board]~~ the information required by Section 434.00791, Government Code, ~~[61-0516]~~ relating to each individual receiving an exemption from fees and charges under Subsection (a), (a-2), ~~[or]~~ (b), or (k). The institution

shall report the information not later than January 31 [~~December 31~~] of each year for the fall semester, June 30 [~~May 31~~] of each year for the spring semester, and September 30 of each year for the summer session.

(l) To be eligible to receive an exemption under Subsection (k), the child must:

(1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; ~~and~~

(2) as a graduate or undergraduate student, maintain a grade point average that satisfies the grade point average requirement for making ~~make~~ satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the institution's policy regarding eligibility for ~~of the institution's~~ financial aid; and

(3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed ~~department, except that the institution may not require the child to enroll in a minimum course load~~.

Explanation: These changes are necessary to clarify the reporting and eligibility requirements for certain tuition exemptions awarded to veterans and their families.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill in SECTION 2 of the bill by adding Section 54.341(e), Education Code, to read as follows:

(e) The amount available for distribution from the fund may be appropriated only to offset the cost to institutions of higher education of the exemptions required by Section 54.341(k). The amount appropriated shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Section 54.341(k), as determined by the Legislative Budget Board. The amount appropriated shall be distributed annually to each eligible institution of higher education.

Explanation: This change is necessary to clarify the distribution of funds for certain tuition exemptions awarded to children of certain veterans.

(3) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill in SECTION 3 of the bill by adding Section 434.0079(c), Government Code, to read as follows:

(c) The commission shall adopt rules governing the coordination of federal and state benefits of a person eligible to receive an exemption under Section 54.341(k), Education Code, including rules governing:

(1) the total number of credit hours assigned under that section that a person may apply to an individual degree or certificate program, consistent with the standards of the appropriate recognized regional accrediting agency; and

(2) the application of the assigned exemption to credit hours for which the institution of higher education does not receive state funding.

Explanation: This change is necessary to require rules to be adopted for the administration of certain tuition exemptions awarded to veterans and their families.

HR 3056 was adopted by (Record 1369): 143 Yeas, 3 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Smith; Smithee; Springer; Stephenson; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Laubenberg; Simpson; Stickland.

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

Absent, Excused — Lucio.

Absent — Larson.

SB 1158 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Menéndez submitted the conference committee report on **SB 1158**.

Representative Menéndez moved to adopt the conference committee report on **SB 1158**.

The motion to adopt the conference committee report on **SB 1158** prevailed by (Record 1370): 146 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Burnam; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson;

Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

Nays — Laubenberg.

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

Absent, Excused — Lucio.

SB 211 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Dutton submitted the conference committee report on **SB 211**.

Representative Dutton moved to adopt the conference committee report on **SB 211**.

The motion to adopt the conference committee report on **SB 211** prevailed by (Record 1371): 144 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burnam; Button; Callegari; Canales; Carter; Clardy; Coleman; Collier; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Gutierrez; Harless; Harper-Brown; Hernandez Luna; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Johnson; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martínez; Martínez Fischer; McClendon; Menéndez; Miles; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Reynolds; Riddle; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, C.; Turner, E.S.; Turner, S.; Villalba; Villarreal; Vo; Walle; White; Workman; Wu; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Capriglione; Klick.

SB 401 - MOTION TO ADOPT CONFERENCE COMMITTEE REPORT

Representative Allen submitted the conference committee report on **SB 401**.

Representative Allen moved to adopt the conference committee report on **SB 401**.

The motion to adopt the conference committee report on **SB 401** was lost by (Record 1372): 64 Yeas, 81 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Aycock; Burnam; Canales; Coleman; Collier; Cortez; Davis, S.; Davis, Y.; Deshotel; Dukes; Dutton; Eiland; Farias; Farrar; Geren; Giddings; González, M.; Gonzalez, N.; Guerra; Guillen; Gutierrez; Harless; Hernandez Luna; Herrero; Howard; Hunter; Johnson; King, T.; Longoria; Márquez; Martinez; Martinez Fischer; McClendon; Menéndez; Miles; Miller, D.; Moody; Muñoz; Naishtat; Nevárez; Oliveira; Patrick; Perez; Pickett; Raney; Raymond; Reynolds; Rodriguez, E.; Rodriguez, J.; Rose; Sheffield, J.; Simmons; Strama; Thompson, S.; Turner, C.; Turner, S.; Villarreal; Vo; Walle; Wu.

Nays — Anderson; Ashby; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Callegari; Capriglione; Carter; Clardy; Cook; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Fallon; Farney; Fletcher; Flynn; Frank; Frullo; Goldman; Gonzales; Gooden; Harper-Brown; Hilderbran; Huberty; Hughes; Isaac; Kacal; Keffer; King, K.; King, P.; King, S.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Lozano; Miller, R.; Morrison; Murphy; Orr; Otto; Paddie; Parker; Perry; Pitts; Price; Ratliff; Riddle; Sanford; Schaefer; Sheets; Sheffield, R.; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Taylor; Thompson, E.; Toth; Turner, E.S.; Villalba; White; Workman; Zedler; Zerwas.

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

Absent, Excused — Lucio.

Absent — Elkins; Phillips.

STATEMENTS OF VOTE

When Record No. 1372 was taken, I was in the house but away from my desk. I would have voted no.

Elkins

I was shown voting yes on Record No. 1372. I intended to vote no.

Harless

I was shown voting yes on Record No. 1372. I intended to vote no.

Hunter

When Record No. 1372 was taken, my vote failed to register. I would have voted no.

Phillips

RESOLUTIONS 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.)

(Speaker in the chair)

HB 500 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative Hilderbran submitted the following conference committee report on **HB 500**:

Austin, Texas, May 25, 2013

The Honorable David Dewhurst
President of the Senate

The Honorable Joe Straus
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 500** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Lucio	Hilderbran
Nelson	Bohac
Duncan	Button
Williams	N. Gonzalez
Hegar	T. King
On the part of the senate	On the part of the house

HB 500, A bill to be entitled An Act relating to the computation of the franchise tax, including certain exclusions from the tax.

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

SECTION 1. Section 171.0001(12), Tax Code, is amended to read as follows:

(12) "Retail trade" means:

(A) the activities described in Division G of the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget; ~~and~~

(B) apparel rental activities classified as Industry 5999 or 7299 of the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget;

(C) the activities classified as Industry Group 753 of the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget;

(D) rental-purchase agreement activities regulated by Chapter 92, Business & Commerce Code;

(E) activities involving the rental or leasing of tools, party and event supplies, and furniture that are classified as Industry 7359 of the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget; and

(F) heavy construction equipment rental or leasing activities classified as Industry 7353 of the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget.

SECTION 2. Subchapter A, Chapter 171, Tax Code, is amended by adding Sections 171.0022 and 171.0023 to read as follows:

Sec. 171.0022. TEMPORARY PERMISSIVE ALTERNATE RATES FOR 2014. (a) Notwithstanding Section 171.002(a) and subject to Section 171.1016 and Subsection (b) of this section, a taxable entity may elect to pay the tax imposed under this chapter at a rate of 0.975 percent of taxable margin.

(b) Notwithstanding Section 171.002(b) and subject to Section 171.1016, a taxable entity primarily engaged in retail or wholesale trade as defined by Sections 171.002(c) and (c-1) may elect to pay the tax imposed under this chapter at a rate of 0.4875 percent of taxable margin.

(c) This section applies only to a report originally due on or after January 1, 2014, and before January 1, 2015.

(d) This section expires December 31, 2014.

Sec. 171.0023. TEMPORARY PERMISSIVE ALTERNATE RATES FOR 2015. (a) Notwithstanding Section 171.002(a) and subject to Section 171.1016 and Subsections (b) and (d) of this section, a taxable entity may elect to pay the tax imposed under this chapter at a rate of 0.95 percent of taxable margin.

(b) Notwithstanding Section 171.002(b) and subject to Section 171.1016 and Subsection (d) of this section, a taxable entity primarily engaged in retail or wholesale trade as defined by Sections 171.002(c) and (c-1) may elect to pay the tax imposed under this chapter at a rate of 0.475 percent of taxable margin.

(c) This section applies only to a report originally due on or after January 1, 2015, and before January 1, 2016.

(d) The comptroller, in the statement required in advance of the 84th regular legislative session by Section 49a, Article III, Texas Constitution, relating to the estimate of the probable receipts and disbursements for the then current fiscal year, shall certify whether sufficient revenue will be available for the current fiscal year if taxable entities were to elect to pay the tax imposed under this chapter at the rates provided by Subsections (a) and (b). A taxable entity may elect to compute the tax at the rate provided by Subsection (a) or (b), as applicable, on a report specified by Subsection (c) only if the comptroller, in that statement, certifies that sufficient revenue will be available if taxable entities elect to compute the tax at the rates provided by those subsections.

(e) This section expires December 31, 2015.

SECTION 3. Section 171.006(b), Tax Code, is amended to read as follows:

(b) Beginning in 2010, on January 1 of each even-numbered year, the amounts prescribed by Sections 171.002(d)(2) [~~171.0021~~] and 171.1013(c) are increased or decreased by an amount equal to the amount prescribed by those

sections on December 31 of the preceding year multiplied by the percentage increase or decrease during the preceding state fiscal biennium in the consumer price index and rounded to the nearest \$10,000.

SECTION 4. Section 171.052(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsection (c), an insurance organization, title insurance company, or title insurance agent authorized to engage in insurance business in this state that is ~~is now~~ required to pay an annual tax ~~[under Chapter 4 or 9, Insurance Code,]~~ measured by its gross premium receipts is exempted from the franchise tax. A nonadmitted insurance organization that is required to pay a gross premium receipts tax during a tax year is exempted from the franchise tax for that same tax year. A nonadmitted insurance organization that is subject to an occupation tax or any other tax that is imposed for the privilege of doing business in another state or a foreign jurisdiction, including a tax on gross premium receipts, is exempted from the franchise tax.

SECTION 5. Subchapter B, Chapter 171, Tax Code, is amended by adding Section 171.086 to read as follows:

Sec. 171.086. EXEMPTION: POLITICAL SUBDIVISION CORPORATION. A political subdivision corporation formed under Section 304.001, Local Government Code, is exempted from the franchise tax.

SECTION 6. Sections 171.101(a) and (b), Tax Code, are amended to read as follows:

(a) The taxable margin of a taxable entity is computed by:

(1) determining the taxable entity's margin, which is the lesser of:

(A) the amount provided by this paragraph, which is the lesser of:

(i) 70 percent of the taxable entity's total revenue from its entire business, as determined under Section 171.1011; or

(ii) an amount equal to the taxable entity's total revenue from its entire business as determined under Section 171.1011 minus \$1 million; or

(B) an amount computed by[~~±~~

~~(+)] determining the taxable entity's total revenue from its entire business[~~±~~~~

~~(+)] subtracting the greater of:~~

(i) \$1 million; or

(ii) an amount equal to the sum of:

(a) [±] at the election of the taxable entity, either:

(1) [~~±~~] cost of goods sold, as determined under Section 171.1012; or

(2) [~~±~~] compensation, as determined under Section 171.1013; and

(b) any [(iii) subtracting, in addition to any subtractions made under Subparagraph (ii)(a) or (b),] compensation, as determined under Section 171.1013, paid to an individual during the period the individual is serving on active duty as a member of the armed forces of the United States if the individual is a resident of this state at the time the individual is ordered to active duty and the cost of training a replacement for the individual;

(2) apportioning the taxable entity's margin to this state as provided by Section 171.106 to determine the taxable entity's apportioned margin; and

(3) subtracting from the amount computed under Subdivision (2) any other allowable deductions to determine the taxable entity's taxable margin.

(b) Notwithstanding Subsection (a)(1)(B)(ii)(a) [~~(a)(1)(B)(ii)~~], a staff leasing services company may subtract only the greater of \$1 million as provided by Subsection (a)(1)(B)(i) or compensation as determined under Section 171.1013.

SECTION 7. Section 171.1011, Tax Code, is amended by amending Subsection (g-4) and adding Subsections (g-8), (g-10), (g-11), (u), (v), and (x) to read as follows:

(g-4) A taxable entity that is a pharmacy cooperative shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), flow-through funds from rebates from pharmacy wholesalers that are distributed to the pharmacy cooperative's shareholders. A taxable entity that provides a pharmacy network shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), reimbursements, pursuant to contractual agreements, for payments to pharmacies in the pharmacy network.

(g-8) A taxable entity that is primarily engaged in the business of transporting aggregates shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), subcontracting payments made by the taxable entity to independent contractors for the performance of delivery services on behalf of the taxable entity. In this subsection, "aggregates" means any commonly recognized construction material removed or extracted from the earth, including dimension stone, crushed and broken limestone, crushed and broken granite, other crushed and broken stone, construction sand and gravel, industrial sand, dirt, soil, cementitious material, and caliche.

(g-10) A taxable entity that is primarily engaged in the business of transporting barite shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), subcontracting payments made by the taxable entity to nonemployee agents for the performance of transportation services on behalf of the taxable entity. For purposes of this subsection, "barite" means barium sulfate (BaSO₄), a mineral used as a weighing agent in oil and gas exploration.

(g-11) A taxable entity that is primarily engaged in the business of performing landman services shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), subcontracting payments made by the taxable entity to nonemployees for the performance of landman services on behalf of the taxable entity. In this subsection, "landman services" means:

(1) performing title searches for the purpose of determining ownership of or curing title defects related to oil, gas, or other related mineral or petroleum interests;

(2) negotiating the acquisition or divestiture of mineral rights for the purpose of the exploration, development, or production of oil, gas, or other related mineral or petroleum interests; or

(3) negotiating or managing the negotiation of contracts or other agreements related to the ownership of mineral interests for the exploration, exploitation, disposition, development, or production of oil, gas, or other related mineral or petroleum interests.

(u) A taxable entity shall exclude from its total revenue the actual cost paid by the taxable entity for a vaccine.

(v) A taxable entity primarily engaged in the business of transporting goods by waterways that does not subtract cost of goods sold in computing its taxable margin shall exclude from its total revenue direct costs of providing transportation services by intrastate or interstate waterways to the same extent that a taxable entity that sells in the ordinary course of business real or tangible personal property would be authorized by Section 171.1012 to subtract those costs as costs of goods sold in computing its taxable margin, notwithstanding Section 171.1012(e)(3).

(x) A taxable entity that is registered as a motor carrier under Chapter 643, Transportation Code, shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), flow-through revenue derived from taxes and fees.

SECTION 8. Section 171.1011(p), Tax Code, is amended by adding Subdivision (8) to read as follows:

(8) "Vaccine" means a preparation or suspension of dead, live attenuated, or live fully virulent viruses or bacteria, or of antigenic proteins derived from them, used to prevent, ameliorate, or treat an infectious disease.

SECTION 9. Section 171.1012, Tax Code, is amended by adding Subsections (k-2) and (k-3) to read as follows:

(k-2) This subsection applies only to a pipeline entity: (1) that owns or leases and operates the pipeline by which the product is transported for others and only to that portion of the product to which the entity does not own title; and (2) that is primarily engaged in gathering, storing, transporting, or processing crude oil, including finished petroleum products, natural gas, condensate, and natural gas liquids, except for a refinery installation that manufactures finished petroleum products from crude oil. Notwithstanding Subsection (e)(3) or (i), a pipeline entity providing services for others related to the product that the pipeline does not own and to which this subsection applies may subtract as a cost of goods sold its depreciation, operations, and maintenance costs allowed by this section related to the services provided.

(k-3) For purposes of Subsection (k-2), "processing" means the physical or mechanical removal, separation, or treatment of crude oil, including finished petroleum products, natural gas, condensate, and natural gas liquids after those materials are produced from the earth. The term does not include the chemical or biological transformation of those materials.

SECTION 10. (a) Section 171.1012, Tax Code, is amended by adding Subsection (t) to read as follows:

(t) If a taxable entity that is a movie theater elects to subtract cost of goods sold, the cost of goods sold for the taxable entity shall be the costs described by this section in relation to the acquisition, production, exhibition, or use of a film or motion picture, including expenses for the right to use the film or motion picture.

(b) Section 171.1012(t), Tax Code, as added by this section, is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this section.

(c) This section takes effect September 1, 2013.

SECTION 11. Section 171.1014, Tax Code, is amended by amending Subsection (d) and adding Subsection (j) to read as follows:

(d) For purposes of Section 171.101, a combined group shall make an election to subtract either cost of goods sold or compensation that applies to all of its members, or \$1 million. Regardless of the election, the taxable margin of the combined group may not exceed the amount ~~[70 percent of the combined group's total revenue from its entire business, as]~~ provided by Section 171.101(a)(1)(A) for the combined group.

(j) Notwithstanding any other provision of this section, a taxable entity that provides retail or wholesale electric utilities may not be included as a member of a combined group that includes one or more taxable entities that do not provide retail or wholesale electric utilities if that combined group in the absence of this subsection:

(1) would not meet the requirements of Section 171.002(c) solely because one or more members of the combined group provide retail or wholesale electric utilities; and

(2) would have less than five percent of the combined group's total revenue derived from providing retail or wholesale electric utilities.

SECTION 12. Section 171.106, Tax Code, is amended by adding Subsection (g) to read as follows:

(g) A receipt from Internet hosting as defined by Section 151.108(a) is a receipt from business done in this state only if the customer to whom the service is provided is located in this state.

SECTION 13. (a) Subchapter C, Chapter 171, Tax Code, is amended by adding Section 171.109 to read as follows:

Sec. 171.109. DEDUCTION OF RELOCATION COSTS BY CERTAIN TAXABLE ENTITIES FROM MARGIN APPORTIONED TO THIS STATE. (a) In this section, "relocation costs" means the costs incurred by a taxable entity to relocate the taxable entity's main office or other principal place of business from one location to another. The term includes:

(1) costs of relocating computers and peripherals, other business supplies, furniture, and inventory; and

(2) any other costs related to the relocation that are allowable deductions for federal income tax purposes.

(b) Subject to Subsection (c), a taxable entity may deduct from its apportioned margin relocation costs incurred in relocating the taxable entity's main office or other principal place of business to this state from another state if the taxable entity:

(1) did not do business in this state before relocating the taxable entity's main office or other principal place of business to this state; and

(2) is not a member of an affiliated group engaged in a unitary business, another member of which is doing business in this state on the date the taxable entity relocates the taxable entity's main office or other principal place of business to this state.

(c) A taxable entity must take the deduction authorized by Subsection (b) on the report based on the taxable entity's initial period described by Section 171.151(1).

(d) On the comptroller's request, a taxable entity that takes a deduction authorized by this section shall file with the comptroller proof of the deducted relocation costs.

(b) The change in law made by this section applies only to a taxable entity that relocates the taxable entity's main office or other principal place of business to this state on or after the effective date of this section.

(c) This section takes effect September 1, 2013.

SECTION 14. (a) Chapter 171, Tax Code, is amended by adding Subchapter S to read as follows:

SUBCHAPTER S. TAX CREDIT FOR CERTIFIED REHABILITATION OF CERTIFIED HISTORIC STRUCTURES

Sec. 171.901. DEFINITIONS. In this subchapter:

(1) "Certified historic structure" means a property in this state that is:

(A) listed individually in the National Register of Historic Places;

(B) designated as a Recorded Texas Historic Landmark under Section 442.006, Government Code, or as a state archeological landmark under Chapter 191, Natural Resources Code; or

(C) certified by the commission as contributing to the historic significance of:

(i) a historic district listed in the National Register of Historic Places; or

(ii) a local district certified by the United States Department of the Interior in accordance with 36 C.F.R. Section 67.9.

(2) "Certified rehabilitation" means the rehabilitation of a certified historic structure that the commission has certified as meeting the United States secretary of the interior's Standards for Rehabilitation as defined in 36 C.F.R. Section 67.7.

(3) "Commission" means the Texas Historical Commission.

(4) "Eligible costs and expenses" means qualified rehabilitation expenditures as defined by Section 47(c)(2), Internal Revenue Code.

Sec. 171.902. ELIGIBILITY FOR CREDIT. An entity is eligible to apply for a credit in the amount and under the conditions and limitations provided by this subchapter against the tax imposed under this chapter.

Sec. 171.903. QUALIFICATION. An entity is eligible for a credit for eligible costs and expenses incurred in the certified rehabilitation of a certified historic structure as provided by this subchapter if:

(1) the rehabilitated certified historic structure is placed in service on or after September 1, 2013;

(2) the entity has an ownership interest in the certified historic structure in the year during which the structure is placed in service after the rehabilitation; and

(3) the total amount of the eligible costs and expenses incurred exceeds \$5,000.

Sec. 171.904. CERTIFICATION OF ELIGIBILITY. (a) Before claiming, selling, or assigning a credit under this subchapter, the entity that incurred the eligible costs and expenses in the rehabilitation of a certified historic structure must request from the commission a certificate of eligibility on which the commission certifies that the work performed meets the definition of a certified rehabilitation. The entity must include with the entity's request:

(1) information on the property that is sufficient for the commission to determine whether the property meets the definition of a certified historic structure; and

(2) information on the rehabilitation, and photographs before and after work is performed, sufficient for the commission to determine whether the rehabilitation meets the United States secretary of the interior's Standards for Rehabilitation as defined in 36 C.F.R. Section 67.7.

(b) The commission shall issue a certificate of eligibility to an entity that has incurred eligible costs and expenses as provided by this subchapter. The certificate must:

(1) confirm that:

(A) the property to which the eligible costs and expenses relate is a certified historic structure; and

(B) the rehabilitation qualifies as a certified rehabilitation; and

(2) specify the date the certified historic structure was first placed in service after the rehabilitation.

(c) The entity must forward the certificate of eligibility and the following documentation to the comptroller to claim the tax credit:

(1) an audited cost report issued by a certified public accountant, as defined by Section 901.002, Occupations Code, that itemizes the eligible costs and expenses incurred in the certified rehabilitation of the certified historic structure by the entity;

(2) the date the certified historic structure was first placed in service after the rehabilitation and evidence of that placement in service; and

(3) an attestation of the total eligible costs and expenses incurred by the entity on the rehabilitation of the certified historic structure.

(d) For purposes of approving the tax credit under Subsection (c), the comptroller may rely on the audited cost report provided by the entity that requested the tax credit.

(e) An entity that sells or assigns a credit under this subchapter to another entity shall provide a copy of the certificate of eligibility, together with the audited cost report, to the purchaser or assignee.

Sec. 171.905. AMOUNT OF CREDIT; LIMITATIONS. (a) The total amount of the credit under this subchapter with respect to the rehabilitation of a single certified historic structure that may be claimed may not exceed 25 percent of the total eligible costs and expenses incurred in the certified rehabilitation of the certified historic structure.

(b) The total credit claimed for a report, including the amount of any carryforward under Section 171.906, may not exceed the amount of franchise tax due for the report after any other applicable tax credits.

(c) Eligible costs and expenses may only be counted once in determining the amount of the tax credit available, and more than one entity may not claim a credit for the same eligible costs and expenses.

Sec. 171.906. CARRYFORWARD. (a) If an entity is eligible for a credit that exceeds the limitation under Section 171.905(b), the entity may carry the unused credit forward for not more than five consecutive reports.

(b) A carryforward is considered the remaining portion of a credit that cannot be claimed in the current year because of the limitation under Section 171.905(b).

Sec. 171.907. APPLICATION FOR CREDIT. (a) An entity must apply for a credit under this subchapter on or with the report for the period for which the credit is claimed.

(b) An entity shall file with any report on which the credit is claimed a copy of the certificate of eligibility issued by the commission under Section 171.904 and any other information required by the comptroller to sufficiently demonstrate that the entity is eligible for the credit.

(c) The burden of establishing eligibility for and the value of the credit is on the entity.

Sec. 171.908. SALE OR ASSIGNMENT OF CREDIT. (a) An entity that incurs eligible costs and expenses may sell or assign all or part of the credit that may be claimed for those costs and expenses to one or more entities, and any entity to which all or part of the credit is sold or assigned may sell or assign all or part of the credit to another entity. There is no limit on the total number of transactions for the sale or assignment of all or part of the total credit authorized under this subchapter, however, collectively all transfers are subject to the maximum total limits provided by Section 171.905.

(b) An entity that sells or assigns a credit under this section and the entity to which the credit is sold or assigned shall jointly submit written notice of the sale or assignment to the comptroller on a form promulgated by the comptroller not later than the 30th day after the date of the sale or assignment. The notice must include:

- (1) the date of the sale or assignment;
- (2) the amount of the credit sold or assigned;

(3) the names and federal tax identification numbers of the entity that sold or assigned the credit or part of the credit and the entity to which the credit or part of the credit was sold or assigned; and

(4) the amount of the credit owned by the selling or assigning entity before the sale or assignment, and the amount the selling or assigning entity retained, if any, after the sale or assignment.

(c) The sale or assignment of a credit in accordance with this section does not extend the period for which a credit may be carried forward and does not increase the total amount of the credit that may be claimed. After an entity claims a credit for eligible costs and expenses, another entity may not use the same costs and expenses as the basis for claiming a credit.

(d) Notwithstanding the requirements of this subchapter, a credit earned or purchased by, or assigned to, a partnership, limited liability company, S corporation, or other pass-through entity may be allocated to the partners, members, or shareholders of that entity and claimed under this subchapter in accordance with the provisions of any agreement among the partners, members, or shareholders and without regard to the ownership interest of the partners, members, or shareholders in the rehabilitated certified historic structure, provided that the entity that claims the credit must be subject to the tax imposed under this chapter.

Sec. 171.909. RULES. The commission and the comptroller shall adopt rules necessary to implement this subchapter.

(b) This section takes effect January 1, 2015.

SECTION 15. Sections 171.0021, 171.1016(d), and 171.103(c) and (d), Tax Code, are repealed.

SECTION 16. Section 1(c), Chapter 286 (**HB 4765**), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.01, Chapter 4 (**SB 1**), Acts of the 82nd Legislature, 1st Called Session, 2011, is repealed.

SECTION 17. Section 2, Chapter 286 (**HB 4765**), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.02, Chapter 4 (**SB 1**), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (d), Section 171.002, Tax Code, is repealed.

SECTION 18. Section 3, Chapter 286 (**HB 4765**), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.03, Chapter 4 (**SB 1**), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (a), Section 171.0021, Tax Code, is repealed.

SECTION 19. This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 20. Except as otherwise provided by this Act, this Act takes effect January 1, 2014.

HB 500 - POINT OF ORDER

Representative Miles raised a point of order against further consideration of **HB 500** under Rule 13, Section 11(a) of the House Rules.

The speaker overruled the point of order and submitted the following statement:

Representative Miles raised a point of order against further consideration of **HB 500** under Rule 13, Section 11(a) of the House Rules, asserting that Section 7 of the analysis accompanying the conference committee report fails to provide the text that will be contained within the final conference committee report. The point of order is respectfully overruled.

The analysis of Section 7 shows three columns. The first column shows the house version of the bill, the middle shows the senate version, and the last column shows the differences, either by noting where it is "same as" the house or senate versions or by showing the text that is not identical to either the house or senate version of the bill. Having reviewed Section 7 of the section-by-section analysis and the conference committee report, the chair determines that the analysis accurately reflects the content of Section 7 of the conference committee report. Shortly after this point of order was overruled, Representative Y. Davis raised this same point of order again. It is respectfully overruled for the same reasons.

HB 500 - POINT OF ORDER

Representative Y. Davis raised a point of order against further consideration of **HB 500**.

The speaker overruled the point of order.

Representative Hilderbran moved to adopt the conference committee report on **HB 500**.

The motion to adopt the conference committee report on **HB 500** prevailed by (Record 1373): 131 Yeas, 14 Nays, 1 Present, not voting.

Yeas — Allen; Alvarado; Anderson; Ashby; Aycock; Bell; Bohac; Bonnen, D.; Bonnen, G.; Branch; Burkett; Button; Callegari; Canales; Capriglione; Carter; Clardy; Coleman; Cook; Cortez; Craddick; Creighton; Crownover; Dale; Darby; Davis, J.; Davis, S.; Deshotel; Dutton; Eiland; Elkins; Fallon; Farias; Farney; Farrar; Fletcher; Flynn; Frank; Frullo; Geren; Giddings; Goldman; Gonzales; González, M.; Gonzalez, N.; Gooden; Guerra; Guillen; Harless; Harper-Brown; Herrero; Hilderbran; Howard; Huberty; Hughes; Hunter; Isaac; Kacal; Keffer; King, K.; King, P.; King, S.; King, T.; Kleinschmidt; Klick; Kolkhorst; Krause; Kuempel; Larson; Laubenberg; Lavender; Leach; Lewis; Longoria; Lozano; Márquez; Martinez; McClendon; Menéndez; Miller, D.; Miller, R.; Moody; Morrison; Muñoz; Murphy; Naishtat; Nevárez; Oliveira; Orr; Otto; Paddie; Parker; Patrick; Perez; Perry; Phillips; Pickett; Pitts; Price; Raney; Ratliff; Raymond; Riddle; Ritter; Rodriguez, E.; Sanford; Schaefer; Sheets; Sheffield, J.; Sheffield, R.; Simmons; Simpson; Smith; Smithee; Springer; Stephenson; Stickland; Strama; Taylor; Thompson, E.; Thompson, S.; Toth; Turner, E.S.; Turner, S.; Villalba; Vo; White; Workman; Wu; Zedler; Zerwas.

Nays — Anchia; Burnam; Collier; Davis, Y.; Dukes; Gutierrez; Hernandez Luna; Johnson; Martinez Fischer; Miles; Rodriguez, J.; Rose; Turner, C.; Walle.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Lucio.

Absent — Alonzo; Reynolds; Villarreal.

STATEMENT OF VOTE

When Record No. 1373 was taken, my vote failed to register. I would have voted no.

Alonzo

ADJOURNMENT

Representative Aycock moved that the house adjourn until 10 a.m. today, Monday, May 27 in memory of Private First Class Christopher Michael Sroka, Fort Hood.

The motion prevailed.

The house accordingly, at 12:01 a.m. Monday, May 27, adjourned until 10 a.m. today.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

HR 2676 (By Flynn), Expressing a commitment to the elimination of illegal fishing and to the conservation of Texas marine resources.

To Culture, Recreation, and Tourism.

HR 2723 (By Kuempel), Directing the House Committee on Culture, Recreation, and Tourism to study regulatory oversight of the deer breeding industry.

To Culture, Recreation, and Tourism.

HR 2853 (By Keffer), Urging the U.S. Department of the Interior to withdraw the U.S. Bureau of Land Management's proposed rule to regulate hydraulic fracturing on federal and tribal lands.

To Energy Resources.

SIGNED BY THE SPEAKER

The following bills and resolutions were today signed in the presence of the house by the speaker:

House List No. 44

HB 31, HB 437, HB 595, HB 658, HB 697, HB 742, HB 950, HB 1023, HB 1125, HB 1127, HB 1223, HB 1324, HB 1479, HB 1606, HB 1632, HB 1659, HB 1734, HB 1751, HB 1864, HB 2062, HB 2204, HB 2422,

**HB 2590, HB 2620, HB 2645, HB 2862, HB 2895, HB 3028, HB 3209,
HB 3422, HB 3578, HB 3593, HB 3860, HB 3871, HB 3954, HCR 209**

House List No. 45

**HB 97, HB 232, HB 315, HB 431, HB 585, HB 866, HB 894, HB 1050,
HB 1090, HB 1193, HB 1206, HB 1357, HB 1366, HB 1372, HB 1678,
HB 1726, HB 1790, HB 1803, HB 1847, HB 2000, HB 2080, HB 2388,
HB 2550, HB 2562, HB 2612, HB 2825, HB 2859, HB 2912, HB 2978,
HB 3103, HB 3188, HB 3357, HB 3433, HB 3511, HB 3556**

Senate List No. 34

**SB 17, SB 123, SB 141, SB 209, SB 220, SB 247, SB 289, SB 351,
SB 357, SB 369, SB 485, SB 495, SB 499, SB 503, SB 514, SB 553, SB 562,
SB 605, SB 606, SB 628, SB 697, SB 701, SB 736, SB 893, SB 913, SB 939,
SB 946, SB 948, SB 958, SB 976, SB 987, SB 1035, SB 1044, SB 1053,
SB 1063, SB 1066, SB 1200, SB 1221, SB 1224, SB 1237, SB 1367, SB 1386,
SB 1406, SB 1437, SB 1451, SB 1459, SB 1475, SB 1484, SB 1542, SB 1556,
SB 1567, SB 1672, SB 1705, SB 1759, SB 1769, SB 1803, SB 1812, SB 1821,
SB 1832, SB 1835, SB 1838, SB 1841, SB 1846, SB 1861, SB 1864, SCR 36**

Senate List No. 36

**SB 39, SB 67, SB 168, SB 221, SB 251, SB 316, SB 404, SB 443, SB 453,
SB 475, SB 482, SB 490, SB 497, SB 498, SB 519, SB 585, SB 597, SB 624,
SB 637, SB 659, SB 662, SB 680, SB 718, SB 724, SB 725, SB 752, SB 763,
SB 809, SB 832, SB 837, SB 854, SB 869, SB 906, SB 1074, SB 1080,
SB 1083, SB 1098, SB 1100, SB 1145, SB 1195, SB 1771, SCR 27**

Senate List No. 37

**SB 124, SB 306, SB 393, SB 512, SB 555, SB 615, SB 722, SB 751,
SB 757, SB 778, SB 831, SB 1009, SB 1029, SB 1040, SB 1086, SB 1175,
SB 1255, SB 1256, SB 1266, SB 1268, SB 1297, SB 1313, SB 1322, SB 1376,
SB 1393, SB 1394, SB 1400, SB 1404, SB 1413, SB 1457, SB 1508, SB 1533,
SB 1553, SB 1557, SB 1585, SB 1590, SB 1597, SB 1604, SB 1609, SB 1635,
SB 1658, SB 1806, SB 1810, SB 1827, SB 1833, SB 1842, SB 1863, SB 1867,
SB 1873, SB 1879, SB 1891, SB 1899, SB 1913, SB 1917**

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
Sunday, May 26, 2013 - 1

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 752 Longoria SPONSOR: Hinojosa
Relating to the types of entities that are considered municipal water suppliers for purposes of the law governing the effect of the subdivision of certain land on certain irrigation water rights.

THE SENATE HAS CONCURRED IN THE HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 692 (31 Yeas, 0 Nays)

SB 950 (31 Yeas, 0 Nays)

SB 1090 (31 Yeas, 0 Nays)

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 7 (25 Yeas, 6 Nays)

HB 3142 (28 Yeas, 2 Nays)

SB 1 (27 Yeas, 4 Nays)

SB 215 (31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 2

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 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 CONCURRED IN THE HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 21 (30 Yeas, 0 Nays)

SB 44 (30 Yeas, 0 Nays)

SB 107 (30 Yeas, 0 Nays)

SB 227 (28 Yeas, 2 Nays)

SB 320	(30 Yeas, 0 Nays)
SB 321	(30 Yeas, 0 Nays)
SB 392	(30 Yeas, 0 Nays)
SB 414	(30 Yeas, 0 Nays)
SB 429	(30 Yeas, 0 Nays)
SB 454	(30 Yeas, 0 Nays)
SB 549	(30 Yeas, 0 Nays)
SB 709	(30 Yeas, 0 Nays)
SB 872	(30 Yeas, 0 Nays)
SB 993	(30 Yeas, 0 Nays)
SB 1058	(30 Yeas, 0 Nays)
SB 1116	(30 Yeas, 0 Nays)
SB 1159	(30 Yeas, 0 Nays)
SB 1210	(30 Yeas, 0 Nays)
SB 1289	(30 Yeas, 0 Nays)
SB 1317	(30 Yeas, 0 Nays)
SB 1398	(30 Yeas, 0 Nays)
SB 1411	(28 Yeas, 2 Nays)
SB 1419	(26 Yeas, 4 Nays)
SB 1599	(28 Yeas, 2 Nays)
SB 1601	(30 Yeas, 0 Nays)
SB 1610	(30 Yeas, 0 Nays)
SB 1620	(30 Yeas, 0 Nays)
SB 1630	(30 Yeas, 0 Nays)
SB 1643	(30 Yeas, 0 Nays)
SB 1702	(30 Yeas, 0 Nays)
SB 1720	(30 Yeas, 0 Nays)
SB 1727	(28 Yeas, 2 Nays, 1 Present, not voting)
SB 1853	(30 Yeas, 0 Nays)
SB 1877	(29 Yeas, 1 Nay)
SB 1908	(30 Yeas, 0 Nays)
SB 1910	(30 Yeas, 0 Nays)
SB 1916	(27 Yeas, 2 Nays)

THE SENATE HAS GRANTED THE REQUEST OF THE HOUSE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

HB 1675

Senate Conferees: Nichols - Chair/Birdwell/Huffman/Patrick/Whitmire

HB 2836

Senate Conferees: Patrick - Chair/Duncan/Seliger/Van de Putte/Williams

HB 3447

Senate Conferees: Uresti - Chair/Campbell/Hinojosa/Taylor/Zaffirini

HB 3569

Senate Conferees: Uresti - Chair/Estes/Hegar/Hinojosa/Schwertner

HB 3660

Senate Conferees: Hegar - Chair/Estes/Schwertner/Uresti/Watson

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 396 (30 Yeas, 0 Nays)

HB 429 (26 Yeas, 4 Nays)

HB 1534 (30 Yeas, 0 Nays)

HB 1768 (31 Yeas, 0 Nays)

SB 213 (30 Yeas, 0 Nays)

SB 396 (30 Yeas, 0 Nays)

SB 578 (29 Yeas, 1 Nay)

SB 700 (30 Yeas, 0 Nays)

SB 971 (30 Yeas, 0 Nays)

SB 1106 (30 Yeas, 0 Nays)

SB 1458 (30 Yeas, 0 Nays)

THE SENATE HAS DISCHARGED ITS CONFEREES AND CONCURRED IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 64 (30 Yeas, 0 Nays)

SB 1678 (20 Yeas, 8 Nays)

Respectfully,

Patsy Spaw

Secretary of the Senate

Message No. 3

MESSAGE FROM THE SENATE

SENATE CHAMBER

Austin, Texas

Sunday, May 26, 2013 - 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 586	(29 Yeas, 2 Nays)
HB 630	(31 Yeas, 0 Nays)
HB 773	(31 Yeas, 0 Nays)
HB 1897	(23 Yeas, 8 Nays)
HB 2818	(31 Yeas, 0 Nays)
HB 2982	(31 Yeas, 0 Nays)
HB 3093	(31 Yeas, 0 Nays)
HB 3520	(31 Yeas, 0 Nays)
HB 3903	(31 Yeas, 0 Nays)
SB 58	(31 Yeas, 0 Nays)
SB 219	(29 Yeas, 2 Nays)
SB 270	(31 Yeas, 0 Nays)
SB 281	(31 Yeas, 0 Nays)
SB 358	(31 Yeas, 0 Nays)
SB 359	(31 Yeas, 0 Nays)
SB 690	(31 Yeas, 0 Nays)
SB 910	(31 Yeas, 0 Nays)
SB 1907	(28 Yeas, 3 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 4

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 4

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

SCR 40 Seliger

Instructing the enrolling clerk of the senate to make corrections in **SB 347**.

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 5

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 5

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

SCR 38 Rodríguez

Instructing the enrolling clerk of the house to make corrections in **HB 2975**.

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 6

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 6

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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 194	(31 Yeas, 0 Nays)
HB 508	(22 Yeas, 9 Nays)
HB 1951	(20 Yeas, 11 Nays)
HB 2152	(31 Yeas, 0 Nays)
HB 2305	(31 Yeas, 0 Nays)

HB 3153	(30 Yeas, 1 Nay)
HB 3169	(31 Yeas, 0 Nays)
HB 3361	(30 Yeas, 1 Nay)
HB 3572	(31 Yeas, 0 Nays)
HB 3648	(29 Yeas, 2 Nays)
SB 460	(31 Yeas, 0 Nays)
SB 901	(31 Yeas, 0 Nays)
SB 1373	(31 Yeas, 0 Nays)
SB 1596	(30 Yeas, 1 Nay)
SB 1681	(31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 7

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 7

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:

SCR 41 Deuell

Instructing the enrolling clerk of the senate to make corrections in S.B. No. 1727.

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 8

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 8

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 DISCHARGED ITS CONFEREES AND CONCURRED IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SJR 1 (31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 9

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 9

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:

SCR 43 Williams

Instructing the enrolling clerk of the senate to make corrections in S.J.R. No. 1.

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 10

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 10

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:

SCR 44 Hinojosa

Instructing the enrolling clerk of the senate to make corrections to S.B. No. 8.

Respectfully,

Patsy Spaw
Secretary of the Senate

Message No. 11

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 11

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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 6	(30 Yeas, 1 Nay)
HB 12	(31 Yeas, 0 Nays)
HB 489	(30 Yeas, 1 Nay)
HB 680	(31 Yeas, 0 Nays)
HB 1025	(28 Yeas, 3 Nays)
HB 1675	(31 Yeas, 0 Nays)
HB 1926	(26 Yeas, 5 Nays)
HB 2012	(24 Yeas, 7 Nays)
HB 2741	(31 Yeas, 0 Nays)
HB 3106	(30 Yeas, 0 Nays, 1 Present, not voting)
HB 3390	(20 Yeas, 10 Nays)
HB 3447	(26 Yeas, 5 Nays)
HB 3459	(26 Yeas, 5 Nays)
HB 3569	(30 Yeas, 1 Nay)
HB 3793	(31 Yeas, 0 Nays)
SB 7	(30 Yeas, 1 Nay)
SB 8	(28 Yeas, 3 Nays)
SB 211	(31 Yeas, 0 Nays)
SB 217	(31 Yeas, 0 Nays)
SB 401	(29 Yeas, 2 Nays)
SB 484	(28 Yeas, 3 Nays)
SB 949	(31 Yeas, 0 Nays)
SB 1017	(30 Yeas, 1 Nay)

SB 1158 (31 Yeas, 0 Nays)

SB 1173 (31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 12

MESSAGE FROM THE SENATE
SENATE CHAMBER

Austin, Texas

Sunday, May 26, 2013 - 12

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:

SCR 39 Zaffirini

Instructing the enrolling clerk of the senate to make corrections in S.B. No. 1116.

SCR 42 Patrick

Instructing the enrolling clerk of the senate to make corrections to S.B. No. 217.

SCR 45 Uresti

Instructing the enrolling clerk of the senate to make corrections to S.B. No. 1747.

SCR 46 Hinojosa SPONSOR: Muñoz, Jr.

Commending the City of Pharr, South Texas College, the Pharr Police Department, and the Pharr-San Juan-Alamo Independent School District for collaborative efforts to develop the Regional Center for Public Safety Excellence.

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 13

MESSAGE FROM THE SENATE
SENATE CHAMBER

Austin, Texas

Sunday, May 26, 2013 - 13

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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 5 (31 Yeas, 0 Nays)
HB 500 (27 Yeas, 4 Nays)
HB 912 (26 Yeas, 5 Nays)
HB 2836 (31 Yeas, 0 Nays)
SB 2 (28 Yeas, 3 Nays)
SB 1747 (31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

APPENDIX

ENROLLED

May 25 - HB 31, HB 437, HB 742, HB 950, HB 1125, HB 1127, HB 1223, HB 1324, HB 1479, HB 1606, HB 1632, HB 1659, HB 1864, HB 2028, HB 2062, HB 2204, HB 2422, HB 2590, HB 2620, HB 2694, HB 2733, HB 2895, HB 3028, HB 3063, HB 3578, HB 3593, HB 3871, HB 3954, HCR 209

SENT TO THE GOVERNOR

May 25 - HB 48, HB 326, HB 394, HB 642, HB 674, HB 709, HB 789, HB 800, HB 842, HB 1009, HB 1093, HB 1097, HB 1245, HB 1349, HB 1511, HB 1545, HB 1755, HB 1846, HB 1931, HB 2021, HB 2233, HB 2304, HB 2446, HB 2447, HB 2500, HB 2621, HB 2712, HB 2781, HB 2913, HB 2918, HB 2972, HB 3015, HB 3042, HB 3126, HB 3276, HB 3314, HB 3566, HB 3643, HB 3761, HB 3952, HCR 57, HCR 116, HCR 121

SIGNED BY THE GOVERNOR

May 25 - HB 458, HB 525, HB 839, HB 1061, HB 1222, HB 1238, HB 1421, HB 1844, HB 1869, HB 2311, HB 2738, HB 2961, HCR 41, HCR 92, HCR 104, HCR 112, HCR 120, HCR 125, HCR 126, HCR 129, HCR 130, HCR 131, HCR 132, HCR 133, HCR 134, HCR 135, HCR 136, HCR 137, HCR 138, HCR 139, HCR 140, HCR 141, HCR 142, HCR 143, HCR 144, HCR 145, HCR 146, HCR 147, HCR 148, HCR 149, HCR 150, HCR 151, HCR 152, HCR 153, HCR 154, HCR 155, HCR 156, HCR 157, HCR 158, HCR 159, HCR 160, HCR 161, HCR 162, HCR 163, HCR 164, HCR 165, HCR 166, HCR 167, HCR 168, HCR 169, HCR 170, HCR 171,

**HCR 172, HCR 173, HCR 174, HCR 175, HCR 176, HCR 177, HCR 178,
HCR 179, HCR 180, HCR 181, HCR 182, HCR 183, HCR 184, HCR 185,
HCR 186, HCR 187, HCR 188, HCR 189, HCR 190, HCR 191, HCR 192,
HCR 193, HCR 194, HCR 195, HCR 196**

FILED WITHOUT THE GOVERNOR'S SIGNATURE

May 25 - HB 1600

VETOED BY THE GOVERNOR

May 25 - HB 535